

Adopted by the Company pursuant to an ordinary resolution passed by the shareholders of the Company at a general meeting of the Company held on [•] 2025

Consun Pharmaceutical Group Limited
(康臣藥業集團有限公司)

(a company incorporated in the Cayman Islands with limited liability)

2025 Share Award Scheme

1. DEFINITIONS AND INTERPRETATION

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

“Adoption Date”	the date on which this Scheme is adopted and approved by the Shareholders in general meeting;
“Articles of Association”	the articles of association of the Company, as amended and/or restated from time to time;
“associate(s)”	shall have the meaning ascribed to it in the Listing Rules;
“Award”	an award granted by the Board or the Committee to a Grantee of a conditional right for such Grantee to receive such number of Award Shares, subject to the satisfaction of vesting conditions and such other terms and conditions, as the Board or the Committee may in its absolute discretion determine;
“Award Share(s)”	in respect of a Grantee, such number of Share(s) underlying the Award(s) as determined by the Board or the Committee, and as may be issued as new Shares or acquired through on-market or off-market purchases of Shares, in accordance with the terms of this Scheme;
“Board”	the board of Directors of the Company;
“Business Day”	a day on which the Stock Exchange is open for the business of dealing in securities;
“chief executive”	shall have the meaning ascribed to it in the Listing Rules;
“close associate(s)”	shall have the meaning ascribed to it in the Listing Rules;
“Committee”	the person(s) from time to time delegated by the Board with the power and authority to administer the Scheme in accordance with the rules herein and, unless otherwise notified by the Board, refers to the Remuneration Committee;
“Company”	Consun Pharmaceutical Group Limited (康臣藥業集團有限公司), a company incorporated under the laws of the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1681);

“connected person”	shall have the meaning ascribed to it under the Listing Rules;
“core connected person”	shall have the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company for the time being;
“Eligible Participant”	means any person who satisfies the eligibility requirements set out in paragraph 4.1;
“Employee Participant(s)”	any Director (including executive Directors, non-executive Directors and independent non-executive Directors) and employee (whether full-time or part-time) of the Company or any of its Subsidiaries (including any persons who are granted Awards under this Scheme as an inducement to enter into employment contracts with these companies), and provided that the Board and/or the Committee shall have absolute discretion to determine whether or not one falls within such category;
“Excluded Participant”	any person who is resident in a place where the grant of the Award, the vesting of the Award and/or the transfer or subscription of Award Shares pursuant to the terms of the Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or the Committee or (where applicable) the Trustee, compliance with applicable laws and regulations in such place make it necessary or expedient to exclude such person;
“Grant Notice”	shall have the meaning as set out in paragraph 5.3;
“Grantee”	any Selected Participant who has accepted the offer of the grant of an Award in accordance with the terms of this Scheme or, where the context so permits, any person entitled to any such Award in consequence of the death of the original Grantee or the legal personal representative of such person;
“Group”	the Company and its Subsidiaries from time to time, and “member of the Group” shall be construed accordingly;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time;

“Misconduct”

in respect of a Grantee, any of the following:

- (i) an act of fraud or dishonesty or serious misconduct, whether or not in connection with his employment with any member of the Group and whether or not it has resulted in his employment being terminated by the relevant member of the Group;
- (ii) non-compliance with the terms of his employment contract or other contract with any member of the Group or disobedience of any orders or instructions given by any member of the Group, as the case may be;
- (iii) where the Grantee has been declared bankrupt or adjudged to be bankrupt by a competent court or governmental body or has failed to pay his debts as they fall due within the meaning of the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong) or any other applicable laws, rules or regulations;
- (iv) where the Grantee has become otherwise insolvent or has made any arrangements or compositions with his creditors generally or an administrator has taken possession of any of his assets;
- (v) where the Grantee has been convicted of any criminal offence involving his integrity or honesty;
- (vi) where the Grantee has been convicted of or is being held liable for any offence under or any breach of the SFO or other securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time; or
- (vii) where the Grantee has, in the sole opinion of the Board or the Committee, conducted himself in any manner whatsoever to the detriment of or prejudicial to the interests of any member of the Group;

“Other Distributions”

shall have the meaning ascribed to it in paragraph 10.1;

“Partial Lapse”

shall have the meaning as set out in paragraph 7.2;

“Related Entity Participant(s)”

means directors, chief executives and employees of the holding companies, fellow subsidiaries or associated companies of the Company, and provided that the Board and/or the Committee shall have absolute discretion to determine whether or not one falls within such category;

“Remuneration Committee”

the remuneration committee of the Board from time to time;

“Scheme”	this share award scheme constituted by the rules hereof, in its present form or as may be altered from time to time in accordance with paragraph 12;
“Scheme Mandate Limit”	shall have the meaning ascribed to it in paragraph 9.1;
“Selected Participant”	any Eligible Participant selected by the Board or the Committee in its absolute discretion to be offered with the grant of an Award pursuant to this Scheme;
“Senior Manager”	a senior manager disclosed in the Company’s annual report as required under paragraph 12 of Appendix D2 to the Listing Rules (as may be amended from time to time);
“Service Provider(s)”	any person (natural person or corporate entity) who provides services to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long term growth of the Group, including but not limited to person(s) who work(s) for the Company as independent contractors (including advisers, consultants, contractors, agents, entities providing research, development or other technological support and service providers of any member of the Group), but excluding any placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, and professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity, and provided that the Board and/or the Committee shall have absolute discretion to determine whether or not one falls within such category;
“Service Provider Sublimit”	has the meaning given to that term in paragraph 9.2;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
“Shareholder(s)”	the holder(s) of Share(s);
“Shares”	ordinary shares with a nominal value of HK\$0.10 each in the share capital of the Company, or if there has been a sub-division, consolidation, re-classification or re-construction or reduction or reorganisation of the share capital of the Company, the shares forming part of the ordinary share capital of the Company of such nominal amount as shall result from any such sub-division, consolidation, re-classification or re-construction or reduction or reorganisation;
“Share Schemes”	collectively, the share option scheme(s) and share award scheme(s) involving the issue of new Shares adopted or to be adopted by the Company from time to time;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	any subsidiary (as such term is defined in the Listing Rules) of the Company;
“Total Lapse”	shall have the meaning as set out in paragraph 7.1;
“Treasury Shares”	shall have the meaning ascribed to it under the Listing Rules. For the purposes of the Scheme, new Shares include Treasury Shares and the issue of new Shares includes the transfer of Treasury Shares;
“Trust Deed”	the trust deed as may be entered into by the Company as settlor and the Trustee as trustee (as amended, restated, supplemented or otherwise modified from time to time) in respect of the appointment of the Trustee for the administration of this Scheme;
“Trustee”	the trustee as may be appointed by the Company from time to time for the administration of this Scheme pursuant to paragraph 4.4;
“Vesting Date”	in relation to an Award granted to a Grantee, the date or each such date, as determined by the Board or the Committee pursuant to paragraph 6.1, on which the Award is to be vested in such Grantee in respect of all or a proportion of the Award Shares, subject to and in accordance with the terms and conditions of the relevant Award and paragraph 6.3 and other rules of the Scheme;
“Vesting Notice”	shall have the meaning as set out in paragraph 6.2; and
“Vesting Period”	in relation to an Award granted to a Grantee, the period commencing on the date of the Grant Notice and ending on the Vesting Date (both dates inclusive).

1.2 In these rules:

- (A) the headings are for ease of reference only and shall be ignored in construing these rules of the Scheme;
- (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 or the neuter include both genders and the neuter and vice versa;
- (E) references to persons include bodies corporate and unincorporated;

- (F) references to any statutory or regulatory provisions (including the Listing Rules) 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. ADOPTION CONDITIONS

2.1 The Scheme is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at a general meeting to approve the adoption of the Scheme; and
- (b) the Listing Committee of the Stock Exchange granting the approval for the listing of and permission to deal in such number of Shares to be allotted and issued by the Company in respect of the Awards to be granted in accordance with the terms and conditions of this Scheme.

3. PURPOSE, ADMINISTRATION AND DURATION

3.1 The purpose of the Scheme is to:

- (A) recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group and to incentivise and motivate them to further contribute towards the growth and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company; and 17.03(1)
- (B) attract suitable personnel for further development of the Group.

3.2 The Scheme shall be subject to the administration of the Board whose decisions on all matters (save for those specifically reserved for determination by Shareholders in accordance with the Listing Rules) arising in relation to the Scheme or its interpretation or effect shall be final, conclusive and binding on all persons who may be affected thereby; and for the avoidance of doubt, the Committee shall have powers on recommending and/or deciding (on and subject to the terms and conditions provided under this Scheme) the selection of the Eligible Participant, the terms and conditions of the Awards to be granted to the Eligible Participant under the Scheme from time to time (including but not limited to the number of Award Shares underlying the Awards, the consideration for the grant of the Awards, the Vesting Dates, vesting criteria, performance targets, and other terms and conditions), and other related matters as expressly provided under this Scheme or in accordance with the Listing Rules or other applicable laws, rules and regulations. In the event that a Selected Participant or Grantee is a member of the Board, such person may, notwithstanding his own interest but subject to the Articles of Association and the applicable laws, rules and regulations, vote on any resolution of the Board or the Committee concerning this Scheme (other than in respect of the grant or vesting of any Award to or in him under this Scheme).

3.3 The Board may delegate the authority to administer this Scheme to the Committee or appoint one or more persons, entities or contractors (including without limitation the Trustee) to assist in the administration of this Scheme and delegate such powers and/or functions relating to the administration of Scheme as the Board thinks fit.

3.4 The Board may also, in its absolute discretion, appoint any Trustee to assist with the administration and vesting of the Awards granted pursuant to this Scheme. To satisfy the Awards after vesting, the Company may, as determined by the Board or the Committee in its absolute discretion:

(A) allot and issue new Shares to the Grantee directly; and/or

(B) allot and issue new Shares to the Trustee, and/or instruct the Trustee to acquire existing Shares through on-market or off-market purchases in accordance with the Company's instructions and subject to the terms and conditions of the Trust Deed (if any), such new and/or existing Shares to be held by the Trustee on trust for the Grantee and to be transferred to the Grantee after vesting,

provided that (i) the Trustee holding unvested Shares under this Scheme, whether directly or indirectly, shall abstain from voting on matters that require Shareholders' approval under the Listing Rules, unless otherwise required by applicable laws to vote in accordance with the beneficial owner's direction and such a direction is given; and (ii) to the extent any new Shares will be allotted and issued by the Company to satisfy any Award after vesting, such allotment and issue shall be subject to and conditional upon the granting of approval by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, such number of new Shares which may fall to be allotted and issued. 17.05A

3.5 A Selected Participant or Grantee shall ensure that the acceptance, vesting and holding of any Award, and the transfer, subscription or holding of Award Shares (as the case may be), under the Scheme and the exercise of all rights attaching thereto are valid and comply with all laws, rules and regulations including the Listing Rules and 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 any Selected Participant or Grantee to produce such evidence as it may reasonably require for such purpose.

3.6 Subject to the fulfilment of the condition set out in paragraph 15 and the termination provisions under paragraph 13, the Scheme shall be valid and effective for a term of ten (10) years commencing on the Adoption Date and ending on the tenth (10th) anniversary of the Adoption Date. 17.03(11)

4. ELIGIBLE PARTICIPANTS AND BASIS OF DETERMINING THE ELIGIBILITY

17.03A
17.03(2)

4.1 The Board or the Committee shall be entitled to, at its absolute discretion, grant an Award to any person belonging to any of the following classes of Eligible Participants, pursuant to which such Participant may receive such number of Shares as the Board or the Committee may determine:

- (a) an Employee Participant;
- (b) a Service Provider; and
- (c) a Related Entity Participant,

in each case provided that the Board or the Committee considers, in its sole discretion, have contributed or will contribute to the Group.

4.2 In the case of the Employee Participants, in assessing their eligibility, the Board or the Committee will consider, in its sole discretion, on a case-by-case basis, the following factors, including but not limited to (i) contribution or potential contribution to the development, growth and performance of the Group; (ii) quality of work performed for the Group; (iii) initiative and commitment in performing his/her duties, responsibilities or employment conditions according to the prevailing market practice and industry standard; (iv) length of service or contribution of the Group; and (v) the amount of support, assistance, guidance, advice or efforts that has been given or will be given towards the Group's success.

17.03 (2)
basis of
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eligibility

4.3 In assessing the eligibility of the Service Providers, the Board or the Committee will consider, among others,

- (a) the individual performance of the Service Providers, which is assessed and measured by a combination of quantitative and qualitative criteria tailored to the nature of the services provided, for example, (i) the annual transaction amount; (ii) achievement of pre-agreed milestones, deliverables, or key performance indicators specified in the relevant engagement agreement; (iii) demonstration of expertise or in-sights in areas which materially advance the Group's drug pipeline, operational efficiency, or competitive positioning; (iii) quality, timeliness, and commercial impact of the services rendered, including contributions to research and development progress, manufacturing improvements or market access;
- (b) the frequency of collaboration and the length of business relationship;
- (c) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties);
- (d) the track record in the quality of services provided to and/or cooperation with the Group and the ability to maintain the quality of services;
- (e) the scale of business dealings and/or collaboration with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Providers;
- (f) the actual contribution or potential contribution towards the long-term development and success of the Group; and
- (g) the remuneration packages of comparable listed peers for similar service providers based on available information in the industry.

Further to the above criteria, set out below is the detailed basis of determining the eligibility of each category of the Service Providers:

Class of Service Providers	Contribution of the Service Providers	Criteria for determining eligibility under this Scheme
Independent contractors (including suppliers)	<p>Independent contractors under this category are mainly third-party suppliers of service relating to research and development of medicines (including but not limited to oral drug for chronic kidney disease), who/which support, on a regular or recurring basis, the Group's day-to-day operation in the research, manufacturing and sale of pharmaceutical products in the PRC. Their services (including recurring and specialized tasks (e.g., preclinical studies, clinical trial support, or formulation development)) are integral to the Group's core day-to-day operations and directly drive the creation and advancement of its innovative drug pipeline (including innovative therapies for kidney disease), making them crucial to the sustained technological competitiveness and long-term growth of the Company's pharmaceutical business. As such, their contributions align fully with the objectives of this Scheme in incentivizing individuals who materially advance the Group's future value and development.</p>	<p>The Board or the Committee will, on a case-by-case basis, take into account both qualitative and quantitative factors when determining the eligibility of such Service Providers, including:</p> <ul style="list-style-type: none"> (a) the benefits and strategic value brought by the Service Providers to the Group's development and future prospects in terms of the profits and/or income attributable to the Service Providers' collaboration with the Group; (b) the business opportunities and external connections that the Service Providers have introduced or will potentially introduce to the Group.
	<p>The Group considers that it is important to maintain an ongoing collaborative relationship with the independent contractors as the Group may from time to time require their delivery of services for the Group to carry out its business activities. It would also be beneficial to the collaboration between the Group and the Service Provider if the Company grants such Service Providers proprietary ownership in the Company, which encourages the Service Provider to have a vested shareholding interest in the Group and the Group's future development.</p>	

Class of Service Providers	Contribution of the Service Providers	Criteria for determining eligibility under this Scheme
Advisers or consultants	<p>Advisers and consultants under this category would be individuals and/or businesses which provide, on a regular or recurring basis, advisory services and consultancy services, to the Group on areas relating to the Group's principal business activities in operation of research, manufacturing and sale of pharmaceutical products in the PRC or the Group's business strategy, human resources and marketing activities.</p> <p>The Group may seek advisory services and consultancy services from consultants or advisers with the expertise, professional qualifications and industry experience, which can bring positive impacts or strategic benefits to the Group's business growth and development in light of the Group's business plan from time to time. Granting performance rewards in the form of Awards to such Service Providers will motivate them to continuously devote resources towards the Group and serves to bind their interests with the Group's interests in the long term.</p>	<p>The Board or the Committee will, on a case-by-case basis, take into account both qualitative and quantitative factors when determining the eligibility of such Service Providers, including:</p> <ul style="list-style-type: none"> (a) the expertise, professional qualifications and industry experience of the Service Providers; (b) the prevailing market fees chargeable by other services providers; (c) the Group's period of engagement of or collaboration with the Service Providers; and (d) the Service Providers' actual or potential contribution to the Group in terms of a reduction in costs or an increase in turnover or profit.

In assessing whether a Service Provider provides services to the Group on a continuing and recurring basis in its ordinary and usual course of business, the Board or the Committee will take into account the following factors:

- (a) the duration (i.e. whether the amount of time such as the number of working days each month required to render the services) and nature (i.e. whether such services form part of or are directly ancillary to the businesses conducted by the Group) of services provided to the Group in the past 12 months, and the frequency of recurrence and regularity of such services (i.e. whether the said amount of time required to render the services would be considered regular, continuous or recurring, and whether the Service Provider has previously provided services to the Group for a continuous period of time under the relevant engagement agreement);
- (b) the length of engagement of the Service Provider (i.e. whether the Service Provider has entered into an engagement agreement and whether such agreement is subject to any fixed term of service); and
- (c) the abovementioned selection criteria (i.e. duration and nature of services, length of engagement, frequency of recurrence and regularity of services) against comparable metrics used to determine other Eligible Participants who have been granted Awards under this Scheme (when applicable), as it is expected the same objective standards already used by the Board or the Committee for previously granted Awards under this Scheme (when applicable) should be applied when assessing whether the services provided is on a continuing and recurring basis in the Group's ordinary and usual course of business. Only Service Providers whose abovementioned metrics match or exceed those of prior Award recipients (when applicable) will be regarded as providing services on a continuing and recurring basis and thus eligible. This ensures consistent and fair application of the eligibility threshold across all Service Providers.

The qualified Service Providers shall directly contribute to the long-term growth of the Group's business by providing services that are of a continuing and recurring nature in the ordinary and usual course of the Group's business. In particular, they shall be closely connected to and crucial to the Group's operations.

- 4.4 In assessing the eligibility of the Related Entity Participant(s), the Board or the Committee will consider, in its sole discretion, on a case-by-case basis, including (a) the responsibility taken up or to be taken up by the Related Entity Participant(s) towards the success of the Group's operations or enhancing the value of the Company and its Shares; (b) the measurable positive contributions brought by, or expected to be brought by, the Related Entity Participant on the Group's business development in terms of financial performance or financial position; (c) whether the Related Entity Participant has referred or introduced opportunities to the Group which have materialised into further business relationships; (d) whether the Related Entity Participant has assisted the Group in tapping into new markets and/or increased its market share; and (e) the materiality and nature of the business relations of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the principal businesses of the Group through a collaborative relationship.

5. GRANT OF AWARDS

- 5.1 The Board or the Committee shall, subject to and in accordance with these rules of the Scheme, be entitled (but shall not be bound) to, at any time during the term of the Scheme, make an offer of the grant of an Award to any of the Eligible Participants (excluding any Excluded Participant) as the Board or the Committee may in its absolute discretion select. For the avoidance of doubt, until so selected, no Eligible Participant shall be entitled to participate in the Scheme.

- 5.2 The eligibility of any of the Eligible Participants to an Award shall be determined by the Board or the Committee in its absolute discretion from time to time on the basis of the Board's or the Committee's opinion as to matters including but not limited to his contribution and/or future contribution to the development and growth of the Group. Generally, the Board or the Committee will consider, in its sole discretion, on a case-by-case basis, the following factors, including but not limited to (i) contribution or potential contribution to the development, growth and performance of the Group; (ii) quality of work performed for the Group; (iii) initiative and commitment in performing his duties, responsibilities or employment conditions according to the prevailing market practice and industry standard; (iv) length of service or contribution of the Group; and (v) the amount of support, assistance, guidance, advice or efforts that has been given or will be given towards the Group's success.
- 5.3 After the Board or the Committee has decided to select an Eligible Participant to be offered with the grant of an Award under the Scheme, the Board or the Committee shall notify the Selected Participant of such offer by a written notice (the **"Grant Notice"**) and the Board or the Committee shall specify the following in the Grant Notice:
- (A) the name, address and identity card (or, as the case may be, passport) number of the relevant Selected Participant;
 - (B) the number of Award Shares underlying the Award to be granted to the relevant Selected Participant;
 - (C) the amount, if any, payable by the relevant Selected Participant on acceptance of the Award and, if applicable, the period within which any such payments must or may be made or any loans for such purposes must be repaid; ^{17.03(8)}
 - (D) the Vesting Date as determined in accordance with paragraph 6.1 on which the Award may be vested in the relevant Selected Participant in respect of all or a proportion of the Award Shares;
 - (E) the conditions, including any performance targets which may include without limitation (i) financial parameters of the Group (such as the revenue, profits and general financial condition of the Group); (ii) non-financial parameters of the Group (such as the Group's strategic objectives, operational targets and future development plan); and/or (iii) the key performance indicators of the Selected Participant's departments and/or business units, and the Selected Participant's position key performance indicators relevant to his roles and responsibilities and/or its annual appraisal results (in respect of Employee Participants); and/or (iv) the Selected Participant's contribution to the Group's financial and operating results (such as period of engagement, increase in revenue or profits, reduction in costs, product/service advancement) (in respect of Related Entity Participants and Service Provider), that must be duly fulfilled before the Award may be vested in such Selected Participant in respect of all or a proportion of the Award Shares; ^{17.03(7)}
 - (F) such lock-up periods or restrictions on disposal (if any) of the Award Shares as the Board or the Committee may, in its absolute discretion, determine; and

- (G) such other terms and conditions of the Award as may be imposed by the Board or the Committee which are not inconsistent with these rules of the Scheme before the Award may be vested in such Selected Participant in respect of all or a proportion of the Award Shares.

The Grant Notice will require the Selected Participant to undertake to hold the Award on the terms on which it is granted and to be bound by the provisions of this Scheme.

- 5.4 A Selected Participant may accept an offer of the grant of the Award made by way of the Grant Notice in the manner set out in the Grant Notice and within ten (10) Business Days from the date of the Grant Notice (unless otherwise specified in the Grant Notice). Unless otherwise determined by the Board or the Committee in its absolute discretion at the relevant time for each individual Award, a Selected Participant is not required to pay any grant or purchase price or make any other payment to the Company for accepting an offer of the Award granted pursuant to the Grant Notice, nor is the Selected Participant required to pay any subscription or purchase price for the vesting of the Awards or the receipt of the Award Shares. Upon acceptance of an offer of the Award in accordance with the terms of the Award and this Scheme, the Selected Participant becomes a Grantee under this Scheme.
- 5.5 An Award shall be deemed to be unconditionally declined and rejected in its entirety by a Selected Participant unless such Selected Participant shall have notified the Company that he would accept such Award in accordance with paragraph 5.4 and the terms of the Grant Notice. Nothing contained in the Grant Notice shall be construed as conferring any rights, interests, benefits and title to and in the Award Shares on any Selected Participant before the acceptance of the relevant Award by, the vesting of the relevant Award in, and the allotment and issue or transfer (as the case may be) of the Award Shares to such Selected Participant, which shall in each case be subject to and in accordance with the terms and conditions of the relevant Award and these rules of the Scheme.
- 5.6 For so long as the Shares are listed on the Stock Exchange:
 - (A) an Award may not be granted after inside information (as defined under Part XIVA of the SFO) has come to the knowledge of the Company until (and including) the trading day after such inside information has been announced in accordance with the Listing Rules and the SFO. In particular, no Award may be granted during the period commencing one (1) month immediately before the earlier of:
 - (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approving the Company's results for any year, half-year or quarterly-year period or any other interim period (whether or not required under the Listing Rules); and 17.05(1)
 - (b) the deadline for the Company to announce its results for any year, half-year or quarter-year period or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement. The period during which no Award may be granted will cover any period of delay in publishing a results announcement; 17.05(2)

- (B) the Board or the Committee may not grant any Award to any Director or other Selected Participant during the periods or times when such an Award is prohibited under the Listing Rules, any corresponding code or securities dealing restrictions adopted by the Company and all applicable laws from time to time. Without limiting the generality of the foregoing, when an Award is proposed to be made to a Director who, because of his office or employment in the Company or any Subsidiary, is likely to be in possession of unpublished inside information (as defined under Part XIVA of the SFO) in relation to the Company, no Award may be granted during the following periods or times:
- (a) sixty (60) days immediately preceding the publication date of the Company's annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
 - (b) thirty (30) days immediately preceding the publication date of the Company's quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results;
- (C) the grant of an Award to any connected person of the Company shall be subject to paragraph 9.3 and compliance with the applicable requirements under the Listing Rules, including where necessary the prior approval of the Shareholders.

5.7 An Award shall be personal to the Grantee and shall not be transferable or assignable and no Grantee 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 any interests or benefits pursuant to the Award, nor shall any Grantee enter or purport to enter into any agreement to do so. 17.03(17)

5A. CLAWBACK MECHANISM 17.03(19)

5A.1 Notwithstanding the terms and conditions of the Scheme, the Board may provide in the Grant Notice that any Award prior to it being vested in such Grantee in respect of all or a proportion of the Award Shares may be subject to clawback or a longer Vesting Period if any of the Clawback Events stated in paragraph 5A.2 shall occur.

5A.2 In respect of any Award which is performance linked, if any of the following events ("**Clawback Event**") shall occur during a Vesting Period:

- (A) the Grantee commits any Misconduct(s); or
- (B) the granting of any Award, or its becoming vested was based on material misstatement in the financial statements of the Company or any other materially inaccurate performance metric criteria; or

- (C) if the Grantee joins a company which the Board or the Committee believes in its sole and reasonable opinion to be a competitor of the Company; or
- (D) if any other clawback event implicitly or explicitly characterised in the Grant Notice occurs,

the Board may (but are not obliged to) by notice in writing to the Grantee concerned (aa) claw back such number of Awards (to the extent not being vested) granted as the Board may consider appropriate; or (bb) extend the Vesting Period (regardless of whether the initial Vesting Date has occurred) in relation to all or any of the Awards (to the extent not being vested) to such longer period as the Board may consider appropriate.

6. VESTING OF AWARDS

- 6.1 The Board or the Committee may from time to time, in its absolute discretion, determine the Vesting Date upon which the Award may be vested in that Grantee in respect of all or a proportion of the Award Shares. The Vesting Period in respect of any Award shall be not less than twelve (12) months (or such other period as the Listing Rules may prescribe or permit), provided that where the Eligible Participant is an Employee Participant, the Board or the Committee shall have the authority to determine a shorter Vesting Period in its absolute discretion under the following specific circumstances:
- (i) grants of “make-whole” Awards to any Employee Participants who are new joiners to replace the share awards or options they forfeited when leaving their previous employers;
 - (ii) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
 - (iii) grants that are made in batches during a year for administrative or compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for a subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Award would have been granted;
 - (iv) grants with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of twelve (12) months or where the Awards may vest by several batches with the first batch to vest within twelve (12) months of the date of grant and the last batch to vest twelve (12) months after the date of grant;
 - (v) grants with performance-based vesting conditions provided in the Scheme or as specified in the Grant Notice in lieu of time-based vesting criteria; or
 - (vi) grants with a total vesting and holding period of more than twelve (12) months.

Any grant of Awards to any Director or Senior Manager of the Company which is made on terms with a Vesting Period of less than 12 months or without a performance target or without a clawback mechanism shall be reviewed by the Committee as to why the Vesting Period is appropriate and how the grant aligns with the purposes of the Scheme.

- 6.2 Within a reasonable time after the vesting conditions have been reached, fulfilled or satisfied and prior to the Vesting Date of an Award as set out in the related Grant Notice, the Board or the Committee shall notify the Grantee in writing by notice (the “**Vesting Notice**”) in respect of the intended vesting of such number of Award Shares underlying the Award as determined by the Board or the Committee in its absolute discretion, subject to the fulfilment of the requirements set out in paragraph 6.3 and the terms of the Vesting Notice. The Board or the Committee has the absolute discretion to determine whether and to what extent such vesting conditions or performance targets have been reached, fulfilled or satisfied and its decision shall, in the absence of manifest error, be final, conclusive and binding.
- 6.3 Upon the Grantee’s receipt of the Vesting Notice, the Grantee shall (i) duly execute and return the reply slip attached to the Vesting Notice and any transfer or subscription documents prescribed by the Board or the Committee for the relevant Award Shares; and (ii) pay the consideration (if any) for the transfer or subscription of the relevant Award Shares, in each case in the manner and within the period stipulated in the Vesting Notice (or such later date as may be determined by the Board or the Committee in its absolute discretion having regard to all relevant circumstances), failing which the corresponding portion of the Award Shares underlying the Awards shall automatically lapse forthwith in accordance with paragraph 7.2.
- 6.4 Subject to paragraph 6.5, Awards which have been vested in accordance with paragraph 6.3 shall be satisfied within twenty-one (21) Business Days (unless otherwise specified in the Vesting Notice) from the later of the date of receipt by the Company of (i) the reply slip attached to the Vesting Notice duly executed by the Grantee; (ii) the transfer or subscription documents as prescribed by the Board or the Committee for the relevant Award Shares and duly executed by the Grantee; and (iii) the payment of consideration, if any, for the transfer or subscription of the relevant Award Shares, in any of the following manner as determined by the Board or the Committee in its absolute discretion:
- (A) the Company allotting and issuing the relevant number of new Shares, fully paid or credited as fully paid, to the Grantee; and/or
 - (B) the Company allotting and issuing the relevant number of new Shares, fully paid or credited as fully paid, to the Trustee, and/or instructing the Trustee to acquire the relevant number of existing Shares through on-market or off-market purchases in accordance with the Company’s instructions and subject to the terms and conditions of the Trust Deed (if any), such new and/or existing Shares to be held by the Trustee on trust for the Grantee and to be transferred to the Grantee after vesting.

6.5 If the Board or the Committee in its absolute discretion determines that it is not practicable for the Grantee to receive the Award Shares underlying the Award or for the Company or (if applicable) the Trustee to satisfy the Award due to applicable legal or regulatory restrictions (including without limitation the Listing Rules, the SFO and the requirements prescribed by the Stock Exchange from time to time), the allotment and issue or transfer (as the case may be) of the Award Shares shall be postponed and shall take place as soon as possible after the date that the Board or the Committee subsequently determines that it will be practicable to proceed with the satisfaction of the Award. Without prejudice to the generality of the foregoing, if the Company, (if applicable) the Trustee or any Grantee would or might be prohibited from dealing in the Shares by the Listing Rules, the SFO or any other applicable laws, regulations or rules within the applicable prescribed period, the date on which the relevant Shares shall be allotted and issued or transferred (as the case may be) to the Grantee or (if applicable) the Trustee shall occur as soon as possible after the date when such dealing is permitted by the Listing Rules, the SFO or any other applicable laws, regulations or rules.

6.6 During the Vesting Period:

- (A) in respect of any performance targets as may be specified by the Board or the Committee in the Grant Notice that must be fulfilled before the Award may be vested in the relevant Grantee in respect of the relevant Award Shares, the Board or the Committee will conduct assessment at the end of such performance period as prescribed by the Board or the Committee, including the comparison of the performance of the Group and/or the individual performance of the Grantee with the pre-agreed targets, in order to determine whether the targets have been fulfilled and the extent to which such targets have been fulfilled;
- (B) if the Board or the Committee determines in its absolute discretion that any condition(s) and/or performance target(s) to be duly fulfilled by the Grantee as specified in the related Grant Notice has not been duly fulfilled, the Board or the Committee shall determine in its absolute discretion whether such Award shall vest and the period within which such Award shall vest, subject to the requirements of the Listing Rules;
- (C) if a general offer by way of takeover or otherwise (other than by way of scheme of arrangement pursuant to sub-paragraph (D) below) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) by any person and such offer becomes or is declared unconditional prior to the Vesting Date of any Award, the Board or the Committee shall, prior to the offer becoming or being declared unconditional, determine in its absolute discretion whether such Award shall vest and the period within which such Award shall vest;
- (D) if a general offer for the Shares by way of scheme of arrangement is made by any person to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings prior to the Vesting Date of any Award, the Board or the Committee shall, prior to such meetings, determine in its absolute discretion whether such Award shall vest and the period within which such Award shall vest;

- (E) if a compromise or arrangement (other than a scheme of arrangement contemplated in sub-paragraph (D) above) between the Company and the Shareholders and/or the creditors of the Company is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies prior to the Vesting Date of any Award, the Board or the Committee shall determine in its absolute discretion whether such Award shall vest and the period within which such Award shall vest;
- (F) if a notice is given by the Company to the Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company prior to the Vesting Date of any Award, the Board or the Committee shall determine in its absolute discretion whether such Award shall vest and the period within which such Award shall vest;
- (G) where an Award is made to a Grantee of a Subsidiary and there is a change of ownership or control in such entity such that it is no longer a Subsidiary, the Board or the Committee shall determine in its absolute discretion whether such Award shall vest and the period within which such Award shall vest;
- (H) if a Grantee's employment with the Company or any other member of the Group is terminated by reason of retirement, death or Disability, the Board or the Committee shall determine in its absolute discretion whether such Award shall vest and the period within which such Award shall vest.

7. LAPSE OF AWARDS

7.1 In the event that:

17.03(12)

- (A) any Grantee is found to be an Excluded Participant or otherwise ceases to be an Eligible Participant (including the termination of his employment with the Company or any other member of the Group for any reason, other than for reason as provided in paragraph 6.6(H));
- (B) any Grantee makes any attempt or takes any action to sell, transfer, assign, 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 any Award or any interests or benefits pursuant to the Award;
- (C) any Grantee commits any Misconduct(s);
- (D) any Grantee joins a company which the Board or the Committee believes in its sole and reasonable opinion to be a competitor of the Company;
- (E) there is any material misstatement(s) in the financial statements of the Company or any other materially inaccurate performance metric criteria;

- (F) the Board or the Committee determines in its absolute discretion that any prescribed performance targets have not been met; or
- (G) any Awards are clawed back pursuant to paragraph 5A.2,

(each of these, an event of “**Total Lapse**”), all unvested Awards to such Grantee shall automatically lapse forthwith upon the determination by the Board or the Committee that such event has occurred, and such Grantee shall have no right or claim whatsoever against the Company, any other member of the Group, the Board or the Committee in respect of those unvested Awards, the Award Shares underlying such unvested Awards or any right thereto or interest therein in any way.

7.2 In the event that:

- (A) the vesting conditions are not, in the sole opinion of the Board or the Committee, satisfied in respect of the relevant part of the Award; or
- (B) a Grantee fails to, in the manner and within the period stipulated in the Vesting Notice (or such later date as may be determined by the Board or the Committee in its absolute discretion having regard to all relevant circumstances), (i) duly execute and return the reply slip attached to the Vesting Notice or any transfer or subscription documents prescribed by the Board or the Committee in respect of the relevant Award Shares; or (ii) pay the consideration (if any) for the transfer or subscription of the relevant Award Shares,

(each an event of “**Partial Lapse**”), the relevant part of the Award in respect of which any event of Partial Lapse has occurred shall automatically lapse forthwith upon the determination by the Board or the Committee that such event has occurred, and the relevant Award Shares shall not vest on the relevant Vesting Date, and such Grantee shall have no right or claim whatsoever against the Company, any other member of the Group, the Board or the Committee in respect of such Award, the relevant Award Shares underlying such Award or any right thereto or interest therein in any way.

7.3 The Awards lapsed in accordance with these rules of the Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sublimit). The Board or the Committee has the absolute discretion to determine whether, when and to what extent an event of Total Lapse or Partial Lapse has occurred, and its decision is final, conclusive and binding.

8. CANCELLATION OF AWARDS

8.1 Subject to Chapter 17 of the Listing Rules, the Board or the Committee may in its absolute discretion cancel all or such proportion of the Awards granted but unvested, provided that: ^{17.03(14)}

- (A) the Company or any other member of the Group pay to the Grantee an amount equal to the fair value of the Award at the date of the cancellation as determined by the Board or the Committee, after consultation with the auditors of the Company or an independent financial adviser appointed by the Board or the Committee;

- (B) the Company or any other member of the Group provides to the Grantee a replacement Award (or a share option or share award under any other Share Scheme(s)) of equivalent value to the Award to be cancelled; or
- (C) the Board or the Committee makes any arrangement as the Grantee may agree in order to compensate him for the cancellation of the Awards.

8.2 Where the Company cancels any Awards granted to a Grantee and makes a new grant (whether under this Scheme or any other Share Scheme(s)) to the same Grantee, such new grant may only be made within the available Scheme Mandate Limit approved by the Shareholders. The Awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sublimit). 17.03(14)

9. SCHEME MANDATE LIMIT AND MAXIMUM ENTITLEMENT OF EACH GRANTEE

- 9.1 The total number of Shares which may be issued by the Company in respect of all the Awards to be granted under this Scheme and all the share options and share awards to be granted under any other Share Scheme(s) (“**Scheme Mandate Limit**”) shall not in aggregate exceed 84,281,191 Shares or 10% of the total number of issued Shares (excluding Treasury Shares, if any) as at the relevant date of approval of the refreshment of the Scheme Mandate Limit. 17.03(3)
17.03B
- 9.2 The sublimit (under the Scheme Mandate Limit) on the total number of Shares which may be issued in respect of all Awards to be granted to Service Providers under this Scheme and all the share options and share awards to be granted under any other Share Scheme(s) (“**Service Provider Sublimit**”) shall not in aggregate exceed 8,428,119 Shares or 1% of the total number of issued Shares (excluding Treasury Shares, if any).
- 9.3 Any grant of Awards to any Director, chief executive or substantial Shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates, shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of the Award). In addition:

- (A) where any grant of Awards 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 the Awards granted under this Scheme and (if any) the share awards granted under any other Share Scheme(s) (excluding any Awards and any other share awards lapsed in accordance with the terms of the Share Schemes) 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 the Listing Rules may prescribe or permit) of the total number of issued Shares (excluding Treasury Shares, if any) as at the date of such grant; or ^{17.04(2)}
- (B) where any grant of Awards to an independent non-executive Director or substantial Shareholder (as defined in the Listing Rules) of the Company (or any of their respective associates) would result in the number of Shares issued and to be issued in respect of all the Awards granted under this Scheme and (if any) the share options and other share awards granted under any other Share Scheme(s) (excluding any Awards and any share options and other share awards lapsed in accordance with the terms of the Share Schemes) 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 the Listing Rules may prescribe or permit) of the total number of issued Shares (excluding Treasury Shares, if any) as at the date of such grant, ^{17.04(3)}

such further grant of Awards must be approved by Shareholders in general meeting in the manner required, and subject to the requirements set out, in the Listing Rules. In particular, the Company must send a circular to the Shareholders, containing the following information:

17.04(4)
17.04(5)

- (a) the details of the number and terms of the Awards to be granted to each Grantee which must be fixed before the Shareholders' meeting. In respect of any Awards to be granted, the date of the Board meeting for proposing such further grant is to be taken as the date of grant;
- (b) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the relevant Grantee) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and its Shareholders as a whole, and their recommendation to the independent Shareholders as to whether to vote for or against the resolution relating to the grant of the Awards;
- (c) the information required under Rule 17.02(2)(c) of the Listing Rules;
- (d) the information as required under Rule 2.17 of the Listing Rules; and
- (e) any other information as may be required under the Listing Rules or by the Stock Exchange from time to time.

The Grantee, 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 relevant requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

9.4 No Award shall be granted to a Grantee if it would result in the total number of Shares issued and to be issued in respect of all the Awards granted under this Scheme and, if any, the share options and other share awards granted under any other Share Scheme(s) to such person (excluding any Awards and any share options and other share awards lapsed in accordance with the terms of the Share Schemes) in the 12-month period up to and including the date of such grant exceeding 1% (or such other higher percentage as the Listing Rules may prescribe or permit) of the total number of issued Shares (excluding Treasury Shares, if any) as at the date of such grant, unless:

17.03(4)
17.03D

- (A) such grant has been separately approved by the Shareholders in general meeting, with such Grantee and his close associates (or associates if such Grantee is a connected person) abstaining from voting;
- (B) the Company must despatch a circular to the Shareholders containing such relevant information as required by the Listing Rules in relation to any such proposed grant to such Grantee; and
- (C) the number and terms of the Awards to be granted to such Grantee are fixed before the Shareholders' approval.

9.5 Subject to paragraph 9.6, the Scheme Mandate Limit (and, where appropriate, the Service Provider Sublimit) may be refreshed by the Company as follows:

- (A) the Company may refresh the Scheme Mandate Limit (and, where appropriate, the Service Provider Sublimit) by ordinary resolution of the Shareholders in general meeting after three (3) years from the Adoption Date (or from the date of Shareholders' approval for the last refreshment) in accordance with the applicable Listing Rules; and
- (B) any refreshment of the Scheme Mandate Limit (and, where appropriate, the Service Provider Sublimit) within the three-year period from the Adoption Date (or from the date of Shareholders' approval for the last refreshment) must be approved by the Shareholders in general meeting subject to the following provisions:
 - (i) any controlling Shareholders (as defined in the Listing Rules) of the Company and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and 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 of the Listing Rules,

provided that paragraphs 9.4(B)(i) and (ii) above do not apply if the refreshment is made immediately after an issue of Shares by the Company to its Shareholders on a pro-rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the total number of issued Shares) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of Shares, rounded to the nearest whole Share.

9.6 The Scheme Mandate Limit so refreshed under paragraph 9.5 shall not exceed 10% of the total number of issued Shares (excluding Treasury Shares, if any) as at the date of Shareholders' approval of the refreshment of the Scheme Mandate Limit. A circular regarding the proposed refreshment of the Scheme Mandate Limit must be despatched to the Shareholders containing the number of Awards and any other share options and share awards that were already granted under the existing Scheme Mandate Limit (and, where appropriate, the Service Provider Sublimit) and the reason for the refreshment.

9.7 Without prejudice to paragraphs 9.4 and 9.5, the Company may seek separate approval by the Shareholders in general meeting for granting Awards which will result in the Scheme Mandate Limit or, if applicable, the refreshed Scheme Mandate Limit under paragraph 9.5, being exceeded, provided that:

- (A) the Awards in excess of the limit are granted only to the Grantee(s) specifically identified by the Company before such approval is sought;
- (B) the Company must despatch a circular to the Shareholders containing such relevant information as required by the Listing Rules in relation to any such proposed grant to such Grantee(s); and
- (C) the number and terms of the Awards to be granted to such Grantee(s) are fixed before the Shareholders' approval.

9.8 In the event of any alteration in the capital structure of the Company following the commencement of this Scheme from any capitalisation issue, rights issue, share consolidation, share subdivision or capital reduction, the Board or the Administration shall make corresponding adjustments to:

- (a) the purchase price (if any); and/or
- (b) the number of outstanding Award Shares that have been granted but unvested,

provided that any such adjustments made must:

- (a) give a Selected Participant the same proportion of the equity capital, rounded to the nearest whole Share, as that to which that person was previously entitled;
- (b) not be made to the extent that a Share would be issued at less than its nominal value (if any);
- (c) not be made to the advantage of the Selected Participant without specific prior approval from the Shareholders;
- (d) other than any made on a capitalisation issue, be confirmed by an independent financial adviser or auditors of the Company to the Directors in writing that the adjustments satisfy the requirements of Chapter 17 of the Listing Rules; and
- (e) be in accordance with the rules of this Scheme, the Listing Rules, the requirement under Appendix I to FAQ13 – No. 16, and any other applicable guidance/interpretation issued by the Stock Exchange from time to time.

9.9 For the avoidance of doubt, the issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. All fractional Shares (if any) arising out of such alteration in the capital structure of the Company in respect of the Award Shares of a Selected Participant shall be deemed forfeited and shall not be transferred to the relevant Selected Participant on the relevant Vesting Date.

9.10 In addition, in the event the Company conducts a share subdivision or consolidation, the number of shares comprising the Scheme Mandate Limit and the Service Provider Sublimit shall be adjusted to the effect that such limits as a percentage of the total number of issued Shares at the date immediately before and the date immediately after such share consolidation or subdivision shall be the same, rounded to the nearest whole Share.

10. RIGHTS ATTACHED TO THE AWARDS AND THE AWARD SHARES

- 10.1 Unless otherwise approved and authorised by the Board or the Committee, the Grantee shall not exercise any of the voting rights in respect of any Award Shares and shall not have any right whatsoever in any dividends and other distributions declared and made in respect of any Award Shares or otherwise (“**Other Distributions**”) unless and until the relevant Award Shares have been allotted and issued or transferred (as the case may be) to the Grantee in accordance with these rules of the Scheme and the applicable laws, rules and regulations. For the avoidance of doubt:
- (A) a Grantee does not have legal and beneficial ownership of any Award Shares unless and until such Award Shares have been allotted and issued or transferred (as the case may be) to the Grantee in accordance with these rules of the Scheme and the applicable laws, rules and regulations; and
 - (B) where a Trustee is appointed, no instruction may be given by a Grantee to the Trustee in respect of the Award Shares and/or the Other Distributions and/or such other properties or assets of the trust constituted by the Trust Deed.
- 10.2 Subject to paragraph 10.1, the Award Shares to be allotted and issued or transferred (as the case may be) to the Grantee after the vesting of the Award in the Grantee shall be subject to all the provisions of the Articles of Association for the time being in force and shall rank *pari passu* in all respects with, and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company, as existing fully paid Shares in issue on the date on which the Award Shares are allotted and issued or transferred (as the case may be) to the Grantee after the vesting of the Award and, without prejudice to the generality of the foregoing, shall entitle the holders of such Award Shares to participate in all Other Distributions paid or made on or after the date on which the Award Shares are so allotted and issued or transferred (as the case may be), other than any Other Distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be before the date on which the Award Shares are so allotted and issued or transferred (as the case may be).

11. DISPUTES

Any dispute arising under or in connection with the Scheme 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, in the absence of manifest error, be final, conclusive and binding on all persons who may be affected thereby.

12. ALTERATION OF THE SCHEME AND THE AWARDS

- 12.1 Subject to paragraphs 12.3 and 12.4, these rules of the Scheme may be altered in any respect by a resolution of the Board, save and except that (i) any alteration to the terms and conditions of the Scheme which are of a material nature; or (ii) any alteration to the provisions of the Scheme relating to the matters set out in Rule 17.03 of the Listing Rules to the extent that such alteration operates to the advantage of the Selected Participants or Grantees must be approved by the Shareholders in general meeting, provided that no such alteration shall operate to affect adversely the terms of any Awards granted which have not vested or lapsed or been cancelled prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the holders of the Shares under the Articles of Association for a variation of the rights attached to the Shares. 17.03(18)
- 12.2 Subject to paragraph 12.4, any change to the terms of the Awards granted to a Grantee shall be approved by the Board, the Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Awards was approved by the Board, the Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alteration takes effect automatically under the existing terms of the Scheme.
- 12.3 Any change to the authority of the Directors or administrators of the Scheme (including, where applicable, the Trustee) in relation to any alteration to these rules of the Scheme shall be approved by the Shareholders in general meeting.
- 12.4 The amended terms of the Scheme must comply with all applicable laws, rules and regulations (including Chapter 17 of the Listing Rules).

13. TERMINATION

- 13.1 The Scheme shall terminate on: 17.03(16)
- (A) the tenth (10th) anniversary date of the Adoption Date; or
 - (B) such date of earlier termination as determined by the Board or the Committee.
- 13.2 Upon the termination of the Scheme, no further offer of Awards may be made and no Awards offered shall be open for acceptance, but these rules of the Scheme shall remain in full force and effect to the extent necessary to give effect to any Awards which are granted and remain unvested prior to the termination of the operation of the Scheme. The Company shall notify all Grantees and (if applicable) the Trustee of such termination and of how any property held by the Trustee on trust for the Grantees (including, but not limited to, any Shares held) and the outstanding Awards shall be dealt with.

- 13.3 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 Scheme.

14. MISCELLANEOUS

- 14.1 The Scheme shall not form part of any contract of employment between any member of the Group and any Eligible Participant, and the rights and obligations of any Eligible Participant under the terms of his office, employment shall not be affected by his participation in the Scheme or any right which he may have to participate in it and the Scheme shall afford such Eligible Participant no additional rights to compensation or damages in consequence of the termination (howsoever caused) of his office or employment for any reason (whether lawful or unlawful).
- 14.2 The Company shall bear the costs and expenses of establishing, administering and implementing the Scheme (including, if any, the stamp duty, transfer tax or duty, transaction levy, brokerage fee and direct costs and expenses payable in respect of any vesting, transfer or allotment and issue of Shares to the Grantee(s) pursuant to the Scheme), but excluding any costs, expenses, levies and taxes which are determined by the Board or the Committee in its absolute discretion to be payable due to reasons, factors or circumstances which are personal or pertaining to the relevant Grantee(s) or otherwise unrelated to the grant of the relevant Award under the Scheme and which shall be payable by the relevant Grantee(s). Without prejudice to the generality of the foregoing, all costs and expenses in relation to all dealings with the Award Share after the vesting, transfer or allotment and issue of Shares to a Grantee (as the case may be) shall be borne by such Grantee, and the Company shall not be liable for any such costs and expenses thereafter.
- 14.3 Any notice or other communication between the Company, the Board or the Committee, any Selected Participant or Grantee and/or (where applicable) the Trustee may be given by sending the same by electronic means (including electronic mail, electronic system/platform provided by third-party vendor as selected by the Board or the Committee) or by prepaid post or personal delivery to:
- (A) in the case of the Company, the Board or the Committee, the principal place of business of the Company in Hong Kong or such other address as the Board or the Committee may from time to time decide and notify to the Selected Participants or Grantee and/or (where applicable) the Trustee;
 - (B) in the case of the Trustee (if any), 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 or Grantee, his last known address as notified by such Selected Participant or Grantee 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 such other address as the Company reasonably considers appropriate.

14.4 Any notice or other communication:

- (A) if sent by any Selected Participant or Grantee, shall be irrevocable and shall not be effective until actually received by the Company, the Board, the Committee or the Trustee (as the case may be);
- (B) if sent to any Selected Participant or Grantee, shall be deemed to be given or made (i) three (3) days after the date of posting, if sent by local postage pre-paid registered mail to an address in Hong Kong; (ii) five (5) days after the date of posting, if sent by postage pre-paid registered airmail to an address outside Hong Kong; (iii) when delivered, if delivered by hand; and (iv) if sent by electronic means, on the same date as that on which it was sent; and
- (C) if sent to the Trustee (if any), shall be irrevocable and shall not be effective until actually received by the Trustee.

14.5 Save as specifically provided in these rules, the Scheme shall not confer on any person any legal or equitable rights against the Company, any Subsidiary and (where applicable) 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 (where applicable) the Trustee, or any of them.

14.6 A Grantee shall, before accepting an Award granted to him, the vesting of an Award in him, and the allotment and issue or transfer (as the case may be) of the related Award Shares to him, obtain all necessary governmental, regulatory or other official consents that may be required by any country or jurisdiction to enable him to accept such Award and for such Award to be vested in him and for the related Award Shares to be allotted and issued or transferred to him, as the case may be, in accordance with these rules of the Scheme. By accepting an Award, the Grantee is deemed to have represented, warranted and undertaken to the Company and (where applicable) the Trustee that he has complied with, and will continue to comply with, all local laws and regulations in connection with the acceptance of the Award and the satisfaction of the Award, including the obtaining of any governmental, regulatory or other official consents, the payment of any taxes and duties required to be paid in the relevant country or jurisdiction, and all registration and filing requirements with the relevant authorities required in the relevant country or jurisdiction, and the Grantee further undertakes to the Company and (where applicable) the Trustee that he shall promptly notify each of them in writing if he becomes aware of any event, matter, circumstance, act or omission which has rendered or will render such representation and warranty untrue, incorrect or misleading in any respect. Compliance with this paragraph 14.6 shall be a condition precedent to the acceptance of an Award by a Grantee. A Grantee shall, on demand, indemnify the Company and (where applicable) 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 or in connection with any failure on the part of such Grantee to obtain any necessary consent or to pay tax or other liabilities in relation to or in connection with his acceptance of the Award, the vesting of the Award in him and the allotment and issue or transfer (as the case may be) of the related Award Shares to him as referred to in this paragraph 14.6.

- 14.7 A Grantee shall pay all taxes and discharge all liabilities to which he may become subject or liable as a result of or in connection with his participation in the Scheme, acceptance of any Award made hereunder, the vesting of the Award in him, and the allotment and issue or transfer (as the case may be) of the related Award Shares to him, or any of the foregoing.
- 14.8 A Grantee shall indemnify the Company, any Subsidiary and/or (where applicable) 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. To give effect to this, the Company or (where applicable) the Trustee may, notwithstanding anything else herein contained (but subject to applicable law):
- (A) reduce or withhold the number of the Grantee's Award Shares underlying the Award (the number of Award Shares underlying the Award 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 or the Committee, is sufficient to cover such liability);
 - (B) sell, on the Grantee's behalf, such number of Award Shares to which the becomes entitled under the Scheme and retain the proceeds and/or pay them to the relevant authorities or government agency;
 - (C) deduct or withhold, without notice to the Grantee, the amount of any such liability from any payment to the Grantee made under the Scheme or from any payments due from any member of the Group to the Grantee; and/or
 - (D) require the Grantee to remit to any member of the Group in the form of cash or a certified or bank cashier's check, an amount sufficient to satisfy any taxes or other amounts required by any governmental authority to be withheld and paid over to such authority by any member of the Group on account of the Grantee or to otherwise make alternative arrangements satisfactory to the Company for the payment of such amounts.

For the avoidance of doubt, the Company or (if applicable) the Trustee shall not be obliged to vest any Award in a Grantee, or allot and issue or transfer (as the case may be) any Award Shares to a Grantee, unless and until the Grantee satisfies the Company or (if applicable) the Trustee that such Grantee's obligations under this paragraph 14.8 have been met.

- 14.9 Subject to paragraph 14.2, the Company and (if applicable) the Trustee shall not be liable for any tax or other liability to which a Grantee may become subject as a result of his participation in the Scheme.
- 14.10 The Board or the Committee may from time to time adopt such operational rules or establish such arrangements as it may deem fit for the purpose of giving effect to or implementing the Scheme, provided that such rules do not conflict with these rules of the Scheme or contravene any of the applicable laws, rules or regulations, including without limitation the Listing Rules.

- 14.11 In respect of the administration of the Scheme, the Company shall comply with all applicable disclosure requirements including without limitation those imposed by the Listing Rules from time to time. In the case where an announcement, circular or any other document is required to be published or despatched by the Company pursuant to any such applicable disclosure requirements, each Grantee consents to the disclosure of the identity of such Grantee, the number of Award Shares underlying each Award, the terms of any Award granted and/or to be granted and all other information as required under such applicable disclosure requirements.
- 14.12 Each provision of these rules of the Scheme shall be treated as a separate provision and shall be severally enforceable as such in the event of any provision(s) being or becoming unenforceable in whole or in part. To the extent that any provision(s) hereof are unenforceable they shall be deemed to be deleted from these rules of the Scheme, and any such deletion do not affect the enforceability of these rules of the Scheme as remain not so deleted.
- 14.13 By accepting an Award and participating in the Scheme, each Grantee consents to the holding, processing, storage and use of personal data or information concerning the Grantee by any member of the Group or any other third party contractors or personnel (including without limitation the Trustee), in Hong Kong or elsewhere, for the purpose of the administration, management and operation of the Scheme.

15. CONDITION

- 15.1 This Scheme is conditional upon the passing of an ordinary resolution by the Shareholders at a general meeting to approve the adoption of this Scheme.
- 15.2 If the condition referred to in paragraph 15.1 is not satisfied, the Scheme shall forthwith determine and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of this Scheme.
- 15.3 A certificate of a Director that the condition set out in paragraph 15.1 has been satisfied and the date on which such condition was satisfied or that such condition has not been satisfied as of any particular date and the exact date of the Adoption Date shall be conclusive evidence of the matters certified.

16. GOVERNING LAW

- 16.1 The Scheme shall operate subject to the Articles of Association and any applicable laws, rules and regulations to which the Company is subject.
- 16.2 The Scheme and all Awards granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.

***** End of these rules of the Scheme *****