

SUNNY SIDE UP CULTURE HOLDINGS LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

**RULES RELATING TO THE
SHARE AWARD SCHEME
ADOPTED BY THE SHAREHOLDERS OF
SUNNY SIDE UP CULTURE HOLDINGS
LIMITED**

Adopted by the Company on [●] 2024

I, [●], a director of Sunny Side Up Culture Holdings Limited (the “**Company**”) hereby certify that the rules of the attached share award scheme of the Company were conditionally adopted by the shareholders of the Company on [●] 2024 and became unconditional on [●] 2024.

Dated [●] 2024

Name:
Director

CONTENTS

<u>Rule</u>	Page
1. DEFINITIONS AND INTERPRETATION	3
2. PURPOSE OF THE SCHEME	8
3. CONDITIONS	8
4. DURATION	9
5. ADMINISTRATION	9
6. OPERATION OF THE SCHEME	11
7. TIMING OF AWARDS	14
8. AWARD LETTER AND NOTIFICATION OF GRANT OF AWARDS	15
9. ISSUE OF SHARES TO THE TRUSTEE AND ACQUISITION OF SHARES BY THE TRUSTEE	16
10. VESTING OF AWARD	17
11. CESSATION OF EMPLOYMENT AND OTHER EVENTS; CANCELLATION OF AWARDS	19
12. TRANSFERABILITY AND OTHER RIGHTS TO AWARDED SHARES	21
13. INTEREST IN THE ASSETS OF THE TRUST	22
14. TAKEOVER, RIGHTS ISSUE, OPEN OFFER, SCRIP DIVIDEND SCHEME, ETC.	23
15. SCHEME LIMIT	24
16. RETURNED SHARES	27
17. INTERPRETATION	27
18. ALTERATION OF THE SCHEME	27
19. TERMINATION	28
20. MISCELLANEOUS	29
21. GOVERNING LAW	31

1. DEFINITIONS AND INTERPRETATION

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

“Actual Selling Price”	the actual price at which the Awarded Shares are sold (net of brokerage, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy and any other applicable costs) on vesting of an Award pursuant to the Scheme or in the case of a vesting when there is an event of change in control or privatisation of the Company pursuant to Rule 14.1, the consideration receivable under the related scheme or offer;
“Adoption Date”	[●] 2024, being the date on which this Scheme becomes unconditional;
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong;
“associate”	shall have the meaning as set out in the GEM Listing Rules;
“associated company”	shall have the meaning as defined in the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants;
“Award(s)”	award(s) granted by the Board, the committee of the Board or person to which the Board has delegated its authority to a Selected Participant, which may vest in the form of Awarded Shares or the Actual Selling Price of the Awarded Shares in cash, as the Board, the committee of the Board or person to which the Board has delegated its authority (as the case may be) may determine in accordance with the terms of the Scheme Rules;
“Award Letter”	shall have the meaning as set out in Rule 8.1;
“Award Period”	the period of 10 years commencing on the Adoption Date, and ending on the Business Day immediately prior to the tenth anniversary of the Adoption Date;
“Awarded Shares”	the Shares, granted to a Selected Participant in an Award;
“Board”	the board of directors of the Company from time to time;
“board lot”	the standardized number of Shares as a trading unit from time to time as published on the website of the Stock Exchange;

“Business Day”	any day on which the Stock Exchange is open for the trading of securities;
“Bye-laws”	the bye-laws of the Company currently in force and as amended from time to time;
“close associate(s)”	shall have the meaning as set out in the GEM Listing Rules;
“Company”	Sunny Side Up Culture Holdings Limited, an exempted company incorporated in the Cayman Islands and continued in Bermuda with limited liability, and the issued shares of which are listed on GEM of the Stock Exchange (Stock Code: 8082);
“connected person”	shall have the meaning as set out in the GEM Listing Rules;
“core connected person”	shall have the meaning as set out in the GEM Listing Rules;
“Contributed Amount”	cash paid or made available to the Trust by way of settlement or otherwise contributed by the Company and/or its subsidiaries as permitted under the Scheme to the Trust as determined by the Board from time to time
“controlling shareholder”	shall have the meaning as set out in the GEM Listing Rules;
“Director(s)”	director(s) of the Company;
“Eligible Participant(s)”	including (a) the Employee Participant(s); and (b) the Service Provider(s), provided that the Board may have absolute discretion to determine whether or not one falls within the above category, subject to compliance with Chapter 23 of the GEM Listing Rules;
“Employee”	any employee (whether full-time or part-time employee) of any members of the Group provided that the Grantee shall not be taken as ceasing to be an Employee in the case of (a) any leave of absence duly approved by the Company; or (b) internal transfer or secondment amongst any members of the Group, and any successor thereof, and provided further that an Employee shall, for the avoidance of doubt, cease to be an Employee with effect from (and including) the date of termination of his employment;
“Employee Participant(s)”	the director(s) and employee(s) (whether full-time or part-time) of any member of the Group (including persons who are granted Awards under this Scheme as

	inducement to enter into employment contracts with the Group);
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange as may be amended from time to time;
“Grant Date”	the date on which the grant of an Award is made to a Selected Participant, being the date of the relevant Award Letter;
“Grantee”	any Eligible Participant who accepts the Award in accordance with the terms of this Scheme or (where the context so permits and as referred to in Rule 11.7) his Personal Representative(s);
“Group”	the Company and its Subsidiaries from time to time, and the expression “member of the Group” shall be construed accordingly;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“on-market”	the acquisition of Shares of the Company through one or more transactions through the facilities of the Stock Exchange in accordance with the GEM Listing Rules and any other applicable laws and regulations;
“Personal Representative(s)”	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee, is or are entitled to be vested with the Awarded Shares granted to such Grantee (to the extent not already vested);
“Related Income”	in relation to a Share, all income derived from a Share held under the Trust in the form of Shares (including bonus Shares, scrip dividend), but shall not include any nil-paid rights, warrants, options and/or non-scrip distributions which are derived from the Share or the net proceeds from any sale of such rights, warrants, options and/or Residual Cash;
“Residual Cash”	cash in the Trust Fund (including without limitation (i) any Contributed Amount or any remaining amount thereof; (ii) any cash income or dividends derived from Shares held under the Trust; (iii) other cash income or net proceeds of sale of non-scrip distribution derived from or in respect of the Shares held under the Trust; and (iv) all interest or income derived from deposits maintained with

licensed banks in Hong Kong) which has not been applied in the purchase and/or subscription of any Shares;

“Returned Shares”	such Awarded Shares or Related Income that are not vested and/or are forfeited in accordance with the terms of the Scheme, or such Shares being deemed to be so under the Scheme Rules;
“Scheme”	this share award scheme adopted by the Company in accordance with these Scheme Rules on the Adoption Date in its present form or as may be amended from time to time;
“Scheme Limit”	shall have the meaning set out in Rule 15.1;
“Scheme Rules”	the rules set out herein relating to the Scheme as amended from time to time;
“Selected Participant”	any Eligible Participant approved for participation in the Scheme and who has been granted any Award pursuant to Rule 6.1 or Rule 6.2;
“Service Provider(s)”	person(s) who provide services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, which include any independent distributor, contractor, supplier, agent, consultant or adviser to any member of the Group: (i) where the continuity and frequency of their services are akin to those of employees of the Group; or (ii) after stepping down from an employment or director position with the Group, who provide advisory services, consultancy services and/or other professional services to the Company on areas relating to the Group's principal business activities in (i) the media and entertainment business segment; and/or (ii) the cremation and funeral services businesses segment that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group, for example, offering specific industry advice on the Group's business and financial or commercial strategy, and provided that any placing agent or financial adviser providing advisory services for fundraising, mergers or acquisitions, and other professional services provider such as auditor or valuer who provide assurance or are required to perform their services with impartiality and objectivity are excluded from such category and the Board shall have absolute discretion to determine whether or not one falls within such category;

“Service Sublimit”	Provider	shall have the meaning set out in Rule 15.2;
“SFC”		the Securities and Futures Commission of Hong Kong;
“SFO”		the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong);
“Shareholders”		holders of Shares from time to time;
“Shares”		ordinary shares with a nominal value of HK\$0.025 each in the share capital of the Company, or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, shares forming part of the ordinary share capital of the Company of such other nominal amount as shall result from any such sub-division, consolidation re-classification or re-construction;
“Stock Exchange”		The Stock Exchange of Hong Kong Limited;
“Subsidiary”		any subsidiary (as the term is defined in the GEM Listing Rules) of the Company;
“Taxes”		shall have the meaning as set out in Rule 10.8;
“Trust”		the trust constituted by the Trust Deed to service the Scheme;
“Trust Deed”		the trust deed to be entered into between the Company and the Trustee (as may be restated, supplemented and amended from time to time);
“Trustee”		the trustee appointed by the Company for the purpose of the Trust, and initially, Greenfield Services Limited;
“Vesting Date”		the date or dates, as determined from time to time by the Board, the committee of the Board or person to which the Board has delegated its authority, on which the Award (or part thereof) is to vest in the relevant Selected Participant as set out in the relevant Award Letter pursuant to Rule 8.1, unless a different Vesting Date is deemed to occur in accordance with Rule 14.1; and
“Vesting Notice”		shall have the meaning as set out in Rule 10.4.

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

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

- (b) references to times of the day are to Hong Kong time;
- (c) if a period of time is specified as from a given day, or from the day of an act or event, it shall be calculated exclusive of that day;
- (d) a reference to “**dollars**” or to “**\$**” shall be construed as a reference to the lawful currency for the time being of Hong Kong;
- (e) a reference, express or implied; to statutes, statutory provisions or the 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;
- (f) unless otherwise indicated, the Board can make determinations in its absolute discretion and, subject to the Bye-laws, if the Board delegates its authority to administer the Scheme to a committee of the Board or other person, the committee of the Board or such other person shall enjoy the same absolute discretion;
- (g) a reference to “**include**”, “**includes**” and “**including**” shall be deemed to be followed by the words “**without limitation**”;
- (h) words importing the singular include the plural and vice versa, and words importing a gender include every gender;
- (i) headings are included in the Scheme Rules for convenience only and do not affect its interpretation; and
- (j) references to any statutory body shall include the successor thereof and anybody established to replace or assume the functions of the same.

2. PURPOSE OF THE SCHEME

2.1 The purposes of the Scheme are:

- (a) to recognise the contributions by certain employees and persons to the Group;
- (b) to provide the Eligible Participants with additional incentives in order to retain them for the continual operation and development of the Group; and
- (c) to attract suitable personnel for further development of the Group.

3. CONDITIONS

3.1 The Scheme is conditional upon:

- (a) the GEM Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in any new Shares which may fall to be allotted and issued by the Company to the Trustee pursuant to the Scheme; and
 - (b) the passing of a resolution at a general meeting of the Company to approve the adoption of the Scheme and to authorise the Directors to grant Awards under the Scheme and to allot, issue, procure the transfer of and otherwise deal in the Awarded Shares in connection with the Scheme.
- 3.2 Reference in Rule 3.1 to the GEM Listing Committee of the Stock Exchange formally granting the approvals, listing and permission referred to therein shall include any such approvals, listing and permission which are granted subject to conditions.
- 3.3 A certificate of a Director that the conditions set out in Rule 3.1 have been satisfied and the date on which such conditions were satisfied or that such conditions have not been satisfied as of any particular date and the exact date of the Adoption Date shall be conclusive evidence of the matters certified.
- 3.4 The Company must publish an announcement on the outcome of the Shareholders meeting as referred to in Rule 3.1(b) 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 the GEM Listing Rules.

4. DURATION

- 4.1 Subject to Rule 19, the Scheme shall be valid and effective for the Award Period (after which no further Awards will be granted), and thereafter for so long as there are any non-vested Awarded Shares granted hereunder prior to the expiration of the Scheme, in order to give effect to the vesting of such Awarded Shares or otherwise as may be required in accordance with the provisions of the Scheme Rules.

5. ADMINISTRATION

- 5.1 The Scheme shall be subject to the administration of the Board in accordance with the Scheme Rules and, where applicable, the Trust Deed. A decision of the Board or the committee of the Board or person to which the Board has delegated its authority shall (save as otherwise provided herein and in the absence of manifest error) be final and binding on all persons affected thereby.
- 5.2 The authority to administer the Scheme may be delegated by the Board to a committee of the Board, provided that nothing in this Rule 5.2 shall prejudice the Board's power to revoke such delegation at any time or derogate from the discretion rested with the Board as contemplated in Rule 5.1.
- 5.3 Subject to any restriction in the Scheme Rules and the GEM Listing Rules, it is noted that as at the Adoption Date the Board has delegated to each of Mr. Chong Cho Lam and

Mr. Dong Choi Chi, Alex the authority for any of them to administer the Scheme, including the power to grant an Award under the Scheme.

- 5.4 Without prejudice to the Board's general power of administration, the Board or the committee of the Board or person to which the Board has delegated its authority may from time to time appoint one or more administrators, who may be independent third party contractors or service providers, to assist in the administration of the Scheme, to whom they, at their sole discretion, may delegate such functions relating to the administration of the Scheme as they may think fit. The duration of office, terms of reference and remuneration (if any) of such administrator shall be determined by the Board at their sole discretion from time to time.
- 5.5 Without prejudice to the Board's general power of administration, to the extent not prohibited by applicable laws and regulations, the Board or the committee of the Board or person to which the Board has delegated its authority may also from time to time appoint one or more Trustees in respect of granting, administration or vesting of any Awarded Shares.
- 5.6 Subject to the Scheme Rules, the GEM Listing Rules and any applicable laws and regulations, the Board and the committee of the Board or person to which the Board has delegated its authority shall have the power, *inter alia*, from time to time to:
- (a) construe and interpret the Scheme Rules and the terms of the Awards granted under the Scheme;
 - (b) make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the Scheme, provided that they are not inconsistent with the Scheme Rules;
 - (c) decide how the vesting of the Awards Shares will be settled pursuant to Rule 10;
 - (d) grant Awards to those Eligible Participants whom it shall select from time to time;
 - (e) determine the terms and conditions of the Awards;
 - (f) determine the commencement or termination date of an Eligible Participant's employment with any member of the Group;
 - (g) establish and administer performance targets in respect of the Scheme;
 - (h) approve the form of an Award Letter; and
 - (i) take such other steps or actions to give effect to the terms and intent of the Scheme Rules.
- 5.7 None of the directors of the Company or any person 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 to whom the Board has delegated its authority in relation to the administration or interpretation of the Scheme, against any cost or expense (including legal fees) or liability (including any sum paid in settlement

of a claim with the approval of the Board) arising out of any act or omission to act in connection with the Scheme unless arising out of such person's own willful default, fraud or bad faith.

6. OPERATION OF THE SCHEME

- 6.1 The Board may, from time to time, at its absolute discretion select any Eligible Participant to be a Selected Participant and, subject to Rule 6, grant an Award to such Selected Participant during the Award Period.
- 6.2 The committee of the Board or person to which the Board has delegated its authority may, from time to time, select any Eligible Participant other than a director or an officer of the Company to be a Selected Participant and subject to Rule 6, grant an Award to such Selected Participant during the Award Period.
- 6.3 In determining the Selected Participants, the Board or the committee of the Board or person to which the Board has delegated its authority may take into consideration matters including the present and expected contribution of the relevant Selected Participant to the Group.
- 6.4 In determining the basis of eligibility of each Eligible Participant, the Board would take into account of (i) the experience of the Eligible Participant on the Group's business; (ii) the length of service of the Eligible Participant with the Group (if the Eligible Participant is an Employee Participant); (iii) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider); and (iv) the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.
- 6.5 With respect to Employee Participants, the Board will consider, amongst others, their general working experience, time commitment (full-time or part-time), length of their service within the Group, working experience, responsibilities and employment conditions according to the prevailing market practice and industry standard, or where appropriate, contribution or potential contribution to the Group. In determining whether a person has contributed or will contribute to the Group, the Group will take into account, among other things, whether contribution has been made to or will be made to the Group in terms of operation, financial performance, prospects, growth, reputation and image of the Group.
- 6.6 For Service Providers, the factors in assessing whether such Service Provider is eligible to participate in this Scheme include, in particular: (i) the individual performance of relevant Service Providers; (ii) the length of business relationship with the Group; (iii) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (iv) track record in the quality of services provided to and/or cooperation with the Group; and (v) the scale of business dealings with the

Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Provider.

6.7 Further, with respect to the eligibility of each category of the Service Providers, the Board will, on a case by case basis, specifically consider the following factors:

(a) Supplier

Service Providers under this category are mainly suppliers of services, who/which support the Group's businesses of (i) the media and entertainment segment; and/or (ii) the cremation and funeral services segment that are desirable or necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group.

The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such distributor, including but not limited to: (i) the nature, reliability and quality of the services supplied; (ii) the value of the services provided by the relevant supplier; (iii) the frequency of collaboration and length of business relationship with the Group; (iv) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (v) the background, reputation and track record of the relevant supplier; (vi) the replacement cost of such supplier and/or the services (including continuity and stability of supply or provision of such services); and (vii) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such supplier could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by the services supplied and/or provided by such supplier.

(b) Independent contractor, agent, consultant and advisor

Service Providers under this category are mainly independent contractors, agents, consultants and advisers who provided advisory services, consultancy services, and/or other professional services to the Group on areas relating to the Group's principal business activities in (i) the media and entertainment segment; and/or (ii) the cremation and funeral services segment that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge in the abovementioned fields.

The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such contractor, agent, consultant and/or adviser, including but not limited to: (1) individual performance of the relevant contractor, agent, consultant and/or adviser; (2) their knowledge, experience and network in the relevant industry; (3) the frequency of collaboration and length of business relationship with the Group; (4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced

by third parties); (5) the background, reputation and track record of the relevant contractor, agent, consultant and/or adviser; (6) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such contractor, agent, consultant and/or adviser could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by services provided by such contractor, agent, consultant and/or adviser; (7) the replacement cost of such contractor, agent, consultant and/or adviser (including continuity and stability of provision of the necessary services); and (8) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant contractor, agent, consultant and/or adviser, and/or the synergy between the relevant contractor, agent, consultant and/or adviser and the Group.

In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis and in its ordinary and usual course of business, the Board will take into consideration (i) the length and type of services provided and the recurrences and regularity of such services; (ii) the nature of the services provided to the Group by the Service Provider; and (iii) whether such services form part of or are directly ancillary to the businesses conducted by the Group.

- 6.8 The Board may at its discretion specify any condition in the offer letter at the grant of the relevant Award which must be satisfied before the Awarded Shares may be vested. Save as determined by the Board and provided in the Award Letter of the grant of the relevant Award, there is no performance target which must be achieved before an Award can be vested under the terms of this Scheme, and save as set out in Rules 11 and 16, there is no clawback mechanism for the Company to recover or withhold any Awards granted to any Eligible Participant. Unless otherwise determined by the Board or the remuneration committee of the Company in its absolute discretion at the relevant time for each individual Award after considering factors including but not limited to the prevailing closing price of the Shares, the purpose of the Share Award Scheme and the characteristics and profile of the relevant Selected Participant, a Selected Participant is not required to bear or pay any price or fee for the acceptance of the Award.
- 6.9 Any grant of Award(s) to any of the Director(s), chief executive of the Company or substantial Shareholder(s) (as defined in the GEM Listing Rules) or any of their respective associates shall be subject to the prior approval of the independent non-executive directors of the Company, provided that any independent non-executive director who has interest in the grant of an Award shall abstain from voting on any resolution by which the Award is proposed.
- 6.10 Notwithstanding the provision in Rule 6.1 and Rule 6.2, no grant of any Awarded Shares to any Selected Participant may be made:
- (a) in any circumstances where the requisite approval from any applicable regulatory authorities has not been granted;
 - (b) in any circumstances that any member of the Group will be required under applicable securities laws, rules or regulations to issue a prospectus or other offer documents in respect of such Award or the Scheme, unless the Board determines otherwise;

- (c) where such Award would result in a breach by any member of the Group or its directors of any applicable securities laws, rules or regulations in any jurisdiction;
- (d) where such grant of Award would result in a breach of the Scheme Limit or would otherwise cause the Company to issue Shares in excess of the permitted amount in the mandate approved by the Shareholders; or
- (e) where an Award is to be satisfied by way of issue of new Shares to the Trustee, in any circumstances that cause the total Shares issued or allotted to connected persons to be in excess of the amount permitted in the mandate approved by the shareholders;

and any such grant so made shall be null and void to the extent (and only to the extent) that it falls within the circumstances above.

7. TIMING OF AWARDS

7.1 No Award shall be made or vested to Selected Participants pursuant to Rule 6 and no directions or recommendation shall be given to the Trustee with respect to granting or vesting of an Award or any acquisition, receipt or disposal of or dealing in Shares under the Scheme after inside information (has the meaning defined in the SFO) has come to the knowledge of the Company until (and including) the trading day after it has been announced pursuant to the requirements of the GEM Listing Rules. In particular, during the period commencing one (1) month immediately preceding the earlier of:

- (a) the date of Board meeting (as such date is first notified to the Stock Exchange under the GEM Listing Rules) for the approval of the Company's results for any year, half-year or quarter year period or any other interim period (whether or not required under the GEM Listing Rules); and
- (b) the deadline for the Company to announce its results for any year or half-year, or quarterly or any other interim period (whether or not required under the GEM Listing Rules),

and ending on the date of the results announcement, and for the avoidance of doubt, no Awards may be made during any period of delay in publishing a results announcement; and 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.

For the avoidance of doubt, in compliance with the GEM Listing Rules, a Director must not deal in any securities of the Company (and no Awards may be granted to a Director) on any day on which its financial results are published and:

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

- (b) during the period of 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 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 Rule 5.67 of the GEM Listing Rules.

- 7.2 In respect of the administration of the Scheme, the Company shall comply with all applicable laws, rules and regulations including the disclosure and other regulations imposed by the GEM Listing Rules.

8. AWARD LETTER AND NOTIFICATION OF GRANT OF AWARDS

- 8.1 The Company shall issue a letter to each Selected Participant in such form as the Board or the committee of the Board or person to which the Board has delegated its authority may from time to time determine, specifying the Grant Date, the number of Awarded Shares underlying the Award, the vesting criteria and conditions, and the Vesting Date and such other details as they may consider necessary (an “**Award Letter**”).
- 8.2 Upon receipt of the Award Letter, the Selected Participants are required to confirm their acceptance of the Award by returning to the Company a notice of acceptance duly executed by them within 14 days after the grant date (the “**Acceptance Period**”). If any Selected Participant fails to return such notice to the Company before expiration of the Acceptance Period, the Award will be deemed not to have taken effect and shall automatically lapse forthwith on the day following the last day of the Acceptance Period.
- 8.3 Unless otherwise determined by the Board or the remuneration committee of the Company in its absolute discretion at the relevant time for each individual Award after considering factors including but not limited to the prevailing closing price of the Shares, the purpose of this Scheme and the characteristics and profile of the relevant Selected Participant, a Selected Participant is not required to bear or pay any purchase price or fee for the acceptance of the Award.
- 8.4 As soon as practicable after the grant of an Award to and acceptance by a Selected Participant, the Company shall notify the Trustee of:
 - (a) the name, address, identity card/passport number and position of the relevant Selected Participant, and whether the Selected Participant is a connected person as defined in the GEM Listing Rules;
 - (b) the number of Awarded Shares to which such Award relates;
 - (c) the date and conditions (if any) of vesting of such Award;
 - (d) the performance targets (if any) that must be achieved before any of the Awarded Shares may be vested in the Selected Participant under such Award;
 - (e) such other terms and conditions relating to such Award which are in the opinion of the Company fair and reasonable and are not inconsistent with the Scheme Rules; and

- (f) the manner and number of the Awarded Shares to be obtained by the Trustee pursuant to Rule 9.

9. ISSUE OR TRANSFER OF SHARES TO THE TRUSTEE AND ACQUISITION OF SHARES BY THE TRUSTEE

- 9.1 Subject to Rules 9.4 and 9.6, the Company shall, as soon as reasonably practicable and no later than 30 Business Days from the Grant Date, for the purposes of satisfying the grant of Awards, (i) allot and issue Shares to the Trustee; and/or (ii) procure the transfer of Shares from an existing Shareholder to the Trustee; and/or (iii) transfer to the Trust the necessary funds and instruct the Trustee to acquire Shares through on-market transactions at the prevailing market price. The Company shall bear and shall procure the said Shareholder to bear (as the case may be) all duties, taxes, fees, penalties, costs, disbursements and expenses arising out of the foregoing.
- 9.2 Subject to Rule 16, the Company shall instruct the Trustee whether or not to apply any Returned Shares to satisfy any grant of Awards made, and if the Returned Shares, as specified by the Company, are not sufficient to satisfy the Awards granted, the Company shall, subject to Rules 9.4 and 9.6, as soon as reasonably practicable and no later than 30 Business Days from the Grant Date, for purposes of satisfying the Awards granted, (i) allot and issue further Shares to the Trustee; and/or (ii) procure the transfer of further Shares from an existing Shareholder to the Trustee; and/or (iii) transfer to the Trust the necessary funds and instruct the Trustee to acquire further Shares through on-market transactions at the prevailing market price. The Company shall bear and shall procure the said Shareholder to bear (as the case may be) all duties, taxes, fees, penalties, costs, disbursements and expenses arising out of the foregoing.
- 9.3 Where the Trustee has received instructions from the Company to acquire Shares through on-market transactions, the Trustee shall acquire such number of Shares as instructed by the Company on-market at the prevailing market price as soon as reasonably practicable and within 20 Business Days on which the trading of Shares has not been suspended (or such longer period as the Trustee and the Board may agree from time to time having regard to the circumstances of the purchase concerned) after receiving the necessary funds from the Company, subject to Rule 9.6.
- 9.4 For the avoidance of doubt, the Company shall not allot or issue Shares in excess of the amount permitted in the mandate approved by the Shareholders.
- 9.5 The Trustee shall only be obliged to transfer Awarded Shares to Selected Participants on vesting to the extent that Awarded Shares are comprised in the Trust.
- 9.6 The Company shall neither allot or issue Shares nor instruct the Trustee to acquire Shares through on-market transactions at the prevailing market price or receive Shares from an existing Shareholder or otherwise deal in any Shares, where such action (as the case may be) is prohibited under the GEM Listing Rules, the SFO or other applicable laws from time to time. Where such a prohibition causes the prescribed timing imposed by the Scheme Rules or the Trust Deed to be missed, such prescribed timing shall be postponed to such date (the “**Postponed Date**”) as shall be notified by the Company to the Trustee in writing (the “**Postponement Notice**”) provided that the Postponed Date shall be a date falling at least 2 Business Days after the Postponement Notice and a date on which Shares

are traded on the Stock Exchange and the prohibition no longer prevents the relevant action.

10. VESTING OF AWARD

- 10.1 The Board or the committee of the Board or person to which the Board has delegated its authority may from time to time while the Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the Award to be vested hereunder.
- 10.2 If the Vesting Date is not a Business Day, the Vesting Date shall, subject to any trading halt or suspension in the Shares, be the Business Day immediately thereafter.
- 10.3 Save for the circumstances prescribed in Rule 10.9, an Award must be held by the Trustee for at least twelve (12) months (the “**Vesting Period**”) before the Awarded Shares can be vested in the Grantee. For the purposes of vesting of the Award, the Board or the committee of the Board or person to which the Board has delegated its authority may either:
- (a) direct and procure the Trustee to release from the Trust the Awarded Shares to the Selected Participants by transferring the number of Awarded Shares to the Selected Participants in such manner as determined by them from time to time; or
 - (b) to the extent that, at the determination of the Board or the committee of the Board or person to which the Board has delegated its authority, it is not practicable for the Selected Participant to receive the Award in Shares solely due to legal or regulatory restrictions with respect to the Selected Participant’s ability to receive the Award in Shares or the Trustee’s ability to give effect to any such transfer to the Selected Participant, the Board or the committee of the Board or person to which the Board has delegated its authority will direct and procure the Trustee to sell, on-market at the prevailing market price, the number of Awarded Shares so vested in respect of the Selected Participant and pay the Selected Participant in cash arising from such sale based on the Actual Selling Price of such Awarded Shares as set out in the Vesting Notice.
- 10.4 Except in the circumstances as set out in Rule 10.8, barring any unforeseen circumstances, within a reasonable time as agreed between the Trustee and the Board from time to time prior to any Vesting Date, the Board or the committee of the Board or person to which the Board has delegated its authority shall send to the relevant Selected Participant a vesting notice (the “**Vesting Notice**”) and if required, procure the Trustee to send such prescribed transfer documents which require the Selected Participant to execute to effect the vesting and transfer of the Awarded Shares. The Board or the committee of the Board or person to which the Board has delegated its authority shall forward a copy of the Vesting Notice to the Trustee and instruct the Trustee the extent to which the Awarded Shares held in the Trust shall be transferred and released from the Trust to the Selected Participant in the manner as determined by the Board or the committee of the Board or person to which the Board has delegated its authority, or be sold so as to pay the Selected Participant the Actual Selling Price of such Awarded Shares pursuant to Rule 10.3(b).

- 10.5 Except in the circumstances as set out in Rule 10.8, subject to the receipt of the Vesting Notice and the instructions from the Board or the committee of the Board or person to which the Board has delegated its authority, the Trustee shall transfer and release the relevant Awarded Shares to the relevant Selected Participant in the manner as determined by the Board or the committee of the Board or person to which the Board has delegated its authority or sell the relevant Awarded Shares and pay the Actual Selling Price to the Selected Participant within a reasonable time period in satisfaction of the Award.
- 10.6 Any stamp duty or other direct costs and expenses arising on vesting and transfer of the Awarded Shares to or for the benefit of the Selected Participants shall be borne by the Company. Any duty or other direct costs and expenses arising on the sale of the Awarded Shares due to the vesting shall be borne by the Selected Participant.
- 10.7 All costs and expenses in relation to all dealings with the Awarded Shares after vesting and transferring of the Awarded Shares to the Selected Participant shall be borne by the Selected Participant and neither the Company nor the Trustee shall be liable for any such costs and expenses thereafter.
- 10.8 Other than the stamp duty to be borne by the Company in accordance with Rule 10.6, all other taxes (including personal income taxes, professional taxes, salary taxes and similar taxes, as applicable), duties, social security contributions, impositions, charges and other levies arising out of or in connection with the Selected Participant's participation in the Scheme or in relation to the Awarded Shares or cash amount of equivalent value of the Awarded Shares or the Actual Selling Price (the “**Taxes**”) shall be borne by the Selected Participant and neither the Company nor the Trustee shall be liable for any Taxes. The Selected Participant will indemnify the Trustee and all members of the Group against any liability each of them may have to pay or account for such Taxes, including any withholding liability in connection with any Taxes. To give effect to this, the Trustee or any member of the Group (as the case may be) may, notwithstanding anything else in these Scheme Rules (but subject to applicable laws and regulations):
- (a) reduce or withhold the number of the Selected Participant's Awarded Shares underlying the Award (the number of Awarded Shares underlying the Award that may be reduced or withheld shall be limited to the number of Awarded Shares that have a fair market value on the date of withholding that, in the reasonable opinion of the Company is sufficient to cover any such liability);
 - (b) sell, on the Selected Participant’s behalf, such number of Shares to which the Selected Participant becomes entitled under the Scheme and retain the proceeds and/or pay them to the relevant authorities or government agency;
 - (c) deduct or withhold, without notice to the Selected Participant, the amount of any such liability from any payment to the Selected Participant made under the Scheme or from any payments due from a member of the Group to the Selected Participant, including from the salary payable to the Selected Participant by any member of the Group; and/or
 - (d) require the Selected Participant to remit to any member of the Group, in the form of cash or a certified or bank cashier's check, an amount sufficient to satisfy any Taxes or other amounts required by any governmental authority to be withheld and paid over to such authority by any member of the Group on account of the

Selected Participant or to otherwise make alternative arrangements satisfactory to the Company for the payment of such amounts.

The Trustee shall not be obliged to transfer any Awarded Shares (or pay the Actual Selling Price of such Awarded Shares in cash) to a Selected Participant unless and until the Selected Participant satisfies the Trustee and the Company that such Selected Participant's obligations under this Rule 10.8 have been met.

10.9 The Board (or the remuneration committee of the Company where it relates to grants of Awards to an Employee Participant who is a Director and/or senior manager of the Company) may at its discretion grant a shorter Vesting Period to an Employee Participant in the following circumstances:

- (a) grants of “make-whole” Award(s) to new joiners to replace the share awards they forfeited when leaving the previous employers;
- (b) grants to an Employee Participant whose employment is terminated due to death 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 Awards 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 would have been granted;
- (d) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of twelve (12) months; or
- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria.

11. CESSATION OF EMPLOYMENT AND OTHER EVENTS; CANCELLATION OF AWARDS

11.1 If a Selected Participant ceases to be an Eligible Participant by reason of retirement of the Selected Participant, any outstanding Awarded Shares not yet vested shall continue to vest in accordance with the Vesting Dates set out in the Award Letter, unless the Board or the committee of the Board or person to which the Board has delegated its authority determines otherwise at their absolute discretion.

11.2 If a Selected Participant ceases to be an Eligible Participant by reason of (i) his/her 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; (ii) termination of the Selected Participant's employment or contractual engagement with the Group by reason of his/her permanent physical or mental disablement; or (iii) termination of the Selected Participant's employment or contractual engagement with the Group by reason of redundancy, any outstanding Awarded Shares not yet vested shall be immediately forfeited, unless the

Board or the committee of the Board or person to which the Board has delegated its authority determines otherwise at their absolute discretion.

- 11.3 In the event of death of a Selected Participant, the Board or the committee of the Board or person to which the Board has delegated its authority shall promptly notify the Trustee in writing as to whether the outstanding Awarded Shares to the deceased Selected Participant or any part thereof shall be deemed to have been vested immediately prior to his death. All outstanding Awarded Shares not deemed to have been so vested shall be deemed forfeited upon the death of the Selected Participant.
- 11.4 In the event of the Grantee who is a Service Provider ceases to be an Eligible Participant by reason of breach of contract entered into between such Eligible Participant and the Group, or termination of his/her/its engagement or appointment, in the absolute determination of the Board or the Board in its sole and absolute opinion believes such Grantee has become a competitor of the Group, or if a Selected Participant is declared bankrupt or becomes insolvent or makes any arrangements or composition with his or her creditors generally, has committed any serious misconduct, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group into disrepute), any outstanding Awarded Shares not yet vested shall be immediately forfeited, unless the Board or the committee of the Board or person to which the Board has delegated its authority determines otherwise at their absolute discretion.
- 11.5 If a Selected Participant ceases to be an Eligible Participant for reasons other than those set out in Rule 11.1, 11.2, 11.3 or 11.4, any outstanding Awarded Shares not yet vested shall be immediately forfeited, unless the Board or the committee of the Board or person to which the Board has delegated its authority determines otherwise at their absolute discretion.
- 11.6 A Selected Participant shall be taken to have retired on the date that he or she retires upon or after reaching the age of retirement specified in his service agreement or pursuant to any retirement policy of the relevant member of the Group applicable to him from time to time or, in case there is no such terms or retirement applicable to the Selected Participant, with the approval of the Board or the board of the applicable member of the Group.
- 11.7 In the event that an Award or any part thereof to a Selected Participant vests by reason of the death of such Selected Participant, the Trustee shall hold such number of Awards Shares as are equal to the Vested Awarded Shares or the Actual Selling Price (hereinafter referred to as “**Benefits**”) on trust and to transfer the same to the Personal Representatives of the Selected Participant upon receipt of the following from the said Personal Representatives within two years of the death of the Selected Participant (or such longer period as the Trustee and the Company shall agree from time to time):
- (a) a copy of the death certificate of such deceased Selected Participant and/or such other documentary evidence of death of such deceased Selected Participant;
 - (b) a copy of the documentary evidence proving the authority of such Personal Representative; and

- (c) such other documents as reasonably required by the Trustee to confirm the entitlement of such Personal Representative to the Award,

or, if the Benefits would otherwise become bona vacantia, the Benefits shall be forfeited and cease to be transferable and shall be held by the Trustee as Returned Shares or funds of the Trust for the purposes of the Scheme. Notwithstanding the foregoing, the Benefits held upon the trust hereof shall until transfer is made in accordance herewith be retained and may be invested and otherwise dealt with by the Trustee in every way as if they had remained part of the Trust.

- 11.8 The Company shall, from time to time, inform the Trustee in writing, the date in which such Selected Participant ceased to be an Eligible Participant and any amendments to the terms and conditions of the Award in respect to such Selected Participant (including the number of Awarded Shares entitled).
- 11.9 Subject to Rule 11 and Rule 12, any Award granted but not vested may not be cancelled or forfeited except with the written consent of the relevant Grantee and the prior approval of the Directors. Where the Company cancels and/or forfeits the Awards granted to a Selected Participant and makes a new grant to the same Grantee, such new grant may only be made under this Scheme with available limit approved by Shareholders as set out in paragraphs 15.1 to 15.4. The Awards cancelled and/or forfeited will be regarded as utilised for the purpose of calculating the Scheme Limit and the Service Provider Limit.

12. TRANSFERABILITY AND OTHER RIGHTS TO AWARDED SHARES

- 12.1 Any Award granted hereunder but not yet vested shall be personal to the Selected Participant to whom it is made and shall not be assignable nor transferable, and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any other person over or in relation to any Award, or enter into any agreement to do so.

The Stock Exchange may consider granting a waiver to allow a transfer to a vehicle (such as a trust or a private company) for the benefit of the participant and any family members of such participant (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of the Scheme and comply with Chapter 23 of the GEM Listing Rules. Where such waiver is granted, the Stock Exchange shall require the Company to disclose the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle.

- 12.2 Any actual or purported breach of Rule 12.1 shall entitle the Company to cancel any outstanding Award or part thereof granted to such Selected Participant. For this purpose, a determination from the legal department of the Company or such other person delegated with this function by the Board, to the effect that the Selected Participant has or has not breached any of the foregoing shall be final and conclusive as to such Selected Participant.
- 12.3 For the avoidance of doubt, the Awards do not carry any right to vote at general meetings of the Company, or any dividend, transfer or other rights (including those arising on a liquidation of the Company). No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an Award under this Scheme, unless and until the Shares

underlying the Award are actually allotted and issued or transferred (as the case may be) to the Grantee pursuant to the vesting or exercise of such Award.

Subject to the foregoing, the Shares to be allotted and issued or transferred upon the vesting or exercise of the Awards shall be subject to all the provisions of the Bye-laws for the time being in force and shall rank *pari passu* in all respects with, and shall have the same voting, dividend, transfer and other rights (including those rights arising on a liquidation of the Company) as the existing fully paid Shares in issue on the date on which those Shares are allotted and issued or transferred pursuant to the vesting or exercise of the Awards and, without prejudice to the generality of the foregoing, shall entitle the holders to participate in all dividends or other distributions paid or made on or after the date on which Shares are allotted and issued, or transferred, other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be before the date on which the Shares are allotted and issued or transferred.

13. INTEREST IN THE ASSETS OF THE TRUST

13.1 For the avoidance of doubt:

- (a) a Selected Participant shall have only a contingent interest in the Award subject to the vesting of such Award in accordance with Rules 10 and 14;
- (b) no instructions may be given by a Selected Participant to the Trustee in respect of the Award or any other property of the Trust and the Trustee shall not follow instructions given by a Selected Participant to the Trustee in respect of the Award or any other property of the Trust;
- (c) neither the Selected Participant nor the Trustee may exercise any voting rights in respect of any Awarded Shares that have not yet vested;
- (d) a Selected Participant shall have no right to Residual Cash or any dividend or any of the Returned Shares or any dividend of the Returned Shares, all of which shall be retained by the Trustee for the benefit of the Scheme;
- (e) a Selected Participant shall have no rights in the balance of the fractional shares resulting from any allocation of bonus Shares or scrip dividend in respect of Awarded Shares or adjustment to the Awarded Shares resulting from consolidation of Shares (if any) and such Shares shall be deemed Returned Shares for the purposes of the Scheme;
- (f) in the case of the death of a Selected Participant, the Benefits shall be forfeited if no transfer of the Benefits to the legal personal representatives of the Selected Participant is made within the period prescribed in Rule 11.7 and the legal personal representatives of the Selected Participant shall have no claims against the Company or the Trustee;
- (g) in the event a Selected Participant ceases to be an Eligible Participant on or prior to the relevant Vesting Date and the Award in respect of the relevant Vesting

Date shall be forfeited or cancelled pursuant to the Scheme, such Award shall not vest on the relevant Vesting Date and the Selected Participant shall have no claims against the Company or the Trustee, unless the Board determines otherwise at its absolute discretion.

14. TAKEOVER, RIGHTS ISSUE, OPEN OFFER, SCRIP DIVIDEND SCHEME, ETC.

Change in control

- 14.1 If there is an event of change in control of the Company by way of a merger, a privatisation of the Company by way of a scheme or by way of an offer, the Board or the committee of the Board or person to which the Board has delegated its authority shall at their sole discretion determine whether the Vesting Dates of any Awards will be accelerated. If the Vesting Dates of any Awards are accelerated, the procedures as set out in Rule 10.4 shall apply except that the Vesting Notice will be sent to such Selected Participant affected by this Rule 14.1 as soon as practicable once the proposed Vesting Date is known. The Trustee shall act on the Vesting Notice in accordance with Rule 10.

For the purpose of Rule 14.1, “control” shall have the meaning as specified in The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC from time to time.

Open offer and rights issue

- 14.2 In the event the Company undertakes an open offer of new securities in respect of any Shares which are held by the Trustee under this Scheme, the Trustee shall not subscribe for any new Shares. In the event of a rights issue, the Trustee shall seek instruction from the Company on the steps or actions to be taken in relation to the nil-paid rights allotted to it.

Bonus warrants

- 14.3 In the event the Company issues bonus warrants in respect of any Shares which are held by the Trustee, the Trustee shall not, unless otherwise instructed by the Company, subscribe for any new Shares by exercising any of the subscription rights attached to the bonus warrants, and shall sell the bonus warrants (provided that there is an open market for such rights) created and granted to it, and the net proceeds of sale of such bonus warrants shall be held as funds of the Trust.

Scrip Dividend

- 14.4 In the event the Company undertakes a scrip dividend scheme, the Trustee shall elect to receive the scrip Shares in respect of the Shares held by the Trustee under this Scheme and such scrip Shares will be treated as Related Income in respect of the underlying Awarded Shares.

Reorganisation of capital structure: Consolidation, Sub-division, Reduction of capital, Bonus issue and other distribution

- 14.5 In the event the Company undertakes a sub-division or consolidation of the Shares or a reduction of capital, corresponding changes will be made to the number of outstanding Awarded Shares that have been granted and, if necessary and applicable, the purchase

price for the Awarded Shares, provided that the adjustments shall be made in such manner as the Board determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Scheme for the Selected Participants. Any adjustment must give an Eligible Participant the same proportion of the equity capital, rounded to the nearest whole Share, as that to which that person was previously entitled. However, no such adjustments may be made to the extent that a Share would be issued at less than its nominal value, and the issue of securities of the Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment. All fractional shares (if any) arising out of such adjustment in respect of the Awarded Shares of a Selected Participant shall be deemed as Returned Shares and shall not be transferred to the relevant Selected Participant on the relevant Vesting Date. Save for the case of capitalisation issue, the auditors or independent financial advisers of the Company for the time being must confirm to the Directors in writing that such adjustment(s) satisfy the aforesaid requirements.

- 14.6 In the event of an issue of Shares by the Company credited as fully paid to the holders of the Shares by way of capitalisation of profits or reserves (including share premium account), the Shares attributable to any Awarded Shares held by the Trustee shall be deemed to be an accretion to such Awarded Shares and shall be held by the Trustee as if they were Awarded Shares purchased by the Trustee hereunder and all the provisions hereof in relation to the original Awarded Shares shall apply to such additional Shares.
- 14.7 Any adjustments to the number of outstanding Awarded Shares in the event of a capitalization issue, rights issue, sub-division or consolidation of Shares or reduction of capital shall be made to the effect that the Selected Participants shall be entitled to the same proportion of the equity capital, rounded to the nearest whole share, as that to which he/she was previously entitled, but no such adjustments may be made to the extent that a Share would be issued at less than its nominal value, and the issue of securities of the Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment. Save for the case of capitalisation issue, the auditors or independent financial advisers of the Company for the time being must confirm to the Directors in writing that such adjustment(s) satisfy the aforesaid requirements.
- 14.8 Notwithstanding the foregoing provisions, the Board may at its absolute discretion give written directions to the Trustee to deal with such distribution, dividends or other benefits and rights in respect of or in connection with the Awarded Shares.

15. SCHEME LIMIT

- 15.1 Subject to the GEM Listing Rules, the Company shall not make any further grant of Award which will result in the aggregate number of Shares underlying all grants made pursuant to the Scheme, together with options and awards which may be granted under the share option scheme of the Company and any other share schemes for the time being of the Company to exceed such number of Shares as equals to ten (10) per cent. of the entire issued share capital of the Company as at the Adoption Date without Shareholders' approval (the "**Scheme Limit**"). The Awarded Shares forfeited in accordance with the

terms of this Scheme will not be regarded as utilised for the purpose of calculating the Scheme Limit and the Service Provider Sublimit (as defined below).

- 15.2 Subject to the foregoing Rule 15.1, within the Scheme Limit, the maximum number of Shares which may be issued in respect of all Awarded Shares which may be granted at any time under this Scheme together with options and awards which may be granted under any other share schemes for the time being of the Company to the Service Providers shall not exceed such number of Shares as equals to 1% of the issued share capital of the Company as at the Adoption Date (the “**Service Provider Sublimit**”).
- 15.3 The Company may seek approval by the Shareholders in general meeting to refresh the Scheme Limit and/or the Service Provider Sublimit under this Scheme after three (3) years from the Adoption Date (or the date of Shareholders’ approval for the last refreshment). However, the total number of Shares which may be issued upon exercise of all options and awards to be granted under this Scheme and any other schemes of the Company under the limit as “refreshed” must not exceed 10% of the relevant class of Shares in issue as at the date of approval of the refreshed Scheme Limit and/or the Service Provider Sublimit. For the purpose of seeking approval of Shareholders under this Rule 15.3, the Company must send a circular to its Shareholders containing the information required under the GEM Listing Rules. Any refreshment of the Scheme Limit and/or the Service Provider Sublimit to be made within three (3) years from the Adoption Date (or the date of Shareholders’ approval for the last refreshment) shall be subject to independent Shareholders’ approval pursuant to Rule 23.03C(1) of the GEM Listing Rules.
- 15.4 The Company may seek separate approval by the Shareholders in general meeting for granting Awards beyond the Scheme Limit, provided that the Awarded Shares in excess of the Scheme Limit are granted only to the Eligible Participants specifically identified by the Company before such approval is sought. For the purpose of seeking approval of Shareholders under this Rule 15.4, the Company must send a circular to the Shareholders containing a generic description of the specified Eligible Participants who may be granted such Awards, the number and terms of the Awarded Shares to be granted, the purpose of granting Awards to the specified Eligible Participants with an explanation as to how the terms of the Awards serve such purpose, the information required under the GEM Listing Rules. The number and terms of the Awards to be granted to such Eligible Participant must be fixed before Shareholders’ approval.
- 15.5 Where any grant of Awards to an Eligible Participant would result in the Awarded Shares transferred and to be transferred or allotted and issued and to be allotted and issued in respect of all options and awards granted to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue, such grant must be separately approved by the 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 and the circular must disclose the identity of the Eligible Participant, the number and terms of the Awards to be granted (and awards and options previously granted to such Eligible Participant in such twelve (12)-month period), the purpose of granting Awards to the Eligible Participant, an explanation as to how the terms of the Awards serve such purpose and

such information as may be required by the Stock Exchange from time to time. The number and terms of Awards to be granted to such Eligible Participant must be fixed before Shareholders' approval.

- 15.6 Any grant of Awards to any of the Directors, chief executive of the Company or substantial Shareholder (as defined in the GEM Listing Rules) or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of the Award (if any)).
- 15.7 Where any grant of Awards to a Director (other than an independent non-executive Director) or chief executive of the Company or any of their associates would result in the Shares issued and to be issued in respect of all Awards granted (excluding any Awards lapsed in accordance with the Scheme Rules) 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, such further grant of awards must be approved by Shareholders in general meeting of the Company in the manner set out in Rule 15.9.
- 15.8 Where any grant of Awards to an independent non-executive Director or a substantial Shareholder or any of their respective associates would result in the Shares transferred and to be transferred or allotted and issued and to be allotted and issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) 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, such further grant of Awards must be approved by the Shareholders in a general meeting of the Company in the manner set out in Rule 15.9.
- 15.9 In the circumstances described in Rules 15.7 and 15.8, the Company must send a circular to the Shareholders. The Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour of the proposed grant at such general meeting. Parties that are required to abstain from voting in favour at the general meeting pursuant to Rule 23.04(1) of the GEM 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 the general meeting to approve the grant of such Awards must be taken on a poll and comply with the requirements under the GEM Listing Rules. The circular must contain:
 - (a) details of the number and terms of the Awards to be granted to each Eligible Participant, which must be fixed before the Shareholders' meeting;
 - (b) 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
 - (c) the information as may be required under the GEM Listing Rules or by the Stock Exchange from time to time.
- 15.10 Shareholders' approval as required under Rule 15.6 and Rule 15.7 is also required for any change in the terms of Awards granted to an Eligible Participant who is a substantial

Shareholder (as defined in the GEM Listing Rules) or an independent non-executive Director, or any of their respective associates.

16. LAPSE OF AWARDS AND RETURNED SHARES

16.1 Save as provided in Rule 11 and subject to the GEM Listing Rules and determined otherwise by the Board in its sole discretion, in the event that prior to or on the Vesting Date:

- (i) the relevant Selected Award Participant ceases to be an Eligible Award Participant;
- (ii) the condition(s) or performance target(s) specified in the relevant Award Letter(s) are not attained by the relevant Grantee before the deadline as specified therein;
- (iii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company; or
- (iv) there occurs an event of change in control of the Company, whether by way of offer, merger, scheme of arrangement or otherwise is made to all Shareholders,

whichever occurs the earliest, an Award granted shall lapse automatically forthwith, and the Awarded Shares and other distributions attributable thereto shall not vest on the relevant Vesting Date, but shall be cancelled for the purposes of this Scheme and will not be counted for the purpose of the Scheme Limit.

16.2 Where Awarded Shares are not vested, are forfeited or are deemed and become Returned Shares pursuant to the Scheme Rules, the Trustee shall hold Returned Shares to be applied towards future Awards in accordance with the provisions hereof for the purpose of the Scheme. When Shares have been deemed to be Returned Shares under the Scheme Rules, the Trustee shall notify the Company accordingly.

17. INTERPRETATION

17.1 Any decision to be made under the Scheme, including matters of interpretation with respect to or any dispute arising in connection with the Scheme Rules, shall be made by the Board or the committee of the Board or person to which the Board has delegated its authority. The aforesaid decision shall be final and binding.

18. ALTERATION OF THE SCHEME

18.1 Subject to the Scheme Limit, the Scheme may be altered in any respect by a resolution of the Board or administrator of the Scheme provided that:

- (a) any alterations to the terms and conditions of this Scheme which are of a material nature or any alteration to the advantage of the Eligible Participants in relation to any matter contained in Rule 23.03 of the GEM Listing Rules;
- (b) any change to the terms of Award granted to an Eligible Participant must be approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may

be) if the initial grant of the Award was approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of this Scheme;

- (c) any change to the authority of the Directors or the administrator of this Scheme to alter the terms of this Scheme;
- (d) any alterations to the provisions of this Scheme as to the definitions of “Eligible Participant”, “Grantee”, “Award Period” and “Termination Date” in Rule 1.1; and
- (e) the provisions of Rules 2.1 and 4.1 and Rules 7, 9, 10, 11, 12, 14, 15 and 19 and this Rule 18,

shall only be altered with the approval of Shareholders in general meeting. Any alteration to the terms and conditions of this Scheme shall comply with the relevant requirements of Chapter 23 of the GEM Listing Rules.

18.2 For the avoidance of doubt, the change in the subsisting rights of a Selected Participant in Rule 18.1 refers solely to any change in the rights in respect of the Awarded Shares already granted to a Selected Participant.

19. TERMINATION

19.1 The Scheme shall terminate on the earlier of:

- (a) the end of the Award Period, except in respect of any non-vested Awarded Shares granted prior to the expiration of the Scheme, the provisions of the Scheme shall remain in full force and effect to the extent necessary to give effect to the vesting of such Awarded Shares granted or otherwise as may be required in accordance with the provisions of the Scheme; and
- (b) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Participant hereunder; provided further that for the avoidance of doubt, the change in the subsisting rights of a Selected Participant in this Rule 19.1(b) refers solely to any change in the rights in respect of the Awarded Shares already granted to a Selected Participant.

19.2 After the expiry or termination of the Scheme, no further Award shall be offered or granted under the Scheme.

19.3 On the Business Day following the vesting, forfeiture or cancellation (as the case may be) of the last outstanding Award made under the Scheme, the Trustee shall sell all the Shares remaining in the Trust within a reasonable time period as agreed between the Trustee and the Company upon receiving notice of the vesting, forfeiture or cancellation (as the case may be) of such last outstanding Award (or such longer period as the Company may otherwise determine), and remit all cash and net proceeds of such sale referred to in this Rule 19.3 and other funds remaining in the Trust (after making appropriate deductions in respect of all disposal costs, expenses and other existing and

future liabilities in accordance with the Trust Deed) to the Company. For the avoidance of doubt, the Trustee shall not transfer any Shares to the Company nor may the Company otherwise hold any interest in Shares whatsoever (other than its interest in the proceeds of the sale of such Shares pursuant to this Rule 19.3).

20. MISCELLANEOUS

- 20.1 The Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any Eligible Participant, and the rights and obligations of any Eligible Participant under the terms of his/her office or employment shall not be affected by his/her participation in the Scheme or any right which he/she may have to participate in it and the Scheme shall afford such Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 20.2 The Company shall bear the costs of establishing and administering the Scheme, including, for the avoidance of doubt, costs arising from communication as referred to in Rule 20.3, costs of third party contractor or service provider and professional advisers rendering services for the proper establishment, administration, management, operation, reporting, compliance and monitoring of the Scheme, expenses incurred in the purchase of Shares by the Trustee and stamp duty and normal registration fee (i.e. not being fee chargeable by the share registrar of any express service of registration) in respect of the transfer of Shares to Selected Participants on the relevant Vesting Date. For the avoidance of doubt, the Company shall not be liable for any Tax or expenses of such other nature payable on the part of any Eligible Participant in respect of any sale, purchase, vesting or transfer of Shares (or cash amount of equivalent value being paid), other than for any withholding tax liability of the Company or any member of the Group under applicable laws.
- 20.3 Any notice or other communication between the Company and any Eligible Participant may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its registered office in Hong Kong or such other address as notified to the Eligible Participant from time to time and in the case of an Eligible Participant, his/her address as notified to the Company from time to time or by hand delivery. In addition, any notice (including the Vesting Notice) or other communication from the Company to any Eligible Participant or Selected Participant may be given by any electronic means through the Trustee, as the Board considers appropriate.
- 20.4 Any notice or other communication served by post shall be deemed to have been served 24 hours after the same was put in the post. Any notice or other communication served by electronic means shall be deemed to have been received on the day following that on which it was sent.
- 20.5 The Company shall not be responsible for any failure by any Eligible Participant to obtain any consent or approval required for such Eligible Participant to participate in the Scheme as a Selected Participant or for any Tax, expenses, fees or any other liability to which an Eligible Participant may become subject as a result of participation in the Scheme.

- 20.6 Each and every provision hereof shall be treated as a separate provision and shall be severally enforceable as such in the event of any provision or provisions being or becoming unenforceable in whole or in part. To the extent that any provision or provisions are unenforceable they shall be deemed to be deleted from these Scheme Rules, and any such deletion shall not affect the enforceability of the Scheme Rules as remain not so deleted.
- 20.7 The Scheme is subject to the provisions of Chapter 23 of the GEM Listing Rules.
- 20.8 Save as specifically provided herein, the Scheme shall not confer on any person any legal or equitable rights (other than those constituting and attaching to the Awarded Shares themselves) against the Group directly or indirectly or give rise to any cause of action at law or in equity against the Group. No person shall, under any circumstances, hold the Board, its delegate and/or the Company liable for any costs, losses, expenses and/or damages whatsoever arising from or in connection with the Scheme or the administration thereof.
- 20.9 In the event that an Award is not vested or is forfeited in accordance with the Scheme Rules, no Selected Participants shall be entitled to any compensation for any loss or any right or benefit or prospective right or benefit under the Scheme which he or she might otherwise have enjoyed.
- 20.10 The Scheme shall operate subject to the Bye-laws and to any restrictions under any applicable laws, rules and regulations, including the GEM Listing Rules.
- 20.11 By participating in the Scheme, the Selected Participant consents to the holding, processing, storage and use of personal data or information concerning him or her by any member of the Group, the Trustee or any other third party contractor or service provider, in Hong Kong or elsewhere, for the purpose of the establishment, administration, management, operation, reporting, compliance and monitoring of the Scheme. Such consent permits, but is not limited to, the following:
- (a) the administration and maintenance of records of the Selected Participant;
 - (b) the provision of data or information to members of the Group, the Trustee, registrars, brokers or third party administrators or managers of the Scheme, in Hong Kong or elsewhere;
 - (c) the provision of data or information to future purchasers or merger partners of the Company, the Selected Participant's employing company, or the business in which the Selected Participant works;
 - (d) the transfer of data or information about the Selected Participant to a country or territory outside the Selected Participant's home country which may not provide the same statutory protection for the information as his home country; and
 - (e) in the case where an announcement is required to be made pursuant to the GEM Listing Rules for the purposes of granting an Award, the disclosure of the identity of such Selected Participant, the number of Awarded Shares and the terms of the Award granted and/or to be granted and all other information as required under the GEM Listing Rules.

The Selected Participant is entitled, on payment of a reasonable fee, to a copy of the personal data held about him or her, and if such personal data is inaccurate, the Selected Participant has the right to have it corrected.

21. GOVERNING LAW

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