

**ZENGAME TECHNOLOGY HOLDING LIMITED**

禪遊科技控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

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**RULES RELATING TO THE 2024 SHARE SCHEME  
ADOPTED BY THE SHAREHOLDERS OF ZENGAME  
TECHNOLOGY HOLDING LIMITED**

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## 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:

<b>"Administration Committee"</b>	the chairman or vice chairman of the Board, delegated with the power and authority by the Board to administer the Scheme;
<b>"Adoption Date"</b>	[31 May] 2024, being the date on which the Shareholders adopted the Scheme at a general meeting and adopted by the Company;
<b>"Articles"</b>	the articles of association of the Company, as amended from time to time;
<b>"associate(s)"</b>	shall have the meaning given to it in the Listing Rules;
<b>"Award(s)"</b>	an award granted under the Scheme by the Board to a Grantee, which may take the form of a Share Option which shall be funded by issuance of new Shares or a Share Award which shall be funded either by issuance of new Shares or purchase of existing Shares from third party;
<b>"Award Letter"</b>	shall have the meaning given to it in Rule 10.1;
<b>"Award Shares"</b>	new Shares to be issued and/or existing Shares to be purchased underlying an Award;
<b>"Board"</b>	the board of Directors of the Company;
<b>"Business Day"</b>	any day on which the Stock Exchange is open for the business of dealing in securities;
<b>"CCASS"</b>	the Central Clearing and Settlement System established and operated by HKSCC;
<b>"chief executive(s)"</b>	shall have the meaning given to it in the Listing Rules;
<b>"Company"</b>	Zengame Technology Holding Limited, a limited liability company incorporated under the laws of the Cayman Islands and whose Shares are listed on the Stock Exchange;
<b>"connected person(s)"</b>	shall have the meaning given to it in the Listing Rules;
<b>"controlling shareholder(s)"</b>	shall have the meaning given to it in the Listing Rules;
<b>"Culpable Termination"</b>	termination of the employment of an Employee

Participant on the grounds that he/she has been guilty of serious misconduct, or there exists grounds allowing his/her summary dismissal under his/her employment contract or under common law, or he/she is unable or has no reasonable prospects of being able to pay his/her debts within the meaning of the Bankruptcy Ordinance (Cap. 6, Laws of Hong Kong) or any other applicable law, or he/she has become otherwise insolvent or has made any arrangement or composition with his/her creditors generally, or he/she has been convicted of any criminal offence involving his/her integrity or honesty;

<b>"Director(s)"</b>	a director of the Company;	
<b>"Eligible Participant(s)"</b>	an Employee Participant or a Related Entity Participant;	17.03A(1)
<b>"Employee Participant(s)"</b>	(i) any director (including executive, non-executive and independent non-executive directors) or proposed director; or  (ii) any employee (whether full time or part time) or any proposed employee (including persons who are granted options or awards under the Scheme as an inducement to enter into employment contracts with these companies); and  (iii) any manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group.	17.03A(1)(a) )
<b>"Exercise Period"</b>	in respect of any Award, the period during which the Grantee may exercise the Award;	
<b>"Exercise Price"</b>	in respect of any Share Option(s), the price per Share at which a Grantee may subscribe for Shares upon the exercise of a Share Option awarded under the Scheme;	
<b>"Grant Date"</b>	the date on which the grant of an Award is made to a Grantee, being the date of the Award Letter in respect of such Award;	
<b>"Grantee"</b>	any Eligible Participant approved for participation in the Scheme and who has been granted any Award pursuant to Rule 8.1;	
<b>"Group"</b>	the Company and its subsidiaries from time to time, and the expression " <b>member of the Group</b> " shall be construed accordingly;	
<b>"HKSCC"</b>	Hong Kong Securities Clearing Company Limited;	
<b>"Holding Company"</b>	shall have the meaning given to it in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong);	

<b>"Hong Kong"</b>		the Hong Kong Special Administrative Region of the People's Republic of China;	
<b>"Issue Price"</b>		in respect of any Share Award, the price per share a Grantee is required to pay to subscribe for the new Shares and/or existing Shares underlying the Share Award;	
<b>"Listing Committee"</b>		the Listing Committee of the Stock Exchange;	
<b>"Listing Rules"</b>		the Rules Governing the Listing of Securities on the Stock Exchange;	
<b>"Related Entity(ies)"</b>		(i) a Holding Company; (ii) subsidiaries of the Holding Company other than members of the Group; or (iii) any company which is an associate of the Company;	
<b>"Related Participant(s)"</b>	<b>Entity</b>	any person who is an employee (whether full-time or part-time or other employment relationship), director or officer of a Related Entity;	17.03A(1)(b) )
<b>"Related Income"</b>		any cash dividends or other distributions declared and paid in respect of Shares;	
<b>"Scheme"</b>		this share scheme constituted by the Scheme Rules;	
<b>"Scheme Limit"</b>	<b>Mandate</b>	shall have the meaning set out in Rule 6.1, as increased, refreshed or renewed from time to time in accordance with the Scheme Rules;	
<b>"Scheme Period"</b>		the period of 10 years commencing on the Adoption Date and ending on the 10 <sup>th</sup> anniversary of the Adoption Date;	17.03(11)
<b>"Scheme Rules"</b>		the rules set out herein relating to the Scheme as amended from time to time;	
<b>"SFC"</b>		the Securities and Futures Commission of Hong Kong;	
<b>"Shares"</b>		ordinary share(s) of HK\$0.01 each in the share capital of the Company (or of such other nominal amount, or shares forming part of the ordinary share capital of the Company, as results from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time);	
<b>"Share Award"</b>		shall have the meaning set out in Rule 8.2(a);	
<b>"Share Option"</b>		shall have the meaning set out in Rule 8.2(b);	
<b>"Share Registrar"</b>		the Hong Kong branch share registrar of the Company;	
<b>"Shareholders"</b>		holders of Shares;	

<b>"Stock Exchange"</b>	The Stock Exchange of Hong Kong Limited;
<b>"subsidiary"</b>	shall have the meaning given to it in the Listing Rules;
<b>"substantial shareholder"</b>	shall have the meaning given to it in the Listing Rules;
<b>"Taxes"</b>	shall have the meaning given to it in Rule 14;
<b>"Treasury Share(s)"</b>	the Shares repurchased and held by the Company in treasury (as permitted by the Listing Rules with effect from 11 June 2024), as authorised by the laws of the Cayman Islands and the memorandum of association and the articles of association of the Company, as amended and supplemented from time to time, which, for the purpose of the Listing Rules, include Shares repurchased by the Company and held or deposited in CCASS for sale on the Stock Exchange;
<b>"Trust"</b>	any trust or similar arrangement established for the purposes of implementing and administering the Scheme pursuant to Rule 7.7;
<b>"Trust Deed"</b>	the deed constituting and/or governing any Trust or such other governing documents or custodian arrangements entered into between the Company and any Trustee as the Board considers appropriate;
<b>"Trustee"</b>	any trustee or other third party appointed by the Company to hold Shares under a Trust pursuant to a Trust Deed; and
<b>"Vesting Date"</b>	the date or dates on which an Award (or part thereof) is to vest in the relevant Grantee and upon which the Grantee may exercise the Award, as determined from time to time by the Board pursuant to Rule 11.1, unless a different Vesting Date is deemed to occur in accordance with Rule 21.1.

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 to statutes, statutory provisions or the Listing Rules shall be construed as references to those statutes, provisions or rules as respectively amended or re-

enacted and shall include any orders, regulations, instruments, subsidiary legislation, other subordinate legislation or practice notes under the relevant statute, provision or Listing Rule;

- (f) unless otherwise indicated, the Board can make determinations in its absolute discretion and if the Board delegates its authority to administer the Scheme to the Administration Committee, such Administration Committee shall enjoy the same absolute discretion;
- (g) a reference to “**include**”, “**includes**” and “**including**” shall be deemed to be followed by the words “**without limitation**”;
- (h) words importing the singular include the plural and vice versa, and words importing a gender include every gender;
- (i) headings are included in the Scheme Rules for convenience only and do not affect its interpretation;
- (j) references to any statutory body shall include the successor thereof and any body established to replace or assume the functions of the same; and
- (k) references to person includes any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity.

## **2. CONDITIONS**

2.1. The Scheme shall become effective upon fulfilment of the following conditions:

- (a) ordinary resolution(s) by the Shareholders at a general meeting of the Company to (1) approve and adopt the Scheme; (2) authorise the Board to grant Awards under the Scheme; and (3) authorise the Board to allot and issue Shares pursuant to Awards under the Scheme; and
- (b) the Listing Committee granting approval for the listing of, and permission to deal in, the Shares to be allotted and issued pursuant to Awards.

## **3. PURPOSE OF THE SCHEME**

17.03(1)

3.1. The purpose of the Scheme is:

- (a) to provide the Company with a flexible means of attracting, remunerating, incentivising, retaining, rewarding, compensating and/or providing benefits to Eligible Participants;
- (b) to align the interests of Eligible Participants with those of the Company and Shareholders by providing such Eligible Participants with the opportunity to acquire proprietary interests in the Company and becoming Shareholders; and
- (c) to encourage Eligible Participants to contribute to the long-term growth, performance and profits of the Company and to enhance the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole.

The Directors expect the Scheme to recognize the contributions by certain employees of the Group, to recognize the contributions by certain Eligible Participants and to give incentives

thereto in order to retain and motivate them for the continual operation and development of the Group; and to attract suitable personnel for further development of the Group, by providing them with the opportunity to acquire equity interests in the Company.

17.03(2)

#### **4. ELIGIBLE PARTICIPANTS**

- 4.1. Eligible Participants as determined by the Board or the Administration Committee from time to time shall be eligible to participate in the Scheme.
- 4.2. The basis of determining the eligibility of each Eligible Participant, including the criteria for determining a person's eligibility under each category of Eligible Participant, shall be at the sole discretion of the Board:
  - (a) for Employee Participants – the Board shall take into consideration the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of employment with the Group and the individual contribution or potential contribution to the development and growth of the Group; and
  - (b) for Related Entity Participants – the Board shall take into consideration the degree of involvement in and/or cooperation with the Group, the length of collaborative relationship with the Related Entity Participant has established with the Group, the amount of support, assistance, guidance, advice, efforts and contributions the Related Entity Participant has exerted or given towards the success of the Group, and the amount of potential support, assistance, guidance, advice, efforts and contributions that the Related Entity Participant is likely to be able to give or make towards the success of the Group in the future.
- 4.3. No person who is resident in a place where the grant, acceptance or exercise of an Award pursuant to the Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or the Administration Committee, applicable laws and regulations in such place makes it necessary or expedient to exclude such person, shall be entitled to participate in the Scheme and such person shall therefore not be an Eligible Participant for the purposes of the Scheme.
- 4.4. In assessing whether the Eligible Participants provides services to the Group on a continuing and recurring basis, the Board shall take into consideration the length and type of services provided to the Group in the past 12 months and the recurrences and regularity of such services, the period of engagement of the Eligible Participant, and will benchmark such metrics against the performance of the employees, officers and directors of the Group to whom the Group provides equity incentives, while taking into account the purpose of the Scheme and the objectives in engaging the Eligible Participants.

#### **5. DURATION**

- 5.1. Subject to Rule 23, the Scheme shall be valid and effective for the Scheme Period, after which no further Awards will be granted under the Scheme, and thereafter for so long as there are any unvested Awards granted prior to the expiration of the Scheme Period, in order to give effect to the vesting of such Awards or otherwise as may be required in accordance with the provisions of the Scheme Rules.

#### **6. SCHEME LIMITS**

17.03(3)



- 6.1. The total number of Shares which may be issued pursuant to all Awards to be granted under the Scheme together with the number of Shares which may be issued under any other share schemes of the Company that are funded by the issuance of new Shares is [103,062,743] Shares, being not more than 10% of the Shares in issue (excluding the Treasury Shares (if any)) as at the Adoption Date (the "**Scheme Mandate Limit**"). 17.03B(1)
- 6.2. Shares which would have been issued pursuant to Awards which have lapsed in accordance with the terms of the Scheme Rules (or the terms of any other share schemes of the Company) shall not be counted for the purpose of calculating the Scheme Mandate Limit. 17.03B Note 1
- 6.3. The Company may refresh either of the Scheme Mandate Limit: 17.03C(1)
- (a) from the later of three years after the Adoption Date or three years after the date of the previous shareholder approval for refreshment of the Scheme Mandate Limit pursuant to this Rule, with the prior approval of Shareholders in general meeting by way of ordinary resolution; or
- (b) at any time, with the prior approval of the Shareholders in general meeting and subject to compliance with any additional requirements set out in the Listing Rules.
- 6.4. The Scheme Mandate Limit as refreshed pursuant to Rule 6.3 shall not exceed 10% of the Shares in issue (excluding the Treasury Shares (if any)) as at the date of the approval to refresh the Scheme Mandate Limit by the Shareholders in general meeting. Awards already granted under the Scheme and any other share schemes of the Company (including those exercised, outstanding or lapsed in accordance with its terms) shall not be counted for the purpose of calculating the number of new Shares underlying the Awards that may be issued under the Scheme Mandate Limit as refreshed. 17.03C(2)
- 6.5. The Company may seek separate approval of the Shareholders in general meeting to grant Awards beyond the Scheme Mandate Limit to Eligible Participants specifically identified by the Company, subject to compliance with the requirements set out in the Listing Rules. 17.03C(3)

## **7. ADMINISTRATION**

- 7.1. The Board shall be responsible and have full authority for administering the Scheme in accordance with the Scheme Rules.
- 7.2. The authority to administer the Scheme may be delegated by the Board to the Administration Committee, including the power to construe and interpret the Scheme Rules, and the terms of the Awards, provided that nothing in this Rule 7.2 shall prejudice the Board's power to revoke such delegation at any time or derogate from the authority rested with the Board in Rule 7.1.
- 7.3. Decisions of the Board or the Administration Committee in relation to the operation of the Scheme or interpretation of the Scheme Rules shall be final and binding on all parties.
- 7.4. Subject to the Scheme Rules and any applicable laws, rules and regulations, the Board shall have the power from time to time to:
- (a) construe and interpret the Scheme Rules and the terms of the Awards granted from time to time;

- (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) establish a Trust, appoint a Trustee, approve the terms of any Trust Deed and make such other arrangements for the implementation and administration of the Scheme as they shall see fit pursuant to Rule 7.7;
- (d) grant Awards to those Eligible Participants whom they shall select from time to time;
- (e) determine the terms and conditions of Awards granted under the Scheme including but not limited to number of Awards, Issue Price, Exercise Price, Exercise Period, Vesting Dates, vesting criteria, performance targets (if any), clawback arrangements and other conditions;
- (f) approve the form of Award Letters;
- (g) decide how the vesting of the Award Shares will be settled pursuant to Rules 13.3;
- (h) make such appropriate and equitable adjustments to the terms of Awards granted under the Scheme as they deem necessary;
- (i) determine the commencement or termination date of an Eligible Participant's or Grantee's employment with any member of the Group; and
- (j) take such other steps or actions as they deem necessary or prudent to give effect to the terms and intent of the Scheme Rules and/or Awards.

7.5. None of the Directors or any member of the Administration Committee 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 the Administration Committee 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 wilful default, gross negligence, fraud or bad faith.

7.6. In respect of the administration of the Scheme, the Company shall comply with all applicable shareholder approval, announcement, circular and reporting requirements imposed by the Listing Rules.

7.7. The Company may establish a Trust and appoint a Trustee to hold Shares and other trust property under the Trust for the purposes of implementing and administering the Scheme. The administration and operation of the Trust shall be governed by the Trust Deed. Unless otherwise agreed between the Company and any Trustee, the Board shall act on behalf of the Company to give instructions to and direct the Trustee. The Board may, at its sole and absolute discretion, to (a) issue and allot new Shares to the Trustee, on terms and at issue prices (including at par value) as shall be determined by the Board; and/or (b) notify the Trustee to purchase existing Shares, and the relevant number of Shares underlying any Awards, to be held by the Trustee on the terms of the Trust Deed and reserved for specified Eligible Participants. A Trustee shall not exercise any voting rights in respect of any unvested

17.05A

Shares held by it, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

## 8. GRANT OF AWARDS

8.1. The Board may, from time to time, in their absolute discretion select any Eligible Participant to be a Grantee and, subject to these Scheme Rules, grant an Award to such Grantee during the Scheme Period. The nature, amount, terms and conditions of any such Award so granted shall be determined by the Board in its sole and absolute discretion.

8.2. An Award may take the form of:

- (a) an award which vests in the form of (i) existing Shares, and/or (ii) the right to subscribe for and/or be issued such number of new Shares as the Board may determine at the Issue Price in accordance with the terms of the Scheme Rules (a "**Share Award**"); or
- (b) an award which vests in the form of the right to subscribe for such number of Shares as the Board may determine during the Exercise Period at the Exercise Price in accordance with the terms of the Scheme Rules (a "**Share Option**").

8.3. The Board may determine the amount (if any) payable on application or acceptance of an Award and the period within which any such payments must be made, which amounts (if any) and periods shall be set out in the Award Letter. 17.03(8)

8.4. The Issue Price for Awards which take the form of Share Awards shall be such price determined by the Board on an individual basis, taking into account the purpose of the Scheme, the interests of the Company and the individual circumstances of each Grantee, and notified to the Grantee in the Award Letter. For the avoidance of doubt, the Board may determine the Issue Price to be nil. 17.03(9)

8.5. For Awards which take the form of Share Option(s), the Board shall determine and notify the Grantee in the Award Letter:

- (a) the Exercise Price for such Share Option(s), provided that the Exercise Price shall in any event be no less than the higher of: 17.03E
  - (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Grant Date; and
  - (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the Grant Date, and
- (b) the Exercise Period for such Share Option(s), provided that the Exercise Period shall in any event be no longer than 10 years from the Grant Date. A Share Option shall lapse automatically and shall not be exercisable (to the extent not already exercised) on the expiry of the tenth anniversary from the Grant Date. 17.03(5)

## 9. LIMITS ON GRANTS OF AWARDS

9.1. Unless approved by the Shareholders in the manner set out in this Rule, the total number of Shares issued and to be issued upon exercise of Awards granted and to be granted under the Scheme and any other share schemes of the Company to each Eligible Participant 17.03(4)  
17.03D

(including both exercised and outstanding Share Option(s)) in any 12 month period shall not exceed 1% of the total number of Shares in issue. Any further grant of Awards to an Eligible Participant which would exceed this limit shall be subject to separate approval of the Shareholders in general meeting with the relevant Eligible Participant and their associates abstaining from voting. A circular shall be sent to the Shareholders disclosing the information required to be disclosed under the Listing Rules. The number and terms of the Awards to be granted to such Eligible Participant shall be fixed before the Shareholders' approval is sought. For any Share Option(s) to be granted in such circumstances, the date of the Board meeting for proposing such further grant shall be the Grant Date for the purpose of calculating the Exercise Price.

- 9.2. (1) Any grant of Awards to any Director or chief executive of the Company shall be subject to the prior approval from the remuneration committee of the Board (excluding any member who is the proposed grantee); and (2) any grant of Awards to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive Directors of the Company (excluding any independent non-executive Director who is the proposed grantee of the Share Options or Share Awards). In addition: 17.04
- (a) where any grant of Share Awards (but not any grant of Share Option(s)) to any Director (other than an independent non-executive Director) or chief executive of the Company (or any of their respective associates) would result in the Shares issued and to be issued in respect of all Share Awards granted (excluding any Share Awards lapsed in accordance with the terms of the Scheme) to such person in the 12-month period (including the date of such grant) represent in aggregate over 0.1% of the Shares in issue (excluding Treasury Shares (if any));
  - (b) where any grant of Awards to an independent non-executive Director or substantial shareholder of the Company (or any of their respective associates) would result in 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 Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of Shares in issue (excluding Treasury Shares (if any)); or
  - (c) where the Shares issued and to be issued under all Awards granted to an individual grantee (excluding Awards lapsed under the Scheme) within any 12-month period (including the date of the latest grant) represent in aggregate over 1% of the Shares in issue (excluding Treasury Shares (if any)),

such further grant of Awards must be approved by the Shareholders in general meeting in the manner required, and subject to the requirements set out, in the Listing Rules.

- 9.3. No Award shall be granted to any Eligible Participant: 17.03(5)
- (a) in circumstances prohibited by the Listing Rules or at a time when the relevant Eligible Participant would be prohibited from dealing in the Shares by the Listing Rules (including the Model Code for Securities Transactions by Directors of Listed Issuers, set out in Appendix C3 to the Listing Rules) or by any applicable rules, regulations or law;
  - (b) where the Company is in possession of any unpublished inside information in relation to the Company, until (and including) the trading day after such inside information has been announced;

- (c) during the periods commencing one month immediately before the earlier of the date of the board meeting for approving the Company's results for any year, half-year, quarterly or any other interim period and the deadline for the Company to announce such results, and ending on (and including) the date of publication of the results announcement, provided that such period will also cover any period of delay in the publication of any results announcement;
- (d) if any member of the Group is required under applicable laws, rules or regulations to issue a prospectus or other offer documents in respect of such grant or the Scheme;
- (e) where such grant or dealing in the Shares in respect of such grant would result in a breach by any member of the Group or any of its directors of any applicable laws, rules, regulations or codes in any jurisdiction from time to time;
- (f) in circumstances where the requisite approval from any applicable governmental or regulatory authority has not been obtained, provided that to the extent permissible in accordance with applicable laws, rules and regulations an Award may be made conditional upon such approval being obtained;
- (g) in circumstances which would result in a breach of the Scheme Mandate Limit, provided that to the extent permissible in accordance with applicable laws, rules and regulations an Award may be made conditional upon the Scheme Mandate Limit being refreshed or approval of Shareholders being otherwise obtained; or
- (h) where such Award is to a connected person and under the Listing Rules requires the specific approval of Shareholders, until such approval of Shareholders is obtained, provided that to the extent permissible in accordance with applicable laws, rules and regulations an Award may be made conditional upon such specific shareholder approval being obtained,

and any such grant so made (or made without being subject to the necessary conditions contemplated by this Rule 9.3) shall be null and void to the extent (and only to the extent) that it falls within the circumstances described above.

## **10. AWARD LETTER**

- 10.1. The Company shall, in respect of each Award, on the Grant Date issue a letter to each Grantee in such form as the Board may from time to time determine setting out the terms and conditions of the Award (an "**Award Letter**"), which may include the number of Shares in respect of which the Award relates, the Issue Price or Exercise Price (as applicable), the vesting criteria and conditions, the Vesting Date, any minimum performance targets (if any) that must be achieved and any such other details as the Board may consider necessary, and requiring the Grantee to undertake to hold the Award on the terms of the Award Letter and be bound by the provisions of the Scheme Rules.
- 10.2. To the extent that Awards shall be satisfied by way of issue and allotment of new Shares, the grant of such Awards shall be conditional upon the Listing Committee having granted approval for the listing of, and permission to deal in, such Shares and the satisfaction of any other conditions as may be considered necessary or appropriate by the Board.
- 10.3. Unless otherwise specified in the Award Letter:
  - (a) a Grantee shall have 28 days from the Grant Date to accept the Award. A Grantee may accept an Award by giving written notice of their acceptance to the Company or the

Board, together with remittance in favour of the Company of any consideration payable upon grant of the Award;

- (b) any Award may be accepted in whole or in part provided that it must be accepted in respect of a board lot for dealing in Shares or a multiple thereof; and
- (c) to the extent that an Award is not accepted within the time and in the manner indicated in this Rule, it shall be deemed to have been irrevocably declined and shall automatically lapse

## **11. VESTING OF AWARDS**

17.03(6)  
17.03F

- 11.1. The Board may in respect of each Award and subject to all applicable laws, rules and regulations determine the applicable Vesting Dates and/or any other criteria and conditions for vesting of the Awards in its sole and absolute discretion. The relevant Vesting Date of any Award and any other criteria or conditions for vesting shall be set out in the Award Letter.
- 11.2. The Vesting Date in respect of any Award for all Eligible Participants (including the Employee Participants and the Related Party Participants) must not be less than 12 months from the Grant Date.
- 11.3. If a Vesting Date is not a Business Day, such Vesting Date shall, subject to any trading halt or suspension of dealings in the Shares on the Stock Exchange, be deemed to be the next Business Day immediately thereafter.

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## **12. PERFORMANCE TARGETS**

17.03(7)

- 12.1. The Board may in respect of each Award and subject to all applicable laws, rules and regulations determine such performance targets or other criteria or conditions for vesting of Awards in its sole and absolute discretion on a case-by-case basis. Any such performance targets, criteria or conditions shall be set out in the Award Letter. For the avoidance of doubt, the Board is empowered to alter any performance targets, criteria or conditions with respect to any Award pursuant to Rule 22.1.
- 12.2. The performance targets refer to any performance measures, or derivations of such performance measures that may be related to the individual Grantee or the Group as a whole, or to a subsidiary, division, department, region, function or business unit of the Company or the relevant Related Entity Participant. The Board shall take into account the following general factors in making such determination, including but not limited to (i) the financial results, operation performance, business growth or other indicators of the Group (or any of its segments) or the relevant Related Entity Participant; and (ii) the contribution, work performance as well as other specific personal factors of the individual Grantee that the Board may consider relevant. The Board shall also establish robust mechanisms to ensure impartial evaluation of such indicators. For the avoidance of doubt, an Award shall not be subject to any performance targets, criteria or conditions if none are set out in the relevant Award Letter.
- 12.3. The performance targets will be assessed periodically, on an absolute basis or a relative basis (such as relative to a pre-established target, to previous year's results or to a designated comparison group), in each case as specified by the Board in its sole discretion.

### 13. EVENTS AFTER VESTING DATE

13.1. After the applicable Vesting Date for any Award and after all relevant vesting conditions as set out in Award Letter (if any) are fulfilled:

- (a) in respect of an Award taking the form of a Share Option, such Share Option may be exercised in whole or in part by the Grantee giving notice in writing to the Administration Committee in such form as the Board may from time to time determine stating that the Share Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the Exercise Price multiplied by the number of Shares in respect of which the notice is given. Within 10 Business Days after receipt of the notice and related remittance in full, the Company shall allot and issue to the Grantee the number of Award Shares in respect of which the Share Option(s) has been exercised; and
- (b) in respect of an Award taking the form of a Share Award which is funded by issuance of new Shares, within 10 Business Days following the Vesting Date, subject to receipt in full of the Issue Price payable (if any) multiplied by the number of Award Shares to be issued pursuant to the relevant Share Award, the Company shall allot and issue to the Grantee the relevant number of Award Shares constituting the Share Award; and
- (c) in respect of an Award taking the form of a Share Award which is funded by purchase of existing Shares, within 10 Business Days following the Vesting Date, the Shares so purchased underlying the Share Award will be transferred to the Grantee.

in each case credited as fully paid and instruct the Share Registrar to issue to the Grantee a share certificate in respect of the Award Shares so allotted and issued and/or transferred, subject to the Grantee executing and delivering all such forms and instruments and providing such instructions in the manner as shall be required by the Board.

13.2. The Award Shares to be allotted or transferred upon the vesting of an Award will be subject to all the provisions of the Articles and the laws of the Cayman Islands from time to time and shall rank *pari passu* in all respects with the then existing fully paid Shares in issue on the Vesting Date or, if that date falls on a day when the register of members of the Company is closed, the first date of the re-opening of the register of members, and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the Vesting Date or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefore shall be before the Vesting Date. For the avoidance of doubt, a Grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the Shareholders on the register on a date prior to such registration.

17.03(15)

13.3. In the event that a Trust has been established to implement and administer the Scheme, for the purposes of satisfying the requirement to (i) allot and issue new Shares underlying Share Option and Share Award pursuant to Rules 13.1(a) and 13.1(b); and (ii) purchase existing Shares from open market in respect of Share Award pursuant to Rule 13.1(c), the Board may at its discretion pursuant to the Trust Deed to:

- (a) give written instructions to the Trustees for the purchase of the Shares from the open market (the "**Purchase Instructions**", and each a "**Purchase Instruction**").

Subject to this Rule, the Board shall cause to be paid to the Trustee the necessary funds together with all related purchase expenses (including for the time being, the brokerage fee, stamp duty, AFRC transaction levy, SFC transaction levy, Stock Exchange trading fee and such other necessary expenses required for the completion of the purchase of the existing Shares underlying the Share Awards) required for the completion of the purchase of the existing Shares underlying the Share Awards as stated on each Purchase Instruction (the "**Referable Amount**") from the Company's resources as soon as possible. Notwithstanding this Rule 13.3(a), the Board has absolute discretion to cause the Referable Amount to be paid to the Trustee by installments; and

- (b) direct the Trustee, within 20 Business Days on which the trading of the Shares has not been suspended on the Stock Exchange (or such longer period as the Trustee and the Board may agree from time to time) of receiving the Referable Amount, to purchase the maximum number of Shares underlying the Share Awards possible from the Referable Amount on the Stock Exchange in accordance with the Purchase Instructions. In the event that (i) the Trustee is not able to purchase the Shares underlying the Share Awards at the prevailing market price prescribed by the Board in the Purchase Instructions; or (ii) the Referable Amount paid or caused to be paid to the Trustee is not sufficient to purchase adequate number of Shares underlying the Share Awards prescribed by the Board in the Purchase Instructions, the Trustee shall seek further instructions from the Board, in which event the obligation of the Trustee to procure the purchase of relevant Shares shall be deferred (for a further 20 Business Days on which the trading of the Shares has not been suspended on the Stock Exchange from the date it receives further instructions from the Board to proceed with purchase at the prevailing market price) and/or cancelled (if the Board determines that no purchase of Shares shall be made at the prevailing market price). Any excess Referable Amount provided shall be returned or caused to be returned by the Board or the Trustee to the Company forthwith after completion of the purchase (unless the Board directs otherwise). The Trustee shall hold any Shares so purchased in accordance with the terms hereof and the provisions of the Trust Deed; and
- (c) direct the Trustee to purchase the Shares on the Stock Exchange at the prevailing market price (subject to such maximum price as may be from time to time prescribed by the Board), or off the market. Subject to compliance with the rules hereof, the Board or the Trustee may at any time at its absolute discretion elect to apply any Referable Amount received by it to effect any purchases of Shares for the purpose of a Share Award by off-market transaction(s), unless the Board otherwise determines with referencing to the prevailing market price. Any balance of the Referable Amount following acquisition of the Shares underlying the Share Award determined by the Board to be purchased shall be returned by the Board or the Trustee to the Company after completion of all relevant purchases. No fractional Shares will be allocated to any Eligible Participant. Shares which are not so allocated shall be deemed as returned Shares for the purposes of the Scheme,

No payment shall be made to the Trustee and no instructions to purchase Shares shall be given to the Trustee where any Director is in possession of inside information in relation to the Company, or where dealings by Directors are prohibited under all applicable laws, rules and regulations including without limitation the Listing Rules and/or SFO; and

- (d) direct the Trustee to transfer the relevant Award Shares to the Grantee pursuant to Rule 13.1; or
- (e) direct the Trustee to hold the relevant number of Award Shares on trust for the Grantee until such time as the Board directs the Trustee to:



- (i) transfer the relevant Award Shares to the Grantee; and
  - (ii) remit to the Grantee any Related Income which has accrued in respect of the Award Shares from the relevant Vesting Date to the date the Board gives a direction to the Trustee pursuant to this Rule.
- 13.4. Any direct costs and expenses arising on the issue or purchase of the Award Shares to or for the benefit of a Grantee as contemplated by Rule 13.1 shall be borne by the Company. Any stamp duty, fees, levies, brokerage or other direct costs and expenses arising on the transfer or sale of the Award Shares shall be borne by the Grantee and deducted by the Board from any amounts payable to the Grantee.
- 13.5. At the discretion of the Board and to the extent permitted by the Listing Rules, any obligation to issue or transfer Award Shares to a Grantee pursuant to these Scheme Rules may be satisfied by allotting, issuing or transferring the relevant Award Shares to the Grantee's nominee or depositing the relevant Award Shares in the Grantee's designated securities account held with the Central Clearing and Settlement System operated by The Hong Kong Securities Clearing Company Limited, the details of which the Grantee shall provide to the Board upon request.

#### **14. TAXATION**

- 14.1. All taxes (including personal income taxes, capital gains taxes, salary taxes and similar taxes), duties, social security contributions, impositions, charges and other levies arising out of or in connection with the Grantee's participation in the Scheme or in relation to the Award Shares or Related Income (the "**Taxes**") received by a Grantee shall be borne by such Grantee and neither the Company nor any designated third party shall be liable for any Taxes. Each Grantee by its acceptance of any grant of Awards agrees to and will indemnify each member of the Group, the Trustee and any designated third party against any liability they may have to pay or account for such Taxes, including any withholding liability in connection with any Taxes. To give effect to this, the Company, Trustee or other designated third party may:
- (a) reduce or withhold such number of the Award Shares to be issued or transferred, or Related Income paid, to the Grantee as may be necessary to settle any Taxes (the number of Award Shares that may be reduced or withheld shall be limited to the number of Award Shares that have a fair market value on the date of withholding that, in the reasonable opinion of the Board, is sufficient to cover any such liability);
  - (b) sell, on the Grantee's behalf, such number of Award Shares as may be necessary to settle any Taxes and retain the proceeds and/or pay them to the relevant authorities or government agency;
  - (c) deduct or withhold, without notice to the Grantee, the amount of any such liability from any payment to the Grantee made under the Scheme or from any payments due from a member of the Group to the Grantee, including from the salary payable to the Grantee by any member of the Group; and/or
  - (d) require the Grantee to remit to any member of the Group or the Trustee 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

or Trustee on account of the Grantee or to otherwise make alternative arrangements satisfactory to the Company for the payment of such amounts.

- (e) The Company and Trustee shall not be obliged to issue or transfer any Award Shares or pay Related Income to a Grantee unless and until the Grantee satisfies the Company (in the opinion of the Board) that such Grantee's obligations for Taxes under this Rule have been met.

## **15. VOTING AND DIVIDEND RIGHTS**

17.03(10)

- 15.1. Awards do not carry any right to vote at general meetings of the Company, nor any right to dividends, transfer or other rights. No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an Award unless and until the Award Shares are delivered to the Grantee pursuant to the vesting and/or exercise of such Awards.

## **16. CANCELLATION OF AWARDS**

17.03(14)

- 16.1. The Board shall be entitled for the following causes to cancel any Awards in whole or in part by giving notice in writing to the Grantee stating that such Awards are thereby cancelled with effect from the date specified in such notice (the "**Cancellation Date**"):
  - (a) the Grantee commits or permits or attempts to commit or permit a breach of Rule 18.1 or any terms or conditions attached to the grant of the Awards;
  - (b) the Grantee makes a written request to the Board for the Awards to be cancelled; or
  - (c) if the Grantee has, in the opinion of the Board, conducted himself in any manner whatsoever to the detriment of or prejudicial to the interests of the Company or a subsidiary.
- 16.2. The Awards shall be deemed to have been cancelled with effect from the Cancellation Date in respect of any part of the Awards which have not been vested and/or exercised as at the Cancellation Date. No compensation shall be payable upon any such cancellation, provided that the Board shall be entitled in its discretion to pay such compensation to the Grantee in such manner as it may consider appropriate in any particular case.
- 16.3. Where the Company cancels Awards granted to a Grantee, and makes a new grant to the same Grantee, such new grant may only be made under the Scheme with available Scheme Mandate Limit (excluding the Awards of the relevant Grantee cancelled pursuant to Rule 16.1) approved by the Shareholders in the manner as set out in Rule 6.

## **17. CLAWBACK**

17.03(19)

- 17.1. In the event that:
  - (a) a Grantee ceases to be an Eligible Participant by reason of termination for cause or without notice, or as a result of death, permanent disability, winding-up, or being charged/penalised/convicted of an offence involving the Grantee's integrity or honesty;
  - (b) a Grantee has failed to perform duties effectively or commits a serious misconduct or breach, including with respect to a policy or code of or other agreement with the Group, which is considered to be material;

- (c) the Award to the Grantee will no longer be appropriate and aligned with the purpose of the Scheme;
- (d) the Grantee has contravened the relevant laws and regulations of any applicable jurisdiction or the provisions of the articles of association of any member of the Group or any Related Entity;
- (e) the Grantee has, during his/her tenure of office, been involved in acceptance or solicitation of bribery, corruption, theft, leakage of trade and technical secrets, conducted other unlawful acts and misconducts, which prejudiced the interest and reputation of and caused significant negative impact to the image of any member of the Group or any Related Entity;
- (f) the Grantee has failed to discharge, or failed to discharge properly, his/her duties and thereby resulting in serious loss in assets to any member of the Group or any Related Entity and other serious and adverse consequences;
- (g) the Grantee has violated the Company's high voltage lines (or similar standards) applicable to the Grantee pursuant to any internal guideline(s) adopted by the Company (as amended, supplemented or modified from time to time); or
- (h) the Grantee has failed to comply with any non-compete covenants or restrictive covenants or any terms and conditions of a similar effect applicable to the Grantee pursuant to any internal guideline(s) adopted by the Company (as amended, supplemented or modified from time to time).

then the Board or the Administration Committee may make a determination at its absolute discretion that: (A) any Awards issued to that Grantee but not yet exercised shall immediately lapse, regardless of whether such Awards have vested or not, (B) with respect to any Award Shares delivered or amount paid to the Grantee, the Grantee shall be required to transfer back to the Company or its nominee (1) the equivalent number of Shares, (2) an amount in cash equal to the market value of such Shares, or (3) a combination of (1) and (2), and/or (C) with respect to any Award Shares held by the Trustee for the benefit of the Grantee, those Award Shares shall no longer be held on trust for nor inure to the benefit of the Grantee, however, the Trustee may hold such lapsed Shares and all income derived from them for the benefit of all or one of more of the Eligible Participants, to the extent that the Trustee may, subject to prior consultation with and decision of the Board, use such lapsed Shares as Award Shares to settle other Award which has been vested.

For the purpose of Rule 17.1 above, the "market value" of the relevant Share(s) is the average closing price of the Share(s) as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the relevant date of the determination by the Board (being the Grant Date, the Vesting Date or the date of clawback as applicable).

- 17.2. For any Award which takes the form of Share Option(s), subject to these Scheme Rules and the terms and conditions upon which the Share Option(s) were granted, unless cancelled pursuant to Rule 16 or lapsed under Rule 19, such Share Option(s) may be exercised by the Grantee at any time during the Exercise Period, provided that:
- (a) in the event that the Grantee dies or becomes permanently disabled before exercising a Share Option (or exercising it in full) and none of the events for termination of employment or engagement under Rule 17.2(e) exists with respect to such Grantee, he/she (or his/her legal representative(s)) may exercise the Share Option(s) up to the

Grantee's entitlement immediately prior to the death or permanent disability (to the extent not already exercised) within a period of 12 months following his/her death or permanent disability or such longer period as the Board may determine;

- (b) in the event that the Grantee ceases to be an Employee Participant by reason of his/her retirement pursuant to such retirement scheme applicable to the Group at the relevant time and none of the events for termination of employment or engagement under Rule 17.2(e) exists with respect to such Grantee, his/her Share Option(s) (to the extent not already exercised) shall be exercisable up to the Grantee's entitlement immediately prior to his/her retirement until the expiry of the relevant Exercise Period;
- (c) in the event that the Grantee ceases to be an Employee Participant by reason of his/her transfer of employment to a Related Entity, the Share Option(s) (to the extent not already exercised) shall be exercisable until the expiry of the relevant Exercise Period unless the Board in its absolute discretion otherwise determines in which event the Share Option(s) (or such remaining part thereof) shall be exercisable within such period as the Board has determined;
- (d) in the event that the Grantee ceases to be an Employee Participant for any reason (including his/her employing company ceasing to be a member of the Group) other than his/her death, permanent disability, retirement pursuant to such retirement scheme applicable to the Group at the relevant time or the transfer of his/her employment to a Related Entity or the termination of his/her employment with the relevant member of the Group by resignation or Culpable Termination, the Share Option(s) (to the extent not already exercised) shall lapse on the date of cessation of such employment and not be exercisable unless the Board otherwise determines in which event the Share Option(s) (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such cessation;
- (e) in the event that the Grantee ceases to be an Employee Participant by reason of the termination of his/her employment by resignation or Culpable Termination, the Share Option(s) (to the extent not already exercised) shall lapse on the date on which the notice of termination is served (in the case of resignation) or the date on which the Grantee is notified of the termination of his/her employment (in the case of Culpable Termination) and not be exercisable unless the Board otherwise determines in which event the Share Option(s) (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such service or notification. A resolution of the Board resolving that the Share Option(s) have lapsed pursuant to this Rule 17.2(e) shall be final and conclusive;
- (f) if a Grantee being:
  - (i) an executive director of the Company ceases to be an executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group but remains a non-executive director, the Share Option(s) (to the extent not already exercised) shall be exercisable until the expiry of the relevant Exercise Period unless the Board in its absolute discretion otherwise determines in which event the Share Option(s) (or such remaining part thereof) shall be exercisable within such period as the Board has determined; or

- (ii) a non-executive director of the Company ceases to be a director:
  - (1) by reason of retirement through notifying the Company that he is not offering himself/herself for re-election at the Company's annual general meeting pursuant to the Articles, the Share Option(s) (to the extent not already exercised) shall be exercisable up to the Grantee's entitlement immediately prior to his/her retirement until the expiry of the relevant Exercise Period unless the Board in its absolute discretion otherwise determines in which event the Share Option(s) (or such remaining part thereof) shall be exercisable within such period as the Board has determined; or
  - (2) for reasons other than the retirement under Rule 17.2(f)(ii)(1), the Share Option(s) (to the extent not already exercised) shall lapse on the date of cessation of such appointment and not be exercisable unless the Board otherwise determines in which event the Share Option(s) (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such cessation;

(g) if:

- (i) the Board in its absolute discretion at any time determines that a Grantee has ceased to be an Eligible Participant; or
- (ii) a Grantee has failed to or no longer satisfies or complies with such criteria or terms and conditions that may be attached to the grant of the Share Option(s) or which were the basis on which the Share Option(s) was granted,

the Share Option(s) (to the extent not already exercised) shall lapse on the date on which the Grantee is notified thereof (in the case of (i)) or on the date on which the Grantee has failed to or no longer satisfies or complies with such criteria or terms and conditions as aforesaid (in the case of (ii)) and not be exercisable unless the Board otherwise determines in which event the Share Option(s) (or such remaining part thereof) shall be exercisable up to the Grantee's entitlement immediately prior to the determination of the Board (in the case of (i)) or the failure of the Grantee to satisfy or comply with the criteria or terms and conditions attached to the grant of the Share Option(s) or which were the basis on which the Share Option(s) was granted (in the case of (ii)) within such period as the Board may in its absolute discretion determine following the date of such notification or the date of such failure, non-satisfaction or non-compliance. In the case of (i), a resolution of the Board resolving that the Grantee's Option has lapsed pursuant to this Rule 17.2(g) shall be final and conclusive;

(h) if a Grantee:

- (i) is unable or has no reasonable prospects of being able to pay his/her debts within the meaning of the Bankruptcy Ordinance (Cap. 6, Laws of Hong Kong) or any other applicable law or has otherwise become insolvent; or
- (ii) has made any arrangement or composition with his/her creditors generally; or

- (iii) has been convicted of any criminal offence involving his/her integrity or honesty;  
or
- (iv) commits a breach of any contract entered into between the Grantee or his/her associate and any member of the Group,

the Share Option(s) (to the extent not already exercised) shall lapse on the date on which he is deemed unable or to have no reasonable prospects of being able to pay his/her debts as aforesaid or on the date on which a petition for bankruptcy has been presented in any jurisdiction or on the date on which he enters into the said arrangement or composition with his/her creditors or on the date of his/her conviction or on the date of the said breach of contract (as the case may be) and not be exercisable unless the Board otherwise determines in which event the Share Option(s) (or such remaining part thereof) shall be exercisable up to the Grantee's entitlement immediately prior to the occurrence of any of the event(s) mentioned in paragraphs (i) to (iv) of this Rule 17.2(h) within such period as the Board may in its absolute discretion determine following the date of such occurrence. A resolution of the Board resolving that the Grantee's Share Option(s) has lapsed pursuant to this Rule 17.2(h) for breach of contract as aforesaid shall be final and conclusive;

- (i) if a general offer is made to all holders of Shares and such offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite majorities at the relevant meetings of shareholders of the Company (in the case of a scheme of arrangement), the Grantee shall be entitled to exercise the Share Option(s) (to the extent not already exercised) at any time (in the case of a takeover offer) within one month after the date on which the offer becomes or is declared unconditional or (in the case of a scheme of arrangement) prior to such time and date as shall be notified by the Company;
- (j) if a compromise or arrangement between the Company and its members or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company, the Company shall give notice thereof to the Grantees who have Share Option(s) unexercised at the same time as it dispatches notices to all members or creditors of the Company summoning the meeting to consider such a compromise or arrangement and thereupon each Grantee (or his/her legal representatives or receiver) may until the expiry of the earlier of:
  - (i) the Exercise Period;
  - (ii) the period of two months from the date of such notice; or
  - (iii) the date on which such compromise or arrangement is sanctioned by the court,

exercise in whole or in part his/her Share Option(s). Except insofar as exercised in accordance with this Rule 17.2(j), all Share Option(s) outstanding at the expiry of the relevant period referred to in this Rule 17.2(j) shall lapse. The Company may thereafter require each Grantee to transfer or otherwise deal with the Shares issued on exercise of the Share Option(s) to place the Grantee in the same position as would have been the case had such Shares been the subject of such compromise or arrangement; and

- (k) in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it dispatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee (or his/her legal personal representative(s)) shall be entitled to exercise all or any of his/her Share Option(s) at any time not later than two Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

## **18. TRANSFERABILITY**

17.03(17)

- 18.1. Awards shall be personal to the Grantee to whom they are made and shall not be assignable or transferable, except in circumstances where the written consent of the Company has been obtained and a waiver has been granted by the Stock Exchange for such transfer in compliance with the requirements of the Listing Rules and provided that any such transferee agrees to be bound by these Scheme Rules and the relevant Award Letter as if the transferee were the Grantee.
- 18.2. Any breach of Rule 18.1 shall render the applicable Awards to be deemed lapsed in accordance with Rule 19.1(e). For this purpose, a determination by the Board or the Administration Committee to the effect that a breach of Rule 18.1 has occurred shall be final and conclusive.

17.03(12)

## **19. LAPSE OF AWARDS**

- 19.1. Without prejudice to the authority of the Board to provide additional situations when an Award shall lapse in the terms of any Award Letter, an Award shall lapse automatically (to the extent not already vested and, where relevant, exercised) on the earliest of:
- (a) the expiry of any applicable Exercise Period;
  - (b) the clawback mechanism set out in Rule 17 being triggered;
  - (c) the expiry of any of the periods for accepting or exercising the Award;
  - (d) there is an unsatisfied judgement, order or award outstanding against the Grantee or the Board has reason to believe that the Grantee is unable to pay or to have no reasonable prospect of being able to pay his/her debts;
  - (e) a bankruptcy order has been made against any director or shareholder of the Grantee in any jurisdiction;
  - (f) the date on which the Grantee commits a breach of Rule 18; and
  - (g) the date on which the Grantee forfeits the Award.
- 19.2. The Board shall have the power to decide whether an Award shall lapse and its decision shall be binding and conclusive on all parties. The Company shall not owe any liability to any Grantee for the lapse of any Award under this Rule 19.

## 20. ALTERATIONS IN SHARE CAPITAL

17.03(13)

20.1. In the event of any alteration in the capital structure of the Company by way of a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party) after the Adoption Date, the Board shall make such corresponding adjustments, if any, as the Board in its sole discretion may deem appropriate to reflect such change with respect to:

- (a) the number of Shares constituting the Scheme Mandate Limit, provided that in the event of any Share subdivision or consolidation the Scheme Mandate Limit as a percentage of the total issued Shares of the Company at the date immediately before any consolidation or subdivision shall be the same on the date immediately after such consolidation or subdivision;
- (b) the number of Shares comprised in each Award to the extent any Award has not been exercised;
- (c) the Exercise Price of any Share Option(s) or Issue Price of any Share Award,

17.03B  
Note 2

or any combination thereof, as the auditors or an independent financial adviser engaged by the Company for such purpose have certified to the Directors in writing that the adjustments satisfy the relevant requirements of the Listing Rules and are, in their opinion, fair and reasonable either generally or as regards any particular Grantee, provided always that (i) any such adjustments should give each Grantee the same proportion of the equity capital of the Company, rounded to the nearest whole Share, as that to which that Grantee was previously entitled prior to such adjustments, and (ii) no such adjustments shall be made which would result in a Share being issued at less than its nominal value. The capacity of the auditors or independent financial adviser (as the case may be) in this Rule is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees.

## 21. CHANGE OF CONTROL

21.1. If there is an event of change in control of the Company as a result of a merger, scheme of arrangement or general offer, or in the event of a dissolution or liquidation of the Company, the Board, subject to the compliance with the Listing Rules and Rule 11, shall at its sole discretion determine whether the Vesting Dates of any Awards will be accelerated and/or the vesting conditions or criteria of any Awards will be amended or waived, and notify Grantees accordingly. The Board confirms that any acceleration of the Vesting Dates for an awards will adhere strictly to the Listing Rules, including Rule 17.03F (i.e. any acceleration of the Vesting Dates for an award must ensure that the vesting period is no less than 12 months). If the Listing Rules preclude such acceleration, the Vesting Date for the relevant award will not be accelerated or modified.

21.2. For the purpose of Rule 21.1, “**control**” shall have the meaning given to it in The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC.

## 22. AMENDMENT OF SCHEME OR AWARDS

17.03(18)

22.1. Subject to the provisions of this Rule 22, the Board may amend any of the provisions of the Scheme or any Awards granted under the Scheme at any time and in any respect, provided that the terms of the Scheme or Awards so altered must comply with the relevant



requirements of Chapter 17 of the Listing Rules. Except for the provisions the amendment of which require shareholders' approval pursuant to the Listing Rules, the Scheme may be amended in any respect by a resolution of the Board provided that no such amendment may operate to affect adversely any subsisting rights of any Grantee under the Scheme unless:

- (a) the written consent of the relevant Grantee is obtained; or
- (b) with the sanction of a special resolution passed at a meeting of the Grantee.

22.2. No amendment or alteration shall be made to any provisions of the Scheme or any Awards granted under the Scheme to the extent that such amendment or alteration has a material adverse effect on any subsisting rights of any Grantee at that date in respect of Awards already granted to that Grantee and to the extent that such Awards have not vested or lapsed, without such Grantee's consent, provided that no such consent shall be required if the Board determines in its sole discretion that such amendment or alteration either:

- (a) is necessary or advisable in order for the Company, the Scheme or the Award to satisfy any applicable law or Listing Rules or to meet the requirements of, or avoid adverse consequences under, any accounting standard; or
- (b) is not reasonably likely to diminish materially the benefits provided under such Award, or that any such diminishment has been adequately compensated.

22.3. The approval of the Shareholders in general meeting is required for any amendment or alteration to the terms and conditions of the Scheme which are of a material nature or to those provisions of the Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules to the extent that such alteration or amendment operates to the advantage of Eligible Participants.

17.03(18)  
Note 1

22.4. Any amendment or alteration to the terms of any Award the grant of which was subject to the approval of a particular body (such as the Board or any committee thereof, the independent non-executive Directors, or the Shareholders in general meeting) shall be subject to approval by that same body, provided that this requirement does not apply where the relevant alteration takes effect automatically under existing terms of the Scheme. Without limiting the generality of the foregoing, any change in the terms of Awards granted to any Grantee who is a director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the Shareholders in general meeting in the manner required in the Listing Rules if the initial grant of the Awards requires such approval (except where the changes take effect automatically under the rules of the Scheme).

17.03(18)  
Note 2;  
17.04 Note 1

22.5. Any change to the authority of the Board, including under this Rule 22, to alter the terms of the Scheme shall be subject to the approval of the Shareholders in general meeting.

17.03(18)  
Note 4

## **23. TERMINATION**

17.03(16)

23.1. Subject to Rule 23.2, the Scheme shall terminate on the earlier of:

- (a) the expiry of the Scheme Period; and
- (b) such date of early termination as determined by the Board,

following which no further Awards will be offered or granted under the Scheme, provided that notwithstanding such termination, the Scheme and the Scheme Rules shall continue to be valid and effective to the extent necessary to give effect to the vesting and exercise of any Awards granted prior to the termination of the Scheme and such termination shall not affect any subsisting rights already granted to any Grantee hereunder.

- 23.2. Awards complying with the provisions of Chapter 17 of the Listing Rules which are granted during the life of the Scheme and remaining unvested, unexercised and unexpired immediately prior to the termination of the operation of the Scheme in accordance with Rule 23.1 shall continue to be valid and exercisable in accordance with their terms of issue after the termination of the Scheme.

## **24. MISCELLANEOUS**

- 24.1. The Scheme shall not form part of any contract of employment or other contract between the Group and any Eligible Participant or Grantee, and the rights and obligations of any Eligible Participant or Grantee under the terms of his/her office or employment or engagement 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 or Grantee no additional rights to compensation or damages in consequence of the termination of such office or employment or engagement for any reason.
- 24.2. The Company shall not be responsible to (i) any Eligible Participant or Grantee for any failure by the Company or any person involved in the management or administration of the Scheme or (ii) any person (including any Eligible Participant and Grantee) to obtain any consent or approval required for such person to participate in the Scheme or (iii) any Eligible Participant or Grantee for any Taxes, expenses, fees or any other liability to which such Eligible Participant or Grantee may become subject as a result of participation in the Scheme.
- 24.3. Save as specifically provided herein, the Scheme shall not confer on any person any legal or equitable rights against any member of the Group directly or indirectly or give rise to any cause of action at law or in equity against the any member of the Group. No person shall, under any circumstances, hold the Board, Administration Committee, the Company or any other member of the Group, any administrator or any Trustee or designated third Party liable for any costs, losses, expenses and/or damages whatsoever arising from or in connection with the Scheme or the administration thereof.
- 24.4. In the event that an Award lapses in accordance with the Scheme Rules, no Grantees shall be entitled to any compensation for any loss or any right or benefit or prospective right or benefit under the Scheme which he/she might otherwise have enjoyed.
- 24.5. The Company shall bear the costs of establishing and administering the Scheme.
- 24.6. All allotments and issuances of Shares pursuant to the Scheme will be subject to all necessary consents under any relevant legislation and Listing Rules for the time being in force in Hong Kong and in the Cayman Islands. A Grantee shall be responsible for obtaining any governmental or other official consent or approval that may be required by any country or jurisdiction in order to permit the grant, holding or exercise of any Award. By accepting a grant of an Award or exercising an Award, the Grantee thereof is deemed to have represented to the Company that the Grantee has obtained all such consents and approvals. Compliance with this Rule shall be a condition precedent to an acceptance of an Award by a Grantee and an exercise by a Grantee of their Awards. Each Grantee by their acceptance of any Award thereby agrees to indemnify each member of the Group fully against all claims,

demands, liabilities, actions, proceedings, fees, costs and expenses which they may suffer or incur (whether alone or jointly with other party or parties) for or in respect of any failure on the part of the Grantee to obtain any necessary consent or approval or to pay tax or other liabilities referred therein. No member of the Group shall be responsible for any failure by a Grantee to obtain any such consent or approval or for any tax or other liability to which a Grantee may become subject as a result of the Grantee's participation in the Scheme.

- 24.7. Each 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 hereof are unenforceable they shall be deemed to be deleted from the Scheme Rules, and any such deletion shall not affect the enforceability of the Scheme Rules as remain not so deleted.
- 24.8. The Scheme shall operate subject to the Articles and to any restrictions under any applicable laws, rules and regulations (including the Listing Rules).
- 24.9. By accepting any Award and participating in the Scheme, each Grantee consents to the holding, processing, storage and use of personal data or information concerning him/her by any member of the Group or the Trustee, in Hong Kong or elsewhere, for the purpose of the administration, management or operation of the Scheme. Such consent permits, but is not limited to, the following:
- (a) the administration and maintenance of records of the Grantee;
  - (b) the provision of data or information to without limitation members of the Group, Related Entities, trustees, 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 or any other member of the Group, any Related Entity, the Grantee's employing company, or the business in which the Grantee works;
  - (d) the transfer of data or information about the Grantee to a country or territory outside China, Hong Kong or the Grantee's country or region of residence which may not provide the same statutory protection for the information about the Grantee as in China, Hong Kong or the Grantee's country or region of residence; and
  - (e) in the case where an announcement is required to be made pursuant to the Listing Rules for the purposes of granting an Award, the disclosure of the identity of such Grantee, the number of Shares subject to the Award and the terms of the Award granted and/or to be granted and all other information as required under the Listing Rules.

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

- 24.10. Any notice or other communication between the Company and any Eligible Participant or Grantee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business in Hong Kong or such other address as notified to the Eligible Participant or Grantee from time to time and in the case of an Eligible Participant or Grantee, his/her address as notified to the Company from time to time or by hand delivery. In addition, any notice, disclosure or other communication from the

Company to any Eligible Participant or Grantee may be given, and any mechanism for soliciting responses or notices from any Eligible Participant or Grantee to the Company may be effected, by any electronic means as the Board and/or Administration Committee considers appropriate.

- 24.11. 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. Any notice or other communication served by personal delivery shall be deemed to have been received when delivered. Any notice or other communication if sent by the Grantee shall be irrevocable and shall not be effective until actually received by the Company.

## **25. GOVERNING LAW AND THIRD PARTY RIGHTS**

- 25.1. The Scheme Rules and all Awards granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.
- 25.2. Save as otherwise expressly provided in the Scheme Rules, no third party (which for the purposes of this Rule 25.2 means any person other than the Company and Grantees) shall have the right to enforce any of the terms of the Scheme or the Scheme Rules or otherwise enjoy any benefits under the Scheme pursuant to the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) or otherwise. Alteration of the Scheme or the Scheme Rules may be effected in accordance with Rule 22 without requiring the consent of any third party.