

RULES RELATING TO
THE SHARE AWARD PLAN

I N D E X

<u>Paragraph no.</u>	<u>Heading</u>	<u>Page no.</u>
1	Definitions and Interpretation	1
2	Purposes, Administration and Duration	5
3	Award of Shares.....	6
4	Pool of Awarded Shares.....	10
5	Vesting of the Awarded Shares.....	12
6	Lapse of Awards and Returned Shares	14
7	Share Award Plan limit.....	16
8	Voting rights re Awarded Shares and Selected Participants having no rights.....	18
9	Disputes	19
10	Alteration of these rules of the Share Award Plan	19
11	Termination.....	19
12	Miscellaneous	20
13	Conditions.....	23
14	Governing Law	23

1. **DEFINITIONS AND INTERPRETATION**

1.1 In this Share Award Plan, except where the context otherwise requires, the following expressions have the following meanings:

“Adoption Date”	the date on which this Share Award Plan is adopted by the Shareholders.
“Announcement”	the announcement of the Company dated 5 February 2024 in relation to, among other things, the proposed adoption of the Share Award Plan.
“associate(s)”	shall bear the meaning ascribed thereto in the Listing Rules.
“Award”	a provisional award of the Awarded Shares made in accordance with paragraph 3.
“Award Notice”	the notice to be sent to the Trustee upon the making of an Award containing the particulars referred to in paragraph 3.4.
“Awarded Share(s)”	the Share(s) at the Grant Price provisionally awarded to a Selected Participant pursuant to an Award.
“Board”	the board of Directors.
“Business Day”	a day on which the Stock Exchange is open for the business of dealing in securities.
“Committee”	the person(s) from time to time delegated by the Board with the power and authority to administer the Share Award Plan in accordance with the rules herein.
“Companies Act”	the Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time.
“Company”	China XLX Fertiliser Ltd. (中國心連心化肥有限公司)*, a company incorporated in Singapore with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 1866).

* For identification purpose only

“Connected Person(s)”	shall have the meaning ascribed thereto under the Listing Rules.
“Constitution”	the Constitution of the Company as amended, modified or supplemented from time to time.
“Director(s)”	the director(s) of the Company for the time being.
“Earliest Vesting Date”	shall have the meaning ascribed thereto in paragraph 3.4(C), which shall be a date not less than 12 months from the Grant Date.
“Eligible Participant(s)”	the Employee Participant(s).
“Employee Participant(s)”	any director, senior management, the core staff and employee (whether full time or part-time) of the Company or the Group.
“Excluded Participant”	any person who is resident in a place where the award of the Awarded Shares and/or the award of the Returned Shares and/or the vesting and transfer of Shares pursuant to the terms of the Share Award Plan is not permitted under the laws and regulations of such place or where in the view of the Board or the Committee or the Trustee (as the case may be) compliance with applicable laws and regulations in such place make it necessary or expedient to exclude such person.
“First Vesting Period”	in relation to any Selected Participant, the period commencing on the first trading day after 12 months from the Grant Date on which the Awarded Shares have been provisionally set aside pursuant to an Award to such Selected Participant as referred to in paragraph 4.1 and ending on the Vesting Date which being the last trading day within 24 months from the Grant Date (both dates inclusive).
“Grant Date”	the date on which the Company will allot and issue Awarded Shares (as held by the Trustee on behalf of the Selected Participants) to the Selected Participants after approval for the implementation of the Share Award Plan has been obtained, which must be a trading day.

“Grant Price”	the price of each Awarded Share to be granted to the Selected Participant, i.e. HK\$1.50 per Share.
“Group”	the Company and the Subsidiaries.
“Group Contribution”	such contribution in the form of money or otherwise made by the Company or any of its Subsidiaries and/or Subscription Monies from Selected Participants.
“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.
“Listing Committee”	the Listing Committee of the Stock Exchange for the time being.
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time.
“Original Trustee”	Tricor Trust (Hong Kong) Limited, a company incorporated under the laws of Hong Kong and having its registered office at 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong.
“Other Distributions”	shall have the meaning ascribed thereto in paragraph 5.2(A).
“Partial Lapse”	shall have the meaning as set out in paragraph 6.3.
“Personal Representative(s)”	the person or persons who, in accordance with the laws of succession applicable to a deceased Selected Participant, is or are entitled to collect and receive the Awarded Shares which have been vested in such Selected Participant and formed part of his estate.
“Remuneration Committee”	the remuneration committee of the Company as appointed by the Board for the time being.

“Residual Cash”	being cash remaining in the trust fund in respect of an Awarded Share (including interest income derived from deposits maintained with licensed banks in Hong Kong, and sale proceeds which have not been applied in the subscription of Shares).
“Returned Shares”	such Awarded Shares which are not vested and/or forfeited in accordance with the terms of the Share Award Plan (whether as a result of a Total Lapse or a Partial Lapse or the exercise of the right to clawback or otherwise), or such Shares being deemed to be Returned Shares.
“Second Vesting Period”	in relation to any Selected Participant, the period commencing on the first trading day after 24 months from the Grant Date on which the Awarded Shares have been provisionally set aside pursuant to an Award to such Selected Participant as referred to in paragraph 4.1 and ending on the Vesting Date which being the last trading day within 36 months from the Grant Date (both dates inclusive).
“Selected Participant”	any Eligible Participant for whom Shares have been provisionally set aside pursuant to an Award or (where the context so permits and as referred to in paragraph 5.3) his Personal Representative.
“Share Award Plan”	this share award plan constituted by the rules hereof, in its present form or as may be altered from time to time in accordance with paragraph 10.
“Shareholder(s)”	the holder(s) of Share(s).
“Share(s)”	ordinary shares in the capital of the Company, or if there has been a sub-division, consolidation, reclassification or reconstruction or reduction or reorganisation of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company as shall result from any of such sub-division, consolidation, re-classification or re-construction or reduction or reorganisation.

“Shares Pool”	shall have the meaning ascribed to it in paragraph 4.1.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited or, if the context so requires, other principal stock exchange in Hong Kong for the time being or such other stock exchange which is the principal stock exchange (as determined by the Board on which the Shares are for the time being and from time to time listed or traded.
“Subscription Monies from Selected Participants”	shall have the meaning ascribed thereto in paragraph 3.5.
“Subsidiary(ies)”	has the meaning ascribed to it in Section 5 of the Companies Act.
“Total Lapse”	shall have the meaning as set out in paragraph 6.2.
“Trust Deed”	the trust deed to be entered into by the Company as settlor and the Trustee as trustee in respect of Shares and other trust fund (if any) held or to be held by the Trustee subject to the terms thereof, as amended from time to time.
“trading day”	in relation to securities and other products which are traded on the Stock Exchange, a day on which trading is conducted on the Stock Exchange.
“Trustee”	the Original Trustee or other trustee or trustees as shall be appointed pursuant to and in accordance with the terms of the Trust Deed.
“Vesting Date”	in relation to any Selected Participant, the date on which the legal and beneficial ownership of the Awarded Shares are vested in such Selected Participant pursuant to an Award as referred to in paragraph 5.1.
“Vesting Period”	collectively, the First Vesting Period and the Second Vesting Period.

1.2 In these rules:

- (A) the headings are for ease of reference only and shall be ignored in construing these rules of the Share Award Plan;
- (B) references to paragraphs or sub-paragraphs are references to paragraphs or sub-paragraphs hereof;
- (C) words importing the singular include the plural and vice versa;
- (D) words importing one gender include both genders and the neuter and vice versa;
- (E) references to persons include bodies corporate and unincorporated;
- (F) references to any statutory provisions or rules prescribed by any statutory bodies shall include the same as from time to time amended, consolidated and re-enacted; and
- (G) references to any statutory body shall include the successor thereof and any body established to replace or assume the functions of the same.

2. PURPOSES, GRANT PRICE, ADMINISTRATION AND DURATION

- 2.1 The purpose of the Share Award Plan is, through an award of Shares, to:
- (A) recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group and to give incentives thereto in order to retain them for the continual operation and development of the Group; and
 - (B) attract suitable personnel for further development of the Group.
- 2.2 The Grant Price for each Awarded Share to be granted to the Selected Participant is fixed at HK\$1.50 per Share, which represented:
- (i) 46.43% of the closing price of the Shares as quoted on the Stock Exchange as at the date of the Announcement; and
 - (ii) 46.46% of the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately preceding the date of the Announcement).
- 2.3 The Share Award Plan shall be subject to the administration of the Board or the Committee whose decisions on all matters arising in relation to the Share Award Plan or its interpretation or effect shall be final, conclusive and binding on all persons who may be affected thereby, provided that such administration shall not prejudice the powers of the Trustee as provided under the Trust Deed; and for avoidance of doubt, subject to the Companies Act and any requirements of the Stock Exchange, the Remuneration Committee shall have powers on recommending and/or deciding (on and subject to the terms and conditions provided under this Share Award Plan) the selection of the Selected Participants, the number of Awarded Shares to be awarded to the respective Selected Participants and other related matters as expressly provided under this Share Award Plan or in accordance with the Companies Act, the Constitution and the Listing Rules or other applicable laws, legislation and regulations. In the event that a Selected Participant or his associate is a member of the Board, such person will abstain from voting on any approval by the Board of an Award to such Selected Participants.
- 2.4 A Selected Participant shall ensure that the acceptance, vesting and the holding of any Awarded Shares under the Share Award Plan and the exercise of all rights attaching thereto are valid and comply with all laws, legislation and regulations including all applicable exchange control, fiscal and other laws to which he is subject. The Board or the Committee may, as a condition precedent of making an Award, require an Eligible Participant to produce such evidence as it may reasonably require for such purpose.

- 2.5 Subject to paragraph 11, the Share Award Plan shall be valid and effective for a term of 10 years commencing from the Adoption Date, and after the expiry of such 10-year term no further Awards may be made but these rules of the Share Award Plan shall remain in full force and effect to the extent necessary to give effect to any Awards made prior thereto and the administration of the trust property held by the Trustee pursuant to the Trust Deed.

3. AWARD OF SHARES

- 3.1 The Board or the Committee shall, subject to and in accordance with these rules of the Share Award Plan, be entitled (but shall not be bound) to, at any time during the continuation of the Share Award Plan, make an award (the “**Award**”) out of the Shares Pool to any of the Eligible Participants (as it shall in its absolute discretion select but excluding any Excluded Participant) such number of issued Shares, fully paid or credited as fully paid, as the Board or the Committee shall, subject to paragraph 7, determine pursuant to these rules of the Share Award Plan. For the avoidance of doubt until so selected, no Eligible Participant shall be entitled to participate in the Share Award Plan.
- 3.2 Without prejudice to paragraph 4.2, the making of an Award to any Connected Person shall be subject to compliance by the Company of the applicable requirements under the Listing Rules.
- 3.3 The eligibility of any of the Eligible Participants to an Award shall be determined by the Board or the Committee from time to time on the basis of the Board’s or the Committee’s opinion as to his contribution and future contribution to the development and growth of the Group. Awards are subject to the performance-based vesting conditions. The Awarded Shares shall be vested upon fulfilment of the following performance targets by the Company and the relevant individual Selected Participant(s):

(A) Performance target of the Company

The Company will evaluate its performance indicators of respective year and assess whether the performance evaluation target (as one of the conditions for vesting of the Awarded Shares to Selected Participants for the respective year) has been met. The specific evaluation conditions are as follows:

Vesting	Condition
First Vesting Period	Based on the Company's annual performance for the year ended 31 December 2023, the Company's audited financial statements in 2024 will have a growth rate in revenue of not less than 2%, or the net profit of not less than RMB1.65 billion.
Second Vesting Period	Based on the Company's annual performance for the year ended 31 December 2023, the Company's audited financial statements in 2025 will have a growth rate in revenue of not less than 4%, or the net profit of not less than RMB1.8 billion.

(B) Targets of individual performance evaluation

Selected Participants must continue to work in the Group during the relevant Vesting Period, and should meet the following conditions:

- (i) In the preceding year prior to the Vesting Date, the Selected Participant has signed a target responsibility letter in accordance with the requirement of the Company, and has been assessed as qualified, and approved by the Board or the Committee;
- (ii) There is no serious violation of the management system of the Company, and there must be no behaviour that causes huge economic losses to the Company, or has severe negative impact on the Company, and is notified and punished by the Company;
- (iii) The employment contract has not been terminated by the Company due to personal reasons; and
- (iv) There are no circumstances in which he/she shall not be eligible for being a Selected Participant due to violation of the Companies Act and relevant laws and regulations of the capital market.

- 3.4 The Board or the Committee shall notify the Trustee by a notice in writing (the “**Award Notice**”) upon the making of an Award under the Share Award Plan and, in the Award Notice, the Board or the Committee shall specify the following:
- (A) the name, address, identity card (or, as the case may be, passport) number and position of the relevant Selected Participant and whether the Selected Participant is a Connected Person;
 - (B) the number of Awarded Shares provisionally awarded to the relevant Selected Participant pursuant to such Award;
 - (C) subject to the vesting arrangement under paragraph 3.7, the earliest date (“**Earliest Vesting Date**”) and other subsequent date(s), if any, on which the Trustee may vest the legal and beneficial ownership of the Awarded Shares (or the relevant portions thereof) or the net proceeds thereof in the relevant Selected Participant under paragraph 5.1;
 - (D) the condition(s) and/or performance target(s) under paragraph 3.3 that must be duly fulfilled by the relevant Selected Participant before any of the Awarded Shares (or the net sales proceeds thereof) may be transferred to and vested in such Selected Participant under such Award;
 - (E) the condition(s) and/or performance target(s) of the Selected Participant under paragraph 3.3, that must be duly altered or waived by the Board or the Committee before any of the Awarded Shares (or the net sales proceeds thereof) may be transferred to and vested in such Selected Participant under such Award;
 - (F) whether the Awarded Shares or any part thereof should be acquired by subscription, and/or whether the Awarded Shares or any part thereof should be satisfied by applying any Returned Share(s), and in the case of subscription, the subscription price therefor; and
 - (G) such other terms and conditions of such Award as may be imposed by the Board or the Committee which are not inconsistent with these rules of the Share Award Plan and the Trust Deed on either the Trustee (with the prior written consent of the Trustee unless the same has already been provided for in the Trust Deed) and the relevant Selected Participant, or any of them before the Awarded Shares (or the net sale proceeds thereof) may be transferred to and vested in such Selected Participant.

3.5 The Board or the Committee shall notify the Selected Participant in writing after an Award has been provisionally made to such Selected Participant and the notice shall contain substantially the same information as that set out in the Award Notice provided that nothing contained in such notice shall be construed as conferring any rights, interests, benefits and title to and in the Awarded Shares on such Selected Participant before the vesting of the legal and beneficial ownership of such Awarded Shares (or the net sale proceeds thereof) in the Selected Participant in accordance with these rules of the Share Award Plan. An Award shall be deemed to be refused by a Selected Participant unless the Selected Participant shall within ten (10) Business Days after receipt of such notice from the Board or the Committee notify the Company in writing that he would irrevocably accept such Award, and within the period prescribed by the Board or the Committee, the Selected Participants shall make payment for the subscription of the Awarded Shares by remitting the monies to the account designated by the Board or the Committee (“**Subscription Monies from Selected Participants**”), and default in payment shall be treated as renunciation of the Awarded Shares to be granted to the Selected Participants. No upfront amount is required to be paid on application or acceptance of the Award.

3.6 For so long as the Shares are listed on the Stock Exchange:

(A) the Board or the Committee may not grant any Award to any Eligible Participant after inside information has come to its knowledge until (and including) the trading day after it has announced the information. In particular, no Award may be granted during the period commencing one month immediately before the earlier of:

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

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

and ending on the date of the results announcement.

No Award may be granted during any period of delay in publishing a results announcement.

- 3.7 Subject to the Listing Rules, the Board or the Committee may from time to time, at its discretion, determine the Earliest Vesting Date and other subsequent date(s), if any, upon which the Awarded Shares held by the Trustee upon trust and which are referable to a Selected Participant shall vest in that Selected Participant provided that the Awarded Shares that are available for vesting for each Vesting Period shall be as follows:

Performance period	Vesting Period	Percentage of Awarded Shares available for vesting
Year ending 31 December 2024	First Vesting Period	50% of the Awarded Shares of relevant individual Selected Participant
Year ending 31 December 2025	Second Vesting Period	Remaining 50% of the Awarded Shares of relevant individual Selected Participant

The Vesting Date in respect of any Award shall be not less than 12 months from the Grant Date. However, Awards granted to Employee Participants may be less than 12 months from the Grant Date (including the Grant Date) as determined by (i) the Remuneration Committee if such Employee Participant is a Director or a senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, or (ii) the Board or the Committee if such Employee Participant is not a Director or a senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company under any of the following circumstances:

- (A) grants of “make whole” Awards to new Employee Participants to replace share awards that such Employee Participants forfeited when leaving their previous employers;
- (B) grants to an Employee Participant whose employment is terminated due to death or disability or event of force majeure;
- (C) grants of Awards which are subject to the fulfilment of performance targets pursuant to the terms of the Share Award Plan;
- (D) grants of Awards the timing of which is determined by administrative or compliance requirements not connected with the performance of the relevant Employee Participant, in which case the Vesting Date may be adjusted to take account of the time from which the Award would have been granted if not for such administrative or compliance requirements;
- (E) grants of Awards with a mixed vesting schedule such that the Awards vest evenly over a period of 12 months; or
- (F) grants of Awards with a total vesting and holding period of more than 12 months.

3.8 Subject to paragraph 5.3, in the event of the death of a Selected Participant, the Trustee shall hold the vested Awarded Shares and the dividends and other distributions declared and made in respect of the vested Awarded Shares (hereinafter referred to as “Benefits”) upon trust and to transfer the same to the Personal Representative(s) of the Selected Participant and the Trustee shall hold the Benefits or so much thereof as shall not be transferred or applied under the foregoing powers within:

(A) half year of the death of the Selected Participant (or such longer period as the Trustee and the Board or the Committee shall agree from time to time) or

(B) the Trust Period (as defined in the Trust Deed),

(whichever is the shorter) upon trust to transfer the same to the Personal Representative(s) of the Selected Participant (as notified by the Board or the Committee in writing together with such documents or evidence of the appointment of the Personal Representative(s) under applicable law as may be reasonably required by the Trustee, whereupon the Trustee shall be discharged from all duties and liabilities in respect of the Selected Participant) or, if the Benefits would otherwise become bona vacantia, the Benefits shall be forfeited and cease to be transferable and such Benefits shall be held as Returned Shares (for shares) and income of the trust fund (for cash) for the purposes of the Share Award Plan. Notwithstanding the foregoing, the Benefits held upon the trusts hereof shall until transfer is made in accordance herewith be retained and otherwise dealt with by the Trustee in every way as if they had remained part of the trust fund of the trust constituted by the Trust Deed.

3.9 An Award shall be personal to the Selected Participant and shall not be transferable or assignable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any security or adverse interest whatsoever in favour of any third party over or in relation to an Award or enter or purport to enter into any agreement to do so. Any breach of the foregoing by any Selected Participant shall entitle the Company to cancel the Award made to such Selected Participant, and the Board or Committee shall notify the Trustee in writing accordingly. The Award cancelled shall be regarded as utilised for the purpose of calculating the Plan Mandate Limit.

- 3.10 The Awarded Shares shall be subject to the provisions of the Constitution and will rank *pari passu* with the fully paid Shares in issue on the date when such Awarded Shares are vested in the Selected Participant and accordingly will entitle the holders to all voting rights and to participate in all dividends or other distributions paid or made on or after such Vesting Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the Vesting Date.

4. POOL OF AWARDED SHARES

- 4.1 Upon the receipt of an Award Notice, the Trustee shall set aside from the Shares Pool the Awarded Shares provisionally awarded to the Selected Participant to whom such Award Notice relates pending the transfer and vesting of the Awarded Shares under the Award to which such Award Notice relates in accordance with paragraph 5. The Trustee shall hold the Awarded Shares so set aside during the Vesting Period on the terms of the Trust Deed. The Trustee may, at any time during the continuation of the Share Award Plan and the Trust Deed, set aside the appropriate number of Awarded Shares out of a pool of issued Shares, fully paid or credited as fully paid, for the time being and from time to time held by the Trustee pursuant to the Trust Deed (the “**Shares Pool**”) comprising the following:
- (A) such Shares as may be subscribed for by the Trustee in accordance with paragraph 4.2 by utilising the Group Contribution and/or Other Distributions in accordance with paragraph 4.2, but subject to (i) the grant of listing of and permission to deal in such Shares by the Stock Exchange, (ii) compliance with the applicable requirements under the Companies Act, the Constitution and the Listing Rules, and (iii) limit set out in paragraph 7;
 - (B) such Shares as may be allotted or issued to the Trustee as a holder of Shares, whether by way of scrip dividend or otherwise;
 - (C) such Shares which remain unvested and revert to the Trustee pursuant to paragraph 6;

(D) such Shares which any person or company recommended by the Company may irrevocably donate or transfer to or irrevocably vest or caused to be vested in the Trustee to be held upon trusts and with and subject to the powers and provisions in the Trust Deed; and

(E) Returned Shares.

4.2 The following provisions of this paragraph 4.2 shall provide for and govern the subscription for the Awarded Shares by utilising the Group Contribution:

(A) Where any Award is specified to be satisfied by an allotment and issue of new Shares to the Trustee, such allotment and issue should only be made upon fulfilment of the following conditions:

(a) the Company having obtained Shareholders' approval in general meeting under general mandate or specific mandate to authorise the Directors to allot and issue new Shares provided that:

(i) the total number of Shares to be allotted and issued to the Trustee under this Share Award Plan shall not exceed the limit specified in paragraph 7; and

(ii) where any Award is proposed to be made to a Connected Person and the relevant Award of the Awarded Shares is to be satisfied by an allotment and issue of new Shares, the Award shall comply with paragraph 7.3 and if no mandate has previously been obtained, it shall be separately approved by the Shareholders in general meeting with such Connected Person and his associates abstaining from voting and shall comply with all other requirements of Chapter 14A of the Listing Rules applicable to such Award;

(b) the issue of the Awarded Shares by the Directors being duly approved in accordance with Section 161 of the Companies Act; and

(c) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Shares which may be allotted and issued by the Company to the Trustee pursuant to this Share Award Plan.

- (B) Where any Award is proposed to be satisfied by an allotment and issue of new Shares to the Trustee, the Board or the Committee shall notify the Trustee in writing upon the satisfaction of the conditions referred to in paragraphs 4.2(A)(a) to (c) and, subject to paragraph 4.3, the Board or the Committee shall instruct the Trustee in writing to apply to, and the Trustee shall within ten (10) Business Days after actual receipt of such instruction apply to, the Company for the allotment and issue of the appropriate number of new Shares. If the conditions referred to in paragraphs 4.2(A)(a) to (c), or any of them, cannot be satisfied, the Board or the Committee shall forthwith notify and instruct the Trustee and pay or procure to be paid the Group Contribution to the Trustee. If any Award is proposed to be made to a Connected Person, any allocation of funds by the Company to the Trustee for this purpose shall satisfy all applicable requirements of Chapter 14A of the Listing Rules.
- (C) If:
- (i) the Group Contributions received by the Trustee have been applied for subscriptions for such number of Shares which reaches the maximum number of issued Shares as provided under paragraph 7; or
 - (ii) there are any excess Group Contributions after all the said subscription,

the excess Group Contributions shall be returned by the Trustee to the Company as soon as reasonably practicable after completion of all such subscription.
- (D) For the avoidance of doubt, Shares subscribed for under this paragraph 4.2 shall form part of the capital of the trust fund of the trust constituted by the Trust Deed.
- 4.3 If any proposed subscription for Shares under paragraph 4.2 shall fall on any day on which the Board or the Committee is restricted from making any Award or giving any instruction as referred to in paragraph 3.6, the Trustee shall not effect the relevant subscription. The Trustee shall notify the Board or the Committee in writing at least three (3) Business Days in advance of a proposed date of subscription under paragraph 4.2 and the Board or the Committee shall instruct the Trustee in writing at least two (2) Business Days prior to such proposed date of subscription if such subscription has to be postponed by reason of this paragraph 4.3, whereupon such subscription shall be postponed to such date as notified by the Board or the Committee in writing (and in case the Shares are not traded on the Stock Exchange on such date, the next Business Day on which the Shares are traded on the Stock Exchange).
- 4.4 The Trustee shall (after obtaining a written consent from the Board or the Committee and subject to the provisions of the Companies Act and the Constitution) sell the Shares set out in items (A) to (E) of paragraph 4.1 within twenty-one (21) Business Days (on which the trading of the Shares has not been suspended). The net proceeds of such sale shall be applied to settle the Trustee's costs and expenses and the residue thereof, if any, shall be, upon termination of the Share Award Plan, treated and dealt with as income of the trust fund under the Trust Deed generally.

5. VESTING OF THE AWARDED SHARES

5.1 Subject to paragraphs 5.2(E) and 6, the Trustee shall transfer to and vest in any Selected Participant the legal and beneficial ownership of the Awarded Shares (or the net sale proceeds thereof) to which such Selected Participant is entitled under the relevant Award as soon as practicable after the latest of:

- (a) the Earliest Vesting Date as specified in the Award Notice to which such Award relates;
- (b) the receipt by the Trustee of the requisite information and documents stipulated by the Trustee within the stipulated period; and
- (c) where applicable, the date on which the condition(s) and/or performance target(s) under paragraph 3.3 to be attained or paid by such Selected Participant as specified in the related Award Notice have been attained or paid and notified to the Trustee by the Board or the Committee in writing.

5.2 During the Vesting Period:

- (A) any dividends and other distributions declared and made in respect of any Awarded Shares (“**Other Distributions**”) shall belong to the Trustee and the relevant Selected Participant shall not have any right whatsoever in such Other Distributions in respect of any Awarded Shares or otherwise unless and until the relevant Awarded Shares are vested in such Selected Participant in accordance with paragraph 5.1. Such Other Distributions shall be applied to subscription for Shares for the purpose of satisfying any further Awards by the Board or the Committee in accordance with paragraph 4.1 and, upon termination of the Share Award Plan, shall be treated and dealt with as income of the trust fund under the Trust Deed generally and, for administration of the Share Award Plan, the Trustee shall be entitled to use and/or transfer such Other Distributions in any manner as directed by the Board or the Committee;
- (B) if the Company offers to Shareholders new Shares or other securities for subscription by way of rights, options or warrants and no amount is required to be payable by the Shareholders for such rights, options or warrants, the Trustee may (after obtaining a written consent from the Board or the Committee) (i) sell any nil-paid rights, options or warrants allocated to it in respect of the Awarded Shares held by the Trustee if there is an open market for such rights, options or warrants, or (ii) take steps to exercise such nil-paid rights, options or warrants by applying the Group Contributions in the form of cash then held by the Trustee. The net proceeds of such sale (if so sold) shall be applied to settle the Trustee’s costs and expenses and the residue thereof, if any, shall be, upon termination of

the Share Award Plan, treated and dealt with as income of the trust fund under the Trust Deed generally. For the avoidance of doubt, no Selected Participants shall have any right to, or interest in, any nil-paid rights, options or warrants (or the underlying Shares, or the proceeds of sale of any such nil-paid rights, options or warrants) allocated under such offer, or any Shares arising from the exercise of such nil-paid rights, options or warrants;

- (C) if the Company offers to the Shareholders new shares or other securities for subscription by way of rights, options, warrants or other open or preferential offer and consideration is required to be paid for the taking up and/or the exercise of such rights, options, warrants or open or preferential offer, the Trustee may (after obtaining a written consent from the Board or the Committee) (i) decline to take up, subscribe for such rights, options, warrants or open or preferential offer, or (ii) take steps to take up, subscribe (in whole or in part) for such rights, options, warrants or open or preferential offer by applying the Group Contributions in the form of cash then held by the Trustee. For the avoidance of doubt, no Selected Participants shall have any right to, or interest in, any such offer;
- (D) without prejudice to sub-paragraph (A) above, with respect to any dividends declared by the Company and in connection with which the Company allows its Shareholders to elect to receive Shares in lieu of cash (as provided for in the relevant announcement and/or circular of the Company), then in respect of the Awarded Shares provisionally set aside for any Selected Participant which have not vested, the Trustee (after obtaining a written consent from the Board or the Committee) shall determine whether it shall elect to receive Shares in lieu of cash or cash in respect of such dividends, and any such scrip dividend or cash dividend so elected and received by the Trustee shall be treated as and constitute Other Distributions referred to in paragraph 5.2(A). For the avoidance of doubt, no Selected Participants shall have any right to give any direction to, or make any claim against, the Trustee in relation to the making of the said election; and
- (E) if a general or partial offer, whether by way of takeover offer, share repurchase offer or scheme of arrangement or otherwise in like manner is made to all the Shareholders (or all Shareholders other than the offeror, any persons controlled by the offeror and any persons acting in association or concert with the offeror), prior to the Vesting Date, the Board or the Committee shall give due notice to each Selected Participant of the occurrence of the relevant event set out above, and shall determine at its absolute discretion whether such Awarded Shares shall vest in the Selected Participant and the time at which such Awarded Shares shall vest PROVIDED that the vesting period in respect of Awards granted to Selected Participants shall not be less than 12 months.

- 5.3 In the event that a Selected Participant dies prior to the Vesting Date of the Award relating to such Selected Participant, and such Award has not lapsed or been cancelled by reason of paragraph 6, the Awarded Shares under such Award shall be held by the Trustee on behalf of the Personal Representative(s) of such Selected Participant and the Trustee shall transfer to such Personal Representative(s), as notified by the Board or the Committee in writing together with such documents or evidence of the appointment of the Personal Representative(s) under applicable law as may be reasonably required by the Trustee, such Awarded Shares within a reasonable time after the receipt by the Trustee of the aforesaid documents, whereupon the Trustee shall be discharged from all duties and liabilities in respect of such Selected Participant.

6. LAPSE OF AWARDS AND RETURNED SHARES

- 6.1 In the event that any Selected Participant who is an Employee Participant ceases to be an Employee Participant by virtue of a corporate reorganisation of the Group, then any Award made to such Selected Participant shall forthwith lapse.
- 6.2 In the event (i) a Selected Participant ceases to be an Employee Participant; or (ii) the Subsidiary by which a Selected Participant is employed or, in respect of a deceased or retired Selected Participant, was employed immediately prior to his death or retirement, ceases to be a Subsidiary of the Company (or of a member of the Group); or (iii) the Selected Participant has been guilty of misconduct, or has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally, or has been convicted any criminal offence involving his integrity or honesty; or (iv) the Selected Participant could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relationship with the Group or by any other reasons whatsoever; or (v) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company); or (vi) where the Board or the Committee is of the view that the Award is subject to clawback in its entirety and that the Board or the Committee resolves to exercise the right to clawback pursuant to the Company's policy on clawback, as amended from time to time (each of these, an event of "**Total Lapse**"), the Award shall automatically lapse forthwith and all the Awarded Shares shall not vest on the relevant Vesting Date but shall, subject to the provisions of the Companies Act and the Constitution, become Returned Shares for the purposes of the Share Award Plan.

- 6.3 In the event (i) a Selected Participant is found to be an Excluded Participant; or (ii) (subject to paragraph 3.9) a Selected Participant fails to return duly executed transfer documents prescribed by the Trustee (or such later date as may be determined by the Board or the Committee at its sole and absolute discretion having to all relevant circumstances) for the relevant Awarded Shares within the stipulated period (whether in the ordinary vesting pursuant to the vesting timetable set out in paragraph 3.7 or on such other dates as provided in or determined in accordance with these rules of the Share Award Plan); or (iii) where the Board or the Committee is of the view that part of the Award is subject to clawback and that the Board or the Committee resolves to exercise the right to clawback pursuant to the Company's policy on clawback, as amended from time to time (each of these, an event of "**Partial Lapse**"), the relevant part of an Award made to such Selected Participant shall automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date but the Awarded Shares shall, subject to the provisions of the Companies Act and the Constitution, become Returned Shares and the dividends and other distributions declared and made in respect of the deemed vested Awarded Shares shall form part of the income of the trust fund for the purposes of the Share Award Plan.
- 6.4 Except in respect of the death of a Selected Participant or retirement of a Selected Participant at his normal retirement date or earlier by agreement with the Company or the Subsidiary, or a Total Lapse,
- (A) subject to sub-paragraph (C) and barring any unforeseen circumstances, unless otherwise agreed between the Board or the Committee and the Trustee, one (1) month prior to any Vesting Date, the Trustee shall send to the relevant Selected Participant (via the Company) a direction form together with such prescribed transfer documents and checklist of information and/or documents which require the Selected Participant to execute and/or provide as well as to decide whether the relevant Awarded Shares (or any portion thereof) shall be sold to effect the transfer and/or sale of the Awarded Shares on or as soon as practicable after the relevant Vesting Date;
 - (B) subject to the receipt by the Trustee no later than the date falling seven (7) Business Days before the relevant Vesting Date of (i) the completed direction form and prescribed transfer documents and requisite information and/or documents prescribed by the Trustee and duly signed by the Selected Participant within the period stipulated in the direction form/checklist referred to in paragraph 6.4(A) hereof, and (ii) a confirmation from the Company that all vesting conditions having been fulfilled, the Trustee shall as soon as practicable transfer the relevant Awarded Shares to the relevant Selected Participant and/or sell the relevant Awarded Shares and pay the net sale proceeds thereof to the relevant Selected Participant; and

- (C) in the event that the number of Business Days between the date of the Award Notice and the Earliest Vesting Date is less than one month, the Trustee shall (within five (5) Business Days from the date of it being notified by the Board of the making of the Award in accordance with paragraph 3.4) send to the relevant Selected Participant (via the Company) a direction form together with such prescribed transfer documents and checklist of information and/or documents which require the Selected Participant to execute and/or provide as well as decide whether the relevant Award Shares (or any portion thereof) shall be sold to effect the transfer and/or sale of the Awarded Shares on or as soon as practicable after the relevant Vesting Date.
- 6.5 The Trustee shall hold Returned Shares exclusively for the benefit of all or one or more of the Eligible Participants (excluding any Excluded Participants) as the Board or the Committee shall in its absolute discretion at any time determine and select in writing as the Selected Participant(s).
- 6.6 In the event that the Board or the Committee determines in its absolute discretion that any condition(s) and/or performance target(s) to be duly fulfilled by such Selected Participant as specified in the related Award Notice has not been duly fulfilled or has not been waived by the Board or the Committee, the Board or the Committee shall be entitled to determine that the Award made to such Selected Participant shall lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall, subject to the provisions of the Companies Act and the Constitution, become Returned Shares for the purposes of the Share Award Plan.
- 6.7 If any Award shall lapse in accordance with this paragraph 6, the Board or the Committee shall notify the Trustee in writing accordingly.

7. SHARE AWARD PLAN LIMIT

- 7.1 The aggregate maximum number of Shares (“**Plan Mandate Limit**”) (i) to be subscribed for by the Trustee by applying the Group Contribution pursuant to paragraph 4.2 for the purpose of the Share Award Plan; and (ii) to be issued under any other share option schemes adopted or to be adopted by the Company from time to time/shall not exceed 10% of the total number of issued Shares as at the Adoption Date or the relevant date of approval of the refreshment of the Plan Mandate Limit. The Board or the Committee shall not instruct the Trustee to subscribed for any Shares for the purpose of the Share Award Plan when such subscription will result in the Plan Mandate Limit being exceeded.

- 7.2 Awards lapsed in accordance with the paragraph 6 of the Share Award Plan will not be regarded as utilised for the purpose of calculating the Plan Mandate Limit. If the Company conducts any capitalisation issue, rights issue, share consolidation, share sub-division or capital reduction, the maximum number and the Grant Price of Shares that may be issued by the Company, subscribed for by the Trustee pursuant to the Share Award Plan and all other share option schemes of the Company under the unutilised Plan Mandate Limit shall, subject to the provisions of the Companies Act, the Constitution, and the Listing Rules, be adjusted accordingly provided that: (i) in respect of any such adjustments, other than any made on a capitalisation issue, an independent financial adviser or the Company's auditors must confirm to the Directors in writing that the adjustments satisfy the requirements under the Note to Rule 17.03(13) of the Listing Rules and any further guidance/interpretation of the Listing Rules to be issued by the Stock Exchange from time to time; (ii) any such adjustment made must give each Selected Participant the same proportion of the share capital of the Company, rounded to the nearest whole Share, as that to which he/she was previously entitled; (iii) no such adjustment shall be made which would result in the Grant Price of any Awarded Share being less than its nominal value; (iv) no adjustment shall be made to the advantage of the Selected Participant without specific prior approval from the Shareholders of the Company; and (v) the issue of securities of the Company for cash or as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment.

If the Company conducts a share consolidation or subdivision after the Plan Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all options and awards to be granted under all of the schemes of the Company under the Plan Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole share.

- 7.3 Any grant of Awards to any Director, chief executive or substantial Shareholder of the Company, or any of his respective associates, shall be subject to the prior approval of the Remuneration Committee of the Board (excluding any member who is a proposed recipient of the grant of the Award) and the independent non-executive Directors of the Company (excluding any independent non-executive Director who is a proposed recipient of the grant of Awards). In addition,

- (A) where any grant of Awards (excluding grant of share options) to any Director (other than an independent non-executive Director) or chief executive of the Company, or any of his respective 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 terms of this Share Award Plan) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such grant of awards must be approved by Shareholders in general meeting in the manner set out in Rule 17.04(4) of the Listing Rules; or
- (B) where any grant of Awards to an independent non-executive Director or substantial Shareholder of the Company (or any of his respective associates) would result in the number of Shares issued and to be issued upon exercise of all Awards already granted (excluding any Awards lapsed in accordance with the terms of the Share Award Plan) to such person in the 12 month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of Shares in issue, such further grant of Awards must be approved by Shareholders of the Company in general meeting in the manner required, and subject to the requirements set out, in the Listing Rules. In particular, the Company send a circular to the Shareholders. The Selected Participants, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

7.4 The maximum number of Shares, in a 12-month period up to and including the date of grant, which may be subject to an Award or Awards to a Selected Participant together with any Shares issued and to be issued under any options granted to such Selected Participant under any share option schemes of the Company (excluding any options and awards lapsed in accordance with the terms of the scheme) shall not (i) in aggregate exceed 1% of the relevant class of shares of the Company in issue; and (ii) exceed any limits applicable to such Selected Participant under the Listing Rules (the “**Individual Limit**”). Any grant of Awards that shall exceed the 1% Individual Limit must be separately approved by Shareholders in general meeting with such Selected Participant and his/her close associates (or associates if such Selected Participant is a connected person) abstaining from voting and the Company must send a circular to the Shareholders in compliance with the requirements of the Listing Rules.

7.5 The Company may seek approval by its shareholders in general meeting for refreshing the Plan Mandate Limit after three years from the date of shareholders’ approval for the last refreshment or the adoption of the Share Award Plan and in accordance with the applicable Companies Act, the Constitution and the Listing Rules provided that:

- (A) The total number of Shares which may be issued in respect of all awards to be granted under the Share Award Plan and all share options and all share awards to be granted under any other schemes under the Plan Mandate Limit as refreshed must not exceed 10% of the Shares in issue at the date of the Shareholders' approval of the refreshed scheme mandate. The Company must send a circular to its Shareholders containing the number of options and awards that were already granted under the existing Plan Mandate Limit, and the reason for the refreshment.
 - (B) Any refreshment to the Plan Mandate Limit within any three-year period must be approved by the Shareholders, subject to the following:
 - (i) any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
 - (ii) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 and/or such other applicable provisions of the Listing Rules.
 - (C) The requirements under paragraph 7.5(B)(i) and (ii) do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Plan Mandate Limit (or the refreshed scheme mandate, as the case may be) (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Plan Mandate Limit (or the refreshed scheme mandate, as the case may be) immediately before the issue of securities, rounded to the nearest integral whole Share.
- 7.6 The Company may seek separate Shareholders' approval in general meeting to grant awards under the Share Award Scheme beyond the Plan Mandate Limit or, if applicable, the refreshed limits, provided that:
- (A) the Awards in excess of the Plan Mandate Limit are granted only to Selected Participants specifically identified by the Company before such approval is sought;
 - (B) the Company must send a circular to the Shareholders containing the name of each specified Selected Participant who may be granted such Awards, the number and terms of the Awards to be granted to each Selected Participant, and the purpose of granting Awards to the specified Selected Participants with an explanation as to how the terms of the Awards serve such purpose; and
 - (C) the number and terms of Awards to be granted to such Selected Participant must be fixed before the Shareholders' approval.

8. VOTING RIGHTS RE SHARES IN SHARES POOL AND SELECTED PARTICIPANTS HAVING NO RIGHTS

- 8.1 The Trustee shall not exercise the voting rights in respect of any Shares held under the trust constituted by the Trust Deed (including but not limited to any Shares in the Shares Pool, the Awarded Shares, the Returned Shares, any bonus Shares and scrip Shares). In particular, the Trustee holding unvested Shares under the Share Award Plan, whether directly or indirectly, shall abstain from voting on matters that require Shareholders' approval under the Companies Act, the Constitution and the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.
- 8.2 The Selected Participants shall not have any right to receive any Awarded Shares set aside for them pursuant to paragraph 4 unless and until the Trustee has, subject to the provisions of the Companies Act and the Constitution, transferred and vested the legal and beneficial ownership of such Awarded Shares to and in the Selected Participants in accordance with the terms hereof. For the avoidance of doubt:
- (A) a Selected Participant shall only have a contingent interest in the Awarded Shares which are referable to him subject to the vesting of such Shares in accordance with paragraph 5.1;
 - (B) a Selected Participant shall have no rights in the Residual Cash or any of the Returned Shares;
 - (C) no instruction may be given by a Selected Participant to the Trustee in respect of the Awarded Shares and/or the Other Distributions and/or such other properties or assets of the trust constituted by the Trust Deed; and
 - (D) a Selected Participant shall have no rights in the fractional share arising out of consolidation of Shares (and such Shares shall be deemed as Returned Shares for the purposes of the Share Award Plan);
 - (E) where a Selected Participant ceases to be an Employee on the relevant Vesting Date, the award of the Awarded Shares in respect of the relevant Vesting Date shall lapse, such Awarded Shares shall not vest on the relevant Vesting Date and the Selected Participant shall have no claims against the Company, any Subsidiary or the Trustee; and
 - (F) in the case of the death of a Selected Participant, the Benefits shall be forfeited if no transfer of the Benefits to the Personal Representatives of the Selected Participant is made within the period prescribed in paragraph 3.9 and 5.3, and the Personal Representatives of the Selected Participant shall have no claims against the Company, any Subsidiary or the Trustee.

9. DISPUTES

Any dispute arising in connection with the Share Award Plan shall be referred to the decision of the Board or the Committee who shall act as experts and not as arbitrators and whose decisions shall be final, conclusive and binding on all persons who may be affected thereby.

10. ALTERATION OF THESE RULES OF THE SHARE AWARD PLAN

- 10.1 These rules of the Share Award Plan may be altered by the prior sanction of a resolution passed by the Board or the Committee provided that no such alteration (i) is material in nature; (ii) relates to the matters set out under Rule 17.03 of the Listing Rules to the advantage of the Selected Participant; or (iii) relates to the authority of the Board to alter the Share Award Plan, where in any of such cases such alteration must be approved by the Shareholders in general meeting (with the Selected Participant or proposed Selected Participant and their associates abstaining from voting). The decision from the Board or the Committee as to whether any proposed alteration to the terms and conditions of the Share Award Plan is material shall be conclusive. The amended terms of the Rules of the Share Award Plan must comply with all applicable laws, rules and regulations (including without limitation the Companies Act, the Constitution and the Listing Rules).
- 10.2 Any change to the terms of Awards granted to a Selected Participant must be approved by the Board or the Committee, the Remuneration Committee of the Company, the independent non-executive Directors of the Company and/or the Shareholders (as the case may be) if the initial grant of such Awards under the Share Award Scheme was approved by the Board or the Committee, the Remuneration Committee of the Company, the independent non-executive Directors of the Company and/or the Shareholders (as the case may be) except where the alterations take effect automatically under the existing terms of the Share Award Plan.
- 10.3 Written notice of all details relating to change in the terms of to the Share Award Plan during the lifetime of the Share Award Plan shall be given to all Selected Participants and the Trustee immediately upon the changes take effect.

11. TERMINATION

- 11.1 The Share Award Plan shall terminate on the earlier of:
- (i) on the 10th anniversary date of the Adoption Date; and
 - (ii) such date of early termination as determined by the Board or the Committee and notified to the Trustee in writing, provided that such termination shall not affect any subsisting rights of any Selected Participant hereunder.

11.2 If, at the date of the termination of the Share Award Plan, the Trustee holds any Share which has not been set aside pursuant to paragraph 3 in favour of any Selected Participant, then the Trustee shall, subject to the provisions of the Companies Act and the Constitution, within twenty-one (21) Business Days (on which the trading of the Shares has not been suspended) after receiving actual notice of such termination, sell such Shares and remit the proceeds of sale (after making appropriate deductions in respect of stamp duty and other costs, liabilities and expenses in accordance with the Trust Deed) together with such unutilised funds to the Company.

11.3 Upon termination of the Share Award Plan,

- (A) No further Awards may be granted but the provisions of the Share Award Plan shall remain in full force and effect in all other respects in respect of Awards granted prior to such expiry or termination, which shall continue to be exercisable, and able to be vested, after the expiry of the term or termination in accordance with their terms of grants;
- (B) Returned Shares and such non-cash income remaining in the trust fund shall be sold by the Trustee, within twenty-one (21) Business Days (on which the trading of the Shares has not been suspended) of receiving notice of such termination of the Share Award Plan (or such longer period as the Board or the Committee may otherwise determine);
- (C) Residual Cash, net proceeds of sale referred to in paragraph 11.3(B) hereof and such other funds remaining in the trust constituted by the Trust Deed (after making appropriate deductions in respect of all disposal costs, liabilities and expenses in accordance with the Trust Deed) shall be remitted to the Company forthwith after the sale. For the avoidance of doubt, the Trustee may not transfer any Shares to the Company nor may the Company otherwise hold any Shares whatsoever (other than its interest in the proceeds of sale of such Shares pursuant to Paragraph 11.3(B) hereof).

11.4 For the avoidance of doubt, the temporary suspension of the granting of any Award shall not be construed as a decision to terminate the operation of the Share Award Plan.

12. MISCELLANEOUS

12.1 These rules of the Share Award Plan 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 office or employment shall not be affected by his participation in the Share Award Plan or any right which he may have to participate in it and the Share Award Plan shall afford such Eligible Participant no additional rights to compensation or damages in consequence of the termination of his office or employment for any reason.

- 12.2 The Company shall bear the costs and expenses of establishing, administering and implementing the Share Award Plan (including, for the avoidance of doubt, the Trustee's fees and costs, any transaction levy, investor compensation levy, brokerage, trading fee, trading tariff, stamp duty and any other tax and expenses of whatsoever nature payable on the part of a Selected Participant or the Trustee in respect of any sale, vesting or transfer of, or subscription for, Shares pursuant to the Share Award Plan), but excluding any costs, expenses, levies and taxes which are determined by the Board or the Committee (in their absolute discretion) to be payable due to reasons, factors or circumstances which are personal or pertaining to the relevant Selected Participant(s) or otherwise unrelated to the making of the relevant Award under the Share Award Plan and which shall be payable by the relevant Selected Participant(s).
- 12.3 Any notice or other communication between the Company, the Board or the Committee, any Selected Participant and/or the Trustee may be given by sending the same by electronic mail, electronic system/platform provided by third-party vendor as selected by the Board or the Committee, prepaid post or by personal delivery to:
- (A) in the case of the Company or the Board or the Committee, the principal place of business of the Company in Hong Kong or such other address as notified by the Company to the Trustee from time to time;
 - (B) in the case of the Trustee, its registered office or principal place of business in Hong Kong or such other address as notified by the Trustee to the Company from time to time; and
 - (C) in the case of any Selected Participant, his last known address as notified by such Selected Participant to the Company from time to time or, if none or incorrect or out of date, his last place of employment with the Group or the Company's principal place of business from time to time.
- 12.4 Any notice or other communication:
- (A) if sent by any Selected Participant, shall be irrevocable and shall not be effective until actually received by the Company, the Board or the Committee and the Trustee (as the case may be);
 - (B) if sent to any Selected Participant shall be deemed to be given or made three (3) days after the date of posting, if sent by local postage pre-paid registered mail to an address in Hong Kong; and five (5) days after the date of posting, if sent by postage pre-paid registered airmail to an address outside Hong Kong; and when delivered, if delivered by hand; and
 - (C) if sent to the Trustee, shall be irrevocable and shall not be effective until actually received by the Trustee.

- 12.5 The Share Award Plan shall not confer on any person any legal or equitable rights against the Company, any Subsidiary and the Trustee, or any of them, directly or indirectly or give rise to any cause of action at law or in equity against the Company, any Subsidiary and the Trustee, or any of them.
- 12.6 A Selected Participant shall, before accepting an Award and taking the transfer and vesting of the related Awarded Shares (or the net sale proceeds thereof) to and in him, obtain all necessary consents that may be required to enable him to accept such Award and take such transfer and vesting of the related Awarded Shares (or the net sale proceeds thereof), as the case may be, in accordance with these rules of the Share Award Plan. By accepting an Award, the Selected Participant is deemed to have represented to the Company and the Trustee that he has obtained all such consents. Compliance with this paragraph shall be a condition precedent to an acceptance of an Award by a Selected Participant. A Selected Participant shall indemnify the Company and the Trustee, as the case may be, fully against all claims, demands, liabilities, actions, proceedings, fees, costs and expenses which the Company or the Trustee, as the case may be, may suffer or incur (whether alone or jointly with other party or parties) for or in respect of any failure on the part of such Selected Participant to obtain any necessary consent or to pay tax or other liabilities in relation to or in connection with his acceptance of the Award and taking the transfer and vesting of the related Awarded Shares (or the net sale proceeds thereof) to and in him as referred to in this paragraph 12.6.
- 12.7 A Selected Participant shall pay all tax and discharge all liabilities to which he may become subject or liable as a result or consequence of his participation in the Share Award Plan, acceptance of any Award made hereunder, and taking the transfer and vesting of the related Awarded Shares (or the net sale proceeds thereof) to and in him, or any of the foregoing.
- 12.8 A Selected Participant shall indemnify the Company, any Subsidiary and/or the Trustee against any liability each of them may have to pay or account for any taxes, including any withholding liability in connection with any taxes, and to give effect to this, the Trustee or the Company may, notwithstanding anything else herein contained (but subject to applicable law):
- (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 Board or the Committee, is sufficient to cover such liability);
 - (B) sell, on the Selected Participant's behalf, such number of Awarded Shares to which the Selected Participant becomes entitled under the Share Award Plan 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 Share Award Plan or from any payments due from the Company, any Subsidiary to the Selected Participant; and/or
- (D) require the Selected Participant to remit to the Company, any Subsidiary 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 the Company, any Subsidiary on account of the Selected Participant or to otherwise make alternative arrangements satisfactory to the Company for the payment of such amounts.

For the avoidance of doubt, the Trustee shall not be obliged to transfer any Awarded Shares (or the net sale proceeds thereof) to a Selected Participant unless and until the Selected Participant satisfies the Trustee and the Company that such Selected Participant's obligations under this paragraph 12.8 have been met.

- 12.9 The Selected Participant and/or the Company shall be responsible for any tax reporting obligations to any relevant tax authorities, and to notify the Trustee in a timely manner of any tax reporting obligations that the Trustee may have to enable the Trustee to fulfil such reporting obligations, including providing the Trustee with all information and documents required by the relevant tax authorities to fulfil its Common Reporting Standard and Foreign Account Tax Compliance Act reporting obligations.
- 12.10 The Trustee may rely on the Award Notices and instructions and directions in writing, or any of them, given to it by the Board or the Committee from time to time under the Share Award Plan, and the contents thereof, without further and/or independent inquiry or verification, and may assume the same and the transactions contemplated thereby to be in compliance with all applicable laws, rules, regulations, codes, and guidelines, whether statutory, regulatory, administrative or otherwise and whether having the force of law, and these rules of the Share Award Plan and the Trust Deed.
- 12.11 In respect of the administration of the Share Award Plan, the Company shall comply with all applicable disclosure regulations including without limitation those imposed by the the Companies Act, the Constitution and the Listing Rules from time to time.

13. CONDITIONS

13.1 The Share Award Plan is conditional upon:

- (A) the passing of an ordinary resolution by the Shareholders at a general meeting to approve the adoption of the Share Award Plan and authorising the Directors to grant Awards thereunder and to allot, issue and deal with Shares pursuant to the grant of any Awards in accordance with the terms and conditions of the Share Award Plan;
- (B) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, such number of Shares representing the Plan Mandate Limit (as defined in paragraph 7.1) to be allotted and issued by the Company pursuant to the grant of Awards in accordance with the terms and conditions of the Share Award Plan; and
- (C) the issue of the Awarded Shares by the Directors being duly approved in accordance with Section 161 of the Companies Act.

13.2 If the conditions referred to in paragraph 13.1 are not satisfied on or before the date falling sixty (60) days after the date of the general meeting held for the purpose of approving the Share Award Plan, the Share Award Plan shall forthwith determine and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Share Award Plan.

13.3 Reference in paragraph 13.1(B) to the Listing Committee of the Stock Exchange formally granting the listing and permission referred to therein shall include any such listing and permission which are granted subject to the fulfilment of any condition precedent or condition subsequent.

13.4 A certificate of a Director that the conditions set out in paragraph 13.1 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.

14. CLAWBACK

The Company may exercise the clawback right in circumstances where, in the absolute opinion of the Board or the Committee, it may be regarded as inequitable for any Awarded Shares to be vested or retained (as the case may be) by any Selected Participant, including but not limited to where there has been material misstatement or omission in the financial reports of the Group or if the relevant Selected Participant has committed any fraud or serious misconduct. Without limiting the generality of the foregoing, any Awarded Shares may be subject to clawback pursuant to the Company's policy on clawback, as amended from time to time.

15. GOVERNING LAW

15.1 The Share Award Plan shall operate subject to the Constitution.

15.2 The Share Award Plan shall be governed by and construed in accordance with the laws of Hong Kong.

****** End of these rules of the Share Award Plan ******