

DAH SING FINANCIAL HOLDINGS LIMITED

大新金融集團有限公司

(Incorporated in Hong Kong with limited liability)

**2nd AMENDED AND RESTATED
RULES RELATING TO
DAH SING FINANCIAL HOLDINGS LIMITED
SHARE AWARD SCHEME**

Approved and adopted by an ordinary resolution of the shareholders of
Dah Sing Financial Holdings Limited
at the annual general meeting held on [•]

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1. DEFINITIONS AND INTERPRETATION

1.1 In the Scheme each of the following words and expressions shall, unless the context otherwise requires, have the following meaning:

“Adoption Date” means 9 September 2021, being the date on which the Board approved the adoption of the rules relating to the Company’s share award scheme, of which the Scheme is a 2nd amendment and restatement;

“Articles” means the articles of association of the Company in force for the time being;

“associate” shall have the meaning ascribed to it under the Listing Rules;

“Auditors” means the auditors of the Company for the time being;

“Award” means an award granted by the Board to an Eligible Person which may vest in the form of Award Shares as the Board may determine in accordance with the terms of the Scheme;

“Award Letter” means a letter of the grant of an Award made in accordance with Rule 5.2;

“Award Period” shall have the meaning ascribed to it under Rule 3.2;

“Award Shares” means the Shares to which an Award relates;

“Awardee” means any Eligible Person who accepts the grant of an Award in accordance with the terms of the Scheme;

“Benefits” shall have the meaning ascribed to it under Rule 8.5.2;

“Board” means the board of directors of the Company or a duly authorised committee thereof;

“Business Day” means a day on which the Stock Exchange is open for trading and licensed banks are open for business generally in Hong Kong (excluding Saturdays, Sundays, public

holidays and any day on which a tropical cyclone warning no. 8 or above or a “black rainstorm warning signal is hoisted or issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.);

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| “close associate” | shall have the meaning ascribed to it under the Listing Rules; |
| “Company” | means Dah Sing Financial Holdings Limited 大新金融集團有限公司, a company incorporated in Hong Kong with limited liability and business registration number 11274731, whose Shares are listed and traded on the Main Board of the Stock Exchange (stock code: 440); |
| “Companies Ordinance” | means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong); |
| “connected person” | shall have the meaning ascribed to it under the Listing Rules; |
| “controlling shareholder” | 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; |
| “Delegate” | shall have the meaning ascribed to it under Rule 3.4; |
| “Director(s)” | means the director(s) of the Company for the time being; |
| “Eligible Person(s)” | means Employee Participant(s); |
| “Effective Date” | means [•], being the date on which the Shareholders approved the adoption of the Scheme; |
| “Employee Participant(s)” | means any employee(s) of the Group, any Director(s) (which also include INED(s)) or any director(s) of a Subsidiary, and any person(s) to whom a grant of Awards serves as an inducement to enter into employment contract(s) to become employee(s) of the Group; |

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| “Excluded Person” | means any Eligible Person who is resident in a place where the settlement of the Reference Amount and the award of the Award Shares and/or the award of the Returned Shares and/or the vesting or transfer of Shares (or, in each case, the cash proceeds of sale thereof) 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 Trustee (as the case may be) compliance with applicable laws and regulations in such place make it necessary or expedient to exclude such Eligible Person; |
| “Further Shares” | means any Shares acquired by the Trustee out of cash income or net proceeds of sale of non-cash and non-scrip distributions declared and distributed by the Company in respect of Shares held upon the Trust; |
| “Grant Date” | means the date on which the grant of an Award is made to an Eligible Person, being the date of the Award Letter relating to the Award, which must be a Business Day; |
| “Group” | means the Company and its Subsidiaries from time to time, and “ member(s) of the Group ” shall be construed accordingly; |
| “Hong Kong” | means the Hong Kong Special Administrative Region of the People’s Republic of China; |
| “INED(s)” | means the independent non-executive director(s) of the Company; |
| “Listing Committee” | shall have the meaning ascribed to it under the Listing Rules; |
| “Listing Rules” | means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; |
| “Model Code” | means the Model Code for Securities Transactions by Directors of Listed Issuers contained as an Appendix of the Listing Rules; |

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| “Nomination and Remuneration Committee” | means a committee of the Board titled “Nomination and Remuneration Committee” established by the Board with corresponding terms of reference; |
| “on-market” | means, with respect to the purchase or sale of Shares, one or more transactions through the facilities of the Stock Exchange in accordance with applicable laws and regulations; |
| “Partial Lapse” | means the lapse of a part of an Award as a result of the occurrence of one of the following events: (a) the Awardee of the Award is found to be an Excluded Person; (b) the Awardee of the Award fails to return duly executed transfer documents and/or perform the transfer procedure prescribed by the Trustee for the Award within the period stipulated in accordance with the terms of the Scheme; or (c) the Awardee of the Award fails to fulfill any of the vesting criteria and conditions prescribed in the Award Letter for the Award; |
| “Reference Amount” | shall have the meaning ascribed to it under Rule 6.1; |
| “Related Income” | means all income derived from a Share held upon the Trust in the form of Shares (including but not limited to any bonus Shares and scrip Shares received in respect of the Share but excluding the scrip Shares referred to in Rule 12.4). For the avoidance of doubt, any nil-paid right, bonus warrant, non-cash and non-scrip distribution or proceeds of sale of the same or Residual Cash shall not be regarded as Related Income; |
| “Residual Cash” | means cash remaining in the Trust Fund (including interest income derived from deposits maintained with licensed banks in Hong Kong, cash income and sale proceeds which have not been applied in accordance with Rule 6.5); |
| “Returned Shares” | means any Shares that are not vested and/or are forfeited or being deemed to be Returned Shares in accordance with the terms of the Scheme and any Related Income; |

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| “Scheme” | means this share award scheme in its present form (being a 2 nd amendment and restatement of the rules relating to the Company’s share award scheme approved and adopted by the Board on 9 September 2021 and revised on 30 March 2022) or as from time to time amended in accordance with the provisions hereof; |
| “Scheme Limit” | means the Scheme Mandate Limit and the Scheme Mandate (Specific) Limit; |
| “Scheme Mandate Limit” | shall have the meaning ascribed to it under Rule 13.1; |
| “Scheme Mandate (Specific) Limit” | shall have the meaning ascribed to it under Rule 13.1; |
| “Senior Management” | means the senior management staff of the Group as disclosed in the Company’s annual report as required under paragraph 12 of the appendix headed “Disclosure of Financial Information” of the Listing Rules; |
| “SFC” | means the Securities and Futures Commission of Hong Kong; |
| “SFO” | means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); |
| “Shareholder(s)” | means holder(s) of the Shares; |
| “Shares” | means ordinary shares in the share capital of the Company (or, if there has been a consolidation, reduction, re-classification, subdivision or reconstruction of the share capital of the Company, the shares forming part of the ordinary equity share capital of the Company as shall result from any such consolidation, reduction, re-classification, subdivision or reconstruction); |
| “Share Scheme(s)” | means share award scheme(s) and/or share option scheme(s) involving issuance of new Shares adopted and to be adopted by the Company from time to time; |
| “Stock Exchange” | means The Stock Exchange of Hong Kong Limited; |

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| “Subsidiary” | means a subsidiary (within the meaning under section 15 of the Companies Ordinance) of the Company, whether incorporated in Hong Kong or elsewhere; |
| “substantial shareholder” | shall have the meaning ascribed to it under the Listing Rules; |
| “Taxes” | shall have the meaning ascribed to it under Rule 7.9; |
| “Total Lapse” | means the total lapse of an Award as a result of (a) the Awardee of the Award ceases to be an Eligible Person and Rule 6.6.1 applies; or (b) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, a solvent amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company); |
| “Trust” | means the trust constituted by the Trust Deed to service the Scheme; |
| “Trust Deed” | means the trust deed entered into between the Company and the Trustee (as may be restated, supplemented or amended from time to time); |
| “Trust Fund” | means all the property (including Shares, cash and non-cash income) for the time being and from time to time held or deemed to be held upon the Trust whether contributed by the Company or any other person; |
| “Trust Period” | means the period beginning on the Adoption Date and ending on the date on which all Awards have vested, lapsed, been forfeited or been cancelled and the Trustee has settled all of the outstanding vested Awards with the Awardees (or their personal representatives) pursuant to the provisions of the Scheme and the Trust Deed upon the first to happen of the following, namely: <ul style="list-style-type: none"> (a) the expiry of the Award Period; |

- (b) the date when an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, a solvent amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company); or
- (c) the date as may be informed in writing by the Company to the Trustee that the Scheme shall be terminated in accordance with the provisions of the Scheme;

“Trustee” means the trustee or trustees for the time being appointed by the Company for the purpose of the Trust;

“Vesting Date(s)” means the date or dates, as determined from time to time by the Board, on which an Award (or part thereof) is to vest in the Awardee of an Award as set out in the Award Letter relating thereto, unless the Vesting Date is accelerated in accordance with Rule 8.4 or a different Vesting Date is deemed to occur in accordance with Rule 12.1;

“Vesting Notice” shall have the meaning ascribed to it under Rule 7.5;

“HK\$” means Hong Kong dollars, the lawful currency for the time being of Hong Kong; and

“%” means per cent.

1.2 In the Scheme, unless the context otherwise requires:

1.2.1 rule headings are inserted for convenience only and do not affect its interpretation;

1.2.2 references to “Rules” are to rules of the Scheme;

1.2.3 references to time of day are to Hong Kong time;

- 1.2.4 if a period of time is specified as from a given day, or from the day of an act or event, it shall be calculated exclusive of that day;
- 1.2.5 unless otherwise indicated, the Board can make determinations in its absolute discretion and if the Board delegates its authority to administer the Scheme to a committee of the Board or other person(s), the committee of the Board or such other person(s) shall enjoy the same absolute discretion;
- 1.2.6 words importing the singular include the plural and vice versa;
- 1.2.7 words importing a gender or the neuter include both genders and the neuter; and
- 1.2.8 references to persons include body corporate or unincorporate.
- 1.3 References in the Scheme to any document are to that document as amended, consolidated, supplemented, novated or replaced from time to time.
- 1.4 References (express or implied) in the Scheme to ordinances and to statutory and regulatory provisions and the Listing Rules shall be construed as references to those ordinances, statutory and regulatory provisions and the Listing Rules as respectively amended or re-enacted or as their application is modified by other provisions from time to time (whether before or after the Adoption Date) and shall include any provisions of which there are re-enactments (whether with or without modification) and any orders, regulations, instruments, other subordinate legislation or practice notes under the relevant ordinance, statutory or regulatory provision or the Listing Rules.
- 1.5 In construing the Scheme:
- 1.5.1 the rule known as the *ejusdem generis* rule shall not apply and, accordingly, general words introduced by the word “other” shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things; and

1.5.2 general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

2. CONDITIONS

The Scheme is conditional on:

- 2.1 the passing of an ordinary resolution by the Shareholders at a general meeting of the Company to (a) approve and adopt the Scheme; (b) authorise the Board to grant Awards under the Scheme; and (c) authorise the Board to allot and issue, procure the transfer of and otherwise deal with the Award Shares in connection with the Scheme; and
- 2.2 the Listing Committee granting the approval for the listing of, and permission to deal in, any Shares on the Stock Exchange which may be issued by the Company in respect of all Awards to be granted in accordance with the terms and conditions of the Scheme.

3. PURPOSE, DURATION AND ADMINISTRATION

- 3.1 The purpose of the Scheme is to recognise the contribution or value of the Eligible Persons, to motivate the Eligible Persons to deliver consistent and better performance in future in serving the Group, and to provide incentives in aid of the Company and other members of the Group in retaining their existing Eligible Persons and recruiting additional Eligible Persons and providing them with a direct economic interest in attaining and furthering the long-term business objectives of the Group, with Awards granted or potentially to be granted to the Eligible Persons.
- 3.2 Subject to Rule 16.1, the Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date (the “**Award Period**”), after which period no further Award shall be granted. Subject to the foregoing, in all other respects, in respect of the unvested Award Shares outstanding on the expiration of the Award Period, the provisions of the Scheme shall remain in full force and effect.

- 3.3 The Scheme shall be subject to the administration of the Board in its absolute discretion in accordance with the terms of the Scheme and, where applicable, the Trust Deed, whose decision (save as otherwise provided herein) shall be final and binding on all parties.
- 3.4 The authority or power to administer the Scheme generally and under any specific provision of the Scheme may be delegated by the Board to any person the Board considers appropriate (each, a “**Delegate**”) on terms and conditions as the Board sees fit, provided that nothing in this Rule 3.4 shall prejudice the Board’s power to revoke or modify such delegation at any time or derogate from the discretion rested with the Board as contemplated in Rule 3.3.
- 3.5 Without prejudice to the Board’s general authority or power of administration, the Board may from time to time appoint one or more administrator(s), who may be independent third-party contractor(s), to assist in the administration of the Scheme. The duration of office, terms of reference and remuneration (if any) of such administrator(s) shall be determined by the Board in its absolute discretion from time to time.
- 3.6 Without prejudice to the Board’s general authority or power of administration, to the extent not prohibited by applicable laws and regulations, the Board may also from time to time appoint one or more trustee(s) in respect of the grant, administration or vesting of any or all of the Awards.
- 3.7 Subject to the Listing Rules and applicable laws and regulations, the Board shall have the power from time to time to:
- 3.7.1 construe and interpret the terms of the Scheme and the terms of the Awards granted under the Scheme;
 - 3.7.2 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 terms hereof;

- 3.7.3 decide how the vesting of the Awards will be settled pursuant to Rule 7.3;
 - 3.7.4 grant Awards to those Eligible Persons whom it shall select from time to time;
 - 3.7.5 determine the terms and conditions of the Awards;
 - 3.7.6 determine whether, and if so, since when a person has ceased to be an Eligible Person;
 - 3.7.7 establish, monitor and review the performance targets in respect of or applicable to the Awards and the progress and achievement of such targets;
 - 3.7.8 approve the form of any Award Letter; and
 - 3.7.9 take such other steps or actions to give effect to the terms of the Scheme.
- 3.8 None of the Directors and the Delegates shall be personally liable by reason of any contract or other instrument executed by him or on his 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 of the Directors and the Delegates in relation to the administration or interpretation of the Scheme, against any cost or expense (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with the Scheme unless arising out of such person's own willful default, fraud or bad faith.

4. ELIGIBILITY OF ELIGIBLE PERSONS

- 4.1 The eligibility of each of the Eligible Persons shall be determined by the Board from time to time and on a case-by-case basis.
- 4.2 Without limitation to the generality of Rule 4.1, with respect to Employee Participants, the Board will generally consider, among others, their general working performance, time commitment (full-time or part-time), length of their service within the Group, working experience, individual contribution or potential contribution to the development and growth of

the Group, responsibilities and/or employment conditions with reference to the prevailing market practice and industry standard.

5. GRANT OF AWARDS

5.1 Subject to the terms of the Scheme (and in particular Rules 5.6, 5.7, 5.8, 5.9, 5.10 and 13), the Board shall be entitled at any time within the Award Period to grant an Award to any Eligible Person as the Board may in its absolute discretion select at nil consideration. The Board may in its absolute discretion specify such conditions as it thinks fit when granting an Award to an Eligible Person (including, without limitation, as to any performance criteria which must be satisfied by the Eligible Person and/or the Company and/or its Subsidiaries before an Award may be vested, or the time or period when all or part of an Award will vest, or the clawback mechanism for the Company to recover or withhold an Award granted to any Eligible Person), all of which may be imposed (or not imposed) either on a case-by-case basis or generally, provided that such conditions shall not be inconsistent with any other terms and conditions of the Scheme or the relevant requirements under the applicable laws or the Listing Rules.

5.2 A letter (the “**Award Letter**”) shall be issued with respect to an Award granted to an Eligible Person and shall:

5.2.1 state the Grant Date of the Award;

5.2.2 specify a date, being a date not later than 21 days after the Grant Date, by which the relevant Eligible Person must accept the Award or be deemed to have declined it, provided that such date shall not fall outside the Award Period;

5.2.3 state the method for accepting the Award;

5.2.4 specify the number of Award Shares underlying the relevant Award;

5.2.5 specify the Vesting Date on which the Award Shares (or the cash proceeds of sale thereof) will vest with a minimum vesting period of 12 months from the Grant Date and ending on a Business Day during which the Award shall not become vested, unless a shorter vesting period is specified by the Board under specific circumstances set out in the Scheme. The Board may determine a shorter vesting period on the Award granted to any Employee Participants if the Board and/or the Nomination and Remuneration Committee deem appropriate under the following specific circumstances:

- (a) grants of “make whole” Awards to new Employee Participants to replace share awards or share options such Employee Participants forfeited when leaving their previous employers;
- (b) grants to an Employee Participant whose employment is terminated due to death or disability or event of force majeure;
- (c) grants of Awards which are subject to the fulfilment of performance targets pursuant to Rule 5.2.6;
- (d) grants of Awards that are made in batches during a year for administrative or compliance reasons, which may include Awards that should have been granted earlier but had to wait for a subsequent batch, in such cases, the date of vesting may be adjusted to take account of the time from which the Awards would have been granted if not for such administrative or compliance requirements;
- (e) grants of Awards with a mixed or accelerated vesting schedule such that the Awards vest evenly over a period of 12 months; or
- (f) grants of Awards with a total vesting and holding period of more than 12 months;

- 5.2.6 specify the performance target(s), if any, that must be duly fulfilled by the Awardee of the Award before the Award may be vested. The Board may in respect of the Award and subject to all applicable laws, rules and regulations determine such performance targets for the vesting of the Award under the Award Letter in its absolute discretion, such performance targets may include, among others, financial targets and management targets which shall be determined based on (a) individual performance, (b) performance of the Group and/or (c) performance of business groups, business units, business lines, functional departments, projects and/or geographical areas managed by the Awardee. 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 related Award Letter;
- 5.2.7 specify any other conditions which must be satisfied before the Award may be vested;
- 5.2.8 require the Awardee to undertake to hold the Award Shares under the Award Letter on the terms on which it is granted and be bound by the provisions of the Scheme; and
- 5.2.9 subject to the above, be made in such form as the Board may from time to time prescribe.
- 5.3 No grant of any Award to any Eligible Person shall be made and no instruction shall be given to the Trustee with respect to the grant of an Award or to deal with any Shares under the Scheme:
- 5.3.1 during any period specified in rule 17.05 of the Listing Rules;
- 5.3.2 during the period of 30 days after any share buy-back by the Company by any Shares, whether on the Stock Exchange or otherwise, unless there are circumstances of the Company that fall within the exceptions under the Listing Rules;
- 5.3.3 in any circumstances which are prohibited under the Listing Rules, the SFO or where the requisite approval from any applicable regulatory authority has not been obtained or granted;

- 5.3.4 in any circumstances that any member of the Group will be required under applicable laws, rules or regulations to issue a prospectus or other offer document in respect of such Award or the Scheme, unless the Board determines otherwise;
 - 5.3.5 where the grant of such Award would result in a breach of the Scheme Limit; and
 - 5.3.6 (in case the Eligible Person is subject to the Model Code) during the periods or times in which the Eligible Person is prohibited from dealing in the Shares pursuant to the Model Code.
- 5.4 The Award to which an Award Letter relates shall be deemed to have been accepted, granted and taken effect when the Company receives the duplicate of the Award Letter comprising acceptance of the Award duly signed by the Awardee with the number of Award Shares in respect of which the Award is accepted clearly stated therein. Any Award may be accepted in respect of all or less than the number of Award Shares underlying the Award provided that it is accepted in respect of a board lot for dealing in the Shares on the Stock Exchange or an integral number thereof. To the extent that an Award is not accepted within the time stated in the Award Letter for that purpose, it shall be deemed to have been irrevocably declined and upon which, the Award will lapse and the related Award Shares will not be regarded as utilised for the purpose of calculating the Scheme Limit. An Award may not be accepted by a person who ceases to be an Eligible Person after the Award has been made.
- 5.5 As soon as practicable after the grant of an Award to an Awardee, the Company shall notify the Trustee of:
- 5.5.1 the full name and other information (i.e. date of birth, nationality, residential address, etc.) as the Trustee may reasonably require for the purposes of compliance with the relevant legal and regulatory requirements regarding counterparty due diligence, of the Awardee (which may take the forms of documents including valid identification and/or travel documents);
 - 5.5.2 the number of Award Shares underlying the Award;

- 5.5.3 the Vesting Date on which the Award Shares (or the cash proceeds of sale thereof) will vest; and
- 5.5.4 any other information reasonably requested by the Trustee.
- 5.6 The provisions of Rules 5.7 to 5.11 shall be subject to any waiver or ruling granted by the Stock Exchange (if applicable), and may be amended by the Board to reflect any amendments made by the Stock Exchange after the Adoption Date to the relevant provisions of the Listing Rules which these Rules have been drafted to reflect as at the Adoption Date. For the purposes of Rules 5.7, 5.9 and 5.10, “**Relevant Shares**” means Shares issued and to be issued in respect of all options and awards granted under all Share Schemes (excluding any options and awards lapsed in accordance with the terms of the relevant Share Scheme) to the relevant Awardee in the 12-month period (or such other time period as may be specified by the Stock Exchange from time to time) up to and including the Grant Date of the relevant Award referred to in Rule 5.7, 5.9 or 5.10 (as the case may be).
- 5.7 Subject to Rule 5.8, no Award shall be granted to any Eligible Person (“**Relevant Eligible Person**”) if it would result in the number of Relevant Shares exceeding 1% (or such other percentage as may be specified by the Stock Exchange from time to time) of the total number of Shares in issue at the relevant Grant Date, unless:
- 5.7.1 such Award has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by ordinary resolution of the Shareholders in general meeting, at which the Relevant Eligible Person and his close associates (or associates if the Relevant Eligible Person is a connected person) abstained from voting;
- 5.7.2 a circular regarding the Award has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules; and

- 5.7.3 the number and terms of such Award are fixed before the general meeting of the Company at which the same are approved.
- 5.8 Where an Award is to be granted to a director, chief executive or substantial shareholder of the Company, or any of their respective associates, the Award shall not be valid unless it has been approved by the independent non-executive Directors, excluding any independent non-executive Director who is a prospective Awardee.
- 5.9 Where an Award is to be granted to a Director (other than an independent non-executive Director) or a chief executive of the Company, or any of their respective associates, and the Award will result in the number of the Relevant Shares (insofar as they relate to awards granted under all Share Schemes only, and excluding those related to options) exceeding 0.1% (or such other percentage as may be specified by the Stock Exchange from time to time) of the total number of Shares in issue at the relevant Grant Date, such Award shall not be valid unless:
- 5.9.1 a circular containing the details of the grant has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules (including, in particular, a recommendation from the independent non-executive Directors to the independent Shareholders as to voting); and
- 5.9.2 the Award has been approved by the Shareholders in general meeting (taken on a poll), at which the relevant Awardee, his associates and all core connected persons of the Company abstained from voting in favour. The Company must comply with the requirements under rules 13.40, 13.41 and 13.42 of the Listing Rules.
- 5.10 Where an Award is to be granted to a substantial shareholder of the Company or an independent non-executive Director, or any of their respective associates, and the Award will result in the number of the Relevant Shares exceeding 0.1% (or such other percentage as may be specified by the Stock Exchange from time to time) of the total number of Shares in issue at the relevant Grant Date, such Award shall not be valid unless:

5.10.1 a circular containing the details of the grant has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules (including, in particular, a recommendation from the independent non-executive Directors (excluding the independent non-executive Director who is the prospective Awardee) to the independent Shareholders as to voting); and

5.10.2 the Award has been approved by the Shareholders in general meeting (taken on a poll), at which the relevant Awardee, his associates and all core connected persons of the Company abstained from voting in favour. The Company must comply with the requirements under rules 13.40, 13.41 and 13.42 of the Listing Rules.

5.11 Where any change is to be made to the terms of any Award granted to a Director or a chief executive or substantial shareholder of the Company, or any of their respective associates, and:

5.11.1 such Award has been approved in accordance with Rule 5.9 or 5.10, as the case may be;
or

5.11.2 (where the Award was not subject to Rule 5.9 or 5.10) as a result of such proposed change the Award would come to be subject to Rule 5.9 or 5.10,

such change shall not be valid unless:

(a) a circular regarding the change has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules; and

(b) the change has been approved by the Shareholders in general meeting (taken on a poll), at which the relevant Awardee, his associates and all core connected persons of the Company abstained from voting in favour. The Company must comply with the requirements under rules 13.40, 13.41 and 13.42 of the Listing Rules.

5.12 Any change to the terms of an Award granted to an Awardee must be approved by the Board, the Nomination and Remuneration Committee, the independent non-executive Directors and/or the Shareholders in general meeting (as the case may be) if the initial grant of the Award requires such approval, except where the alterations take effect automatically under the existing terms of the Scheme.

6. ACQUISITION OF SHARES BY THE TRUSTEE

6.1 Subject to Rule 6.5, the Company may from time to time acting through the Board, pay the necessary funds (the “**Reference Amount**”) and instruct the Trustee to purchase Shares on-market and/or subscribe for new Shares from the Company.

6.1.1 On-market purchase of Shares

Within 20 Business Days on which the trading of the Shares has not been suspended (or such longer period as the Trustee may notify to the Company in writing having regard to the circumstances of the purchase concerned and the prevailing market conditions) after actual receipt of the relevant Reference Amount or the cash income or the deemed cash income of the Shares held upon the Trust in immediately available and freely transferrable funds, the Trustee shall, subject to the prevailing market conditions and other practical constraints, apply the same towards the purchase at the prevailing market price of such number of Shares or Further Shares (as the case may be) at such time (if applicable) as specified by the Board to the Trustee by way of written instructions. If a relevant written instruction specifies a maximum price at or below which the Shares are to be purchased by the Trustee, the Trustee shall not purchase any such Shares above the specified maximum price unless with the prior written consent of the Company.

6.1.2 Issue of new Shares

Within five Business Days on which the trading of the Shares has not been suspended (or such longer period as the Trustee may notify to the Company in writing having regard to the circumstances of the subscription concerned and the prevailing market conditions) after actual receipt of the relevant Reference Amount or the cash income or the deemed cash income of the Shares held upon the Trust in immediately available and freely transferrable funds, the Trustee shall apply the same towards the subscription of such number of Shares or Further Shares (as the case may be) at such prices and such time (if applicable) as specified by the Board to the Trustee by way of written instructions, and the Board shall cause to issue and allot such Shares or Further Shares to the Trust under the applicable general mandate or specific mandate granted by the Shareholders.

6.1.3 The balance of the Reference Amount shall be refunded in whole or in part by the Trustee to the Company as soon as practicable as the Company may request in writing within 30 days of the date of settlement of the relevant acquisition of Shares. Any balance of the Reference Amount not so refunded to the Company shall be deemed as cash income of the Trust Fund.

6.1.4 The Shares or Further Shares (as the case may be) so acquired shall be allocated to each Awardee at such time, in such quantity and with such vesting conditions as the Board may from time to time determine and as the Board may from time to time notify to the Trustee in writing accordingly. No fractional Shares will be allocated to any Awardee. Shares which are not so allocated shall be deemed as Returned Shares for the purposes of the Scheme.

6.1.5 For the avoidance of doubt, any or all of the Shares so acquired by the Trustee shall form part of the corpus (that is to say, capital in trust law) of the Trust Fund.

- 6.2 The Company shall instruct the Trustee whether or not to apply any Returned Shares to satisfy any grant of Awards made, and if (a) no Returned Shares is so applied or (b) the Returned Shares, as specified by the Company, are not sufficient to satisfy the Awards granted, the Company shall, as soon as practicable and no later than 25 Business Days from the relevant Grant Date (or such longer period as the Company considers appropriate), for purposes of satisfying the Awards granted, transfer to the Trust the necessary funds and instruct the Trustee to purchase Shares through on-market transactions at the prevailing market price pursuant to Rule 6.1.1 or to subscribe for new Shares pursuant to Rule 6.1.2, as the case may be.
- 6.3 The Trustee shall only be obliged to transfer the relevant Award Shares to the relevant Awardees on vesting to the extent that such Award Shares are comprised in the Trust Fund.
- 6.4 The Company shall not instruct the Trustee to acquire Shares, where such action is prohibited under the Listing Rules, the SFO or other applicable laws, rules or regulations from time to time. Where such a prohibition causes non-compliance of the prescribed timing imposed by the provisions of the Scheme or the Trust Deed, such prescribed timing shall be treated as extended until as soon as practicable after the first Business Day on which the prohibition no longer prevents the relevant action.
- 6.5 The Trustee shall, during the Trust Period, apply the cash income of the Trust Fund towards: (a) firstly, the acquisition of Further Shares as specified by the Board; and (b) secondly, the payment of the fees, costs and expenses of the Trust, including without limitation all of the Trustee's fees reasonably incurred under the Trust. The Trustee shall hold such Further Shares upon trust for the benefit of all or one or more of the Awardees.
- 6.6 The Trustee shall during the Trust Period hold the Award Shares upon trust for the benefit of all or one or more of the Awardees subject to the terms and conditions set out herein. In particular,

- 6.6.1 in the event of a Total Lapse of an Award, the Award shall automatically lapse forthwith and all the related unvested Award Shares and cash proceeds of sale thereof shall not vest but shall be held as Returned Shares and cash income of the Trust Fund, respectively;
- 6.6.2 in the event of a Partial Lapse of an Award, the relevant part of the Award shall automatically lapse forthwith and that part of the related unvested Award Shares and cash proceeds of sale thereof shall not vest on the relevant Vesting Date but shall be held as Returned Shares and cash income of the Trust Fund, respectively; and
- 6.6.3 in the event of the death of an Awardee, the Trustee shall follow the procedures in Rule 8.5.

7. VESTING OF AWARDS

- 7.1 The Board may from time to time while the Scheme is in force and subject to all applicable laws, determine such vesting criteria, conditions and/or periods for any Award to be vested hereunder.
- 7.2 If a Vesting Date is not a Business Day, the Vesting Date shall be the next immediate succeeding Business Day.
- 7.3 Unless otherwise stated in the Scheme, an Award shall be vested after meeting the vesting period and the conditions set out in the Award Letter relating to it.
- 7.4 For the purposes of the vesting of an Award, the Company shall direct and procure the Trustee to release from the Trust the relevant Award Shares (or the cash proceeds of sale thereof) to the Awardee of the Award by transferring the relevant number of Award Shares or by selling the relevant Award Shares on-market and transferring the cash proceeds of sale thereof (net of stamp duty, brokerage, Stock Exchange trading fee, SFC transaction levy and any other applicable costs) to the Awardee in such manner as determined by it from time to time.

- 7.5 Except in the circumstances as set out in Rule 7.9, barring any unforeseen circumstances, within a reasonable time as agreed between the Trustee and the Company from time to time prior to any Vesting Date, the Company shall send to the relevant Awardee a vesting notice (the “**Vesting Notice**”). The Company shall forward a copy of the Vesting Notice to the Trustee and instruct the Trustee the extent to which the Award Shares held in the Trust shall be released from the Trust and transferred, or sold with the cash proceeds thereof transferred, as the case may be, to that Awardee in the manner as determined by the Company on the Vesting Date.
- 7.6 Except in the circumstances as set out in Rule 7.9, subject to the receipt of a Vesting Notice and the related instructions from the Company, the Trustee shall, subject to the receipt of the transfer documents prescribed by the Trustee and duly executed by the Awardee to which the Vesting Notice relates and/or completion of the transfer procedure prescribed by the Trustee on the part of that Awardee within the period stipulated by the Trustee, release and transfer the relevant Award Shares or sell the relevant Award Shares and transfer the cash proceeds thereof (as the case may be) to that Awardee in the manner as determined by the Company as soon as practicable after all the foregoing transfer documents are received by the Trustee in good order and/or the foregoing transfer procedure has been duly completed to the Trustee’s satisfaction.
- 7.7 Any stamp duty or other direct costs and expenses arising from the vesting and transfer of the Award Shares to or for the benefit of an Awardee shall be borne by the Company and/or the relevant member of the Group. For the avoidance of doubt, any stamp duty, costs and expenses arising on the sale of the Award Shares on the part of the Trustee for the purpose of vesting and transferring the cash proceeds thereof to an Awardee shall be borne by the Awardee, which will be deducted from the amount of the said cash proceeds receivable by the Awardee.
- 7.8 All costs and expenses in relation to all dealings in or with the Award Shares after the due vesting and transfer of such Shares to an Awardee, including, for the avoidance of doubt, any administration fee which may be levied by the Trustee for executing the Awardee’s instruction to sell such Shares immediately after due vesting and transfer thereof, shall be borne by the Awardee and neither the Company, other members of the Group nor the Trustee shall be liable for any such costs and expenses.

7.9 Other than the stamp duty to be borne by the Company in accordance with Rule 7.7, all other taxes (including personal income taxes, professional taxes, salary taxes and similar taxes, as applicable), duties, social security contributions, impositions, charges and other levies arising out of or in connection with an Awardee's participation in the Scheme or in relation to his Awards thereunder (the "**Taxes**") shall be borne by the Awardee and neither the Company, other members of the Group nor the Trustee shall be liable for any Taxes. The Awardee shall indemnify the Trustee and all members of the Group against any liability each of them may have to pay or account for such Taxes, including any withholding liability in connection with any Taxes. To give effect to this, the Trustee or any member of the Group may, notwithstanding anything else in these Rules (but subject to applicable law):

7.9.1 reduce or withhold the number of the Awardee's Award Shares underlying his Award (the number of Award Shares underlying such 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 Company, is sufficient to cover any such liability);

7.9.2 sell on-market, on the Awardee's behalf, such number of Award Shares to which the Awardee becomes entitled under the Scheme and retain the proceeds and/or pay them to the relevant governmental authority;

7.9.3 deduct or withhold, without notice to the Awardee, the amount of any such liability from any payment to the Awardee made under the Scheme or from any payments due from the Trustee or any member of the Group to the Awardee, including from the salary payable to the Awardee by any member of the Group; and/or

7.9.4 require the Awardee to remit to any member of the Group, in the form of cash or bank cashier's cheque, an amount sufficient to satisfy any Taxes or other amounts required by any governmental authority to be withheld and paid over to such authority by the Trustee or that member of the Group on account of the Awardee or to otherwise make alternative arrangements satisfactory to the Company for the payment of such amounts.

The Trustee shall not be obliged to transfer any Award Share to the related Awardee unless and until the Awardee satisfies the Trustee and the Company that his obligations under this Rule have been met.

8. CESSATION OF EMPLOYMENT AND OTHER EVENTS

8.1 If an Awardee ceases to be an Eligible Person by reason of:

8.1.1 death;

8.1.2 retirement of the Awardee at his normal retirement date pursuant to his service agreement or employment contract or any retirement policy of the relevant member of the Group as applicable to him from time to time. If the Awardee shall continue to be engaged or employed under a new, renewed or extended service agreement or employment contract by the relevant member of the Group after his normal retirement date, he shall be taken to have retired on the date of termination of such service agreement or employment contract. For the avoidance of doubt, if there is no such term in the service agreement or employment contract of the Awardee or no such retirement policy is applicable to the Awardee, he shall be taken to have retired on a date as determined by the Board or the board of directors of the relevant member of the Group, as the case may be;

8.1.3 termination of the Awardee's employment or contractual engagement with the relevant member of the Group as applicable to him by reason of his permanent physical or mental disablement;

8.1.4 termination of the Awardee's employment or contractual engagement with the relevant member of the Group as applicable to him by reason of compassionate ground (e.g. ill-health); or

8.1.5 termination of the Awardee's employment or contractual engagement with the relevant member of the Group as applicable to him by reason of redundancy,

any outstanding Award of the Awardee not yet vested shall, subject to Rule 8.5 and unless the Board determines otherwise in its absolute discretion, continue to vest in accordance with the Vesting Dates set out in the relevant Award Letter.

8.2 If an Awardee, being an employee or director of any member of the Group, ceases to be an Eligible Person by reason of his resignation, the termination of his employment or directorship on the grounds that he has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts, or has committed any act of bankruptcy, or has become insolvent, or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty, or on any other grounds on which an employer would be entitled to terminate his employment summarily, any outstanding Award of the Awardee not yet vested shall immediately lapse and the underlying Award Shares and cash proceeds of sale thereof shall be held as Returned Shares and cash income of the Trust Fund. A determination by the Board or the board of directors of the relevant Subsidiary to the effect that the employment of that Awardee has or has not been terminated on one or more of the grounds specified in this Rule 8.2 shall be conclusive and binding on that Awardee and, where appropriate, his personal representatives.

8.3 If an Awardee ceases to be an Eligible Person for reasons other than those set out in Rule 8.1 or 8.2, any outstanding Award not yet vested shall immediately lapse and the underlying Awarded Shares and cash proceeds of sale thereof shall be held as Returned Shares and cash income of the Trust Fund.

8.4 Subject to Rule 5.2.5(b), the Board or the Nomination and Remuneration Committee may from time to time to determine in its absolute discretion accelerate the vesting of the outstanding Awards under exceptional circumstances such as on compassionate grounds for ill-health or incapacity or death-in-service.

8.5 In the event of the death of an Awardee:

8.5.1 where the Awardee has any Award which is vested but unsettled at the time of his death, the Trustee shall hold for the personal representatives of the Awardee such vested Award upon trust, and settle such Award with the personal representatives in accordance with Rules 7.4 to 7.7 within two years of the death of the Awardee (or such longer period as the Trustee and the Company shall agree from time to time);

8.5.2 where the Awardee has any Award which is unvested at the time of his death, the Trustee shall hold for the personal representatives of the Awardee such unvested Award upon trust, and upon vesting of the relevant Award in accordance with Rule 8.1, settle such Award with the personal representatives in accordance with Rules 7.4 to 7.7 within the following periods:

- (a) if the vesting takes place prior to the 2nd anniversary of the death of the Awardee, within two years of the death of the Awardee (or such longer period as the Trustee and the Company shall agree from time to time); or
- (b) if the vesting takes place on or after the 2nd anniversary of the death of the Awardee, as soon as practicable (or such longer period as the Trustee and the Company shall agree from time to time) after the vesting,

provided that if the Award referred to in this Rule above has been vested (hereinafter referred to as the “**Benefits**”) and so much thereof has not been transferred to the personal representatives of the deceased Awardee or applied under the foregoing powers within the aforesaid period or, if the Benefits would otherwise become *bona vacantia*, the Benefits shall lapse and cease to be transferable and the Award Shares and (if any) cash proceeds of sale thereof constituting such Benefits shall be held as Returned Shares and cash income of the Trust Fund, respectively, for the purposes of the Scheme. Notwithstanding the foregoing, the Benefits held upon the trusts hereof shall until transfer is made in accordance herewith be retained and may be invested and otherwise dealt with by the Trustee in every way as if they had remained part of the Trust Fund.

8.6 The Company shall, from time to time, as soon as practicable inform the Trustee in writing, the date on which any Awardee ceases to be an Eligible Person and any amendments to the terms and conditions of any Awards in respect to such Awardee (including the number of Award Shares entitled) made pursuant to the terms hereof.

9. CLAWBACK

9.1 Unless the Board determines otherwise in its absolute discretion, no further Awards shall be granted to an Awardee and the outstanding Awards, whether vested or unvested, granted to such Awardee shall be clawed back and shall lapse accordingly under the following circumstances:

9.1.1 the Awardee has failed to fulfill the performance and vesting conditions of such Awards;

9.1.2 the performance measurement or result for determining the grant of the Award(s) was based on data which is later proven to have been manifestly misstated or based on erroneous assumptions;

9.1.3 the Awardee is involved in serious misconduct, fraud, acceptance or solicitation of bribery, corruption, theft, leaking of trade and technical secrets, or other malfeasances;

9.1.4 the Awardee has violated any of the internal control policies of any member of the Group, the relevant laws and regulations of any applicable jurisdiction or the provisions of the articles of association of any member of the Group; or

9.1.5 the Awardee ceases to be an Eligible Person due to reasons as stated in Rule 8.2.

9.2 The clawback arrangement under Rule 9.1 may also apply when past decisions or actions (or lack of the required or expected actions as reasonably expected for discharging responsibilities) made by an Awardee in previous years have caused a significant adverse business, financial or capital impact on any member of the Group, its risk profile, or its individual business division's

financial performance and internal control including potential risk concerns, and that such Awardee has to bear direct or functional responsibility.

- 9.3 Where an Award granted to any Awardee has been vested and the underlying Award Shares relating thereto transferred pursuant to these Rules when such Award would have been subject to clawback under Rule 9.1 or 9.2 (as the case may be) if such Award Shares had not been so transferred, the Awardee shall return to the Company, as determined by the Board in its absolute discretion, either (a) the exact number of such Award Shares, or (b) the monetary amount equivalent to the value of such Award Shares.

10. TRANSFERABILITY AND OTHER RIGHTS TO AWARD SHARES

- 10.1 Any Award granted hereunder but not yet vested shall be personal to the Awardee to whom it is made and shall not be assignable or transferrable, and no Awardee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (whether legal or beneficial) in favour of any third party over or in relation to any Award.
- 10.2 Any actual or purported breach of Rule 10.1 by an Awardee shall entitle the Company to cancel any outstanding Award or part thereof granted to that Awardee without incurring any liability on the part of the Company. For this purpose, a determination by the Board to the effect that an Awardee has or has not breached any of the foregoing shall be final, conclusive and binding on the Awardee.
- 10.3 The Awards do not carry any right to vote in general meeting of the Company, or any right to transfer or any other rights, including those arising on the liquidation of the Company.

11. INTEREST IN THE ASSETS OF THE TRUST

For the avoidance of doubt:

- 11.1 An Awardee shall have only a contingent interest in his Award subject to the vesting thereof in accordance with Rules 7 and 12;

- 11.2 No instructions may be given by an Awardee to the Trustee in respect of his Award or any other Trust Fund and the Trustee shall not follow instructions given by the Awardee in respect of his Award or any other Trust Fund, except for the transfer and release of the relevant Award Shares (or the cash proceeds of sale thereof), after receiving the duly executed transfer documents from the Awardee and/or the completion of the transfer procedure on the part of the Awardee, as prescribed by the Trustee in accordance with Rule 7.6.
- 11.3 An Awardee may not exercise any voting rights in respect of any Award Shares that have not yet been vested in the Awardee.
- 11.4 The Trustee may not exercise any voting rights in respect of any Shares held under the Trust, unless otherwise required by law to vote in accordance with the beneficial owner's instruction and such an instruction is given.
- 11.5 An Awardee shall, save and except for his contingent interest in his Award referred to in Rule 11.1, have no right in and to all or any of the Trust Fund (including, without limitation, dividends or distributions received or receivable by the Trustee on account of the Shares constituting the Trust Fund, all of which shall be retained by the Trustee for the benefit of the Scheme), provided that upon due vesting of the Award Shares to the Awardee on the relevant date of vesting in accordance with the provisions of the Scheme, the Awardee shall be beneficially entitled to such Award Shares so vested together with all and any dividends or distributions in respect thereof declared and paid or distributed on or after the relevant date of vesting.
- 11.6 An Awardee shall have no rights in the balance of the fractional shares arising out of subdivision or consolidation of Shares (if any) and such Shares shall be deemed Returned Shares for the purposes of the Scheme.

11.7 In the case of the death of an Awardee, the Benefits shall be forfeited if no transfer of the Benefits to the personal representatives of the Awardee is made within the period prescribed in Rule 8.5 and the personal representatives shall have no claims against the Company, any other member of the Group or the Trustee.

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

Change in control

12.1 If there is an event of change in control of the Company by way of a merger, a privatisation of the Company by way of a scheme or by way of an offer, unvested Awards shall immediately vest in full or to the extent notified by the Company to the Awardees, in each case, on the date when such change of control event becomes or is declared unconditional and such date shall be deemed the Vesting Date and the procedures as set out in Rule 7.5 shall apply with Vesting Notices being sent to such Awardees affected by this Rule 12.1 based on such Vesting Date as soon as practicable. Subject to the receipt by the Trustee of duly executed prescribed transfer documents and/or completion of the transfer procedure to the Trustee's satisfaction on or before such time as the Trustee may determine, the Trustee shall transfer the relevant Award Shares or the cash proceeds of sale thereof, as the case may be, to the relevant Awardee in accordance with the relevant Vesting Notice.

For the purpose of this Rule 12.1, “**control**” shall have the meaning as specified in The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC from time to time.

Open offer and rights issue

12.2 In the event the Company undertakes an open offer of new securities, the Trustee shall not subscribe for any new Shares. In the event of a rights issue, the Trustee shall sell such amount of the nil-paid rights allotted to it as is appropriate to the extent permissible by the prevailing market conditions and the net proceeds of sale of such rights shall be held as income of the Trust Fund and shall be applied in accordance with Rule 6.5.

Bonus warrants

- 12.3 In the event the Company issues bonus warrants of any Shares which are held by the Trustee, the Trustee shall not subscribe for any new Shares by exercising any of the subscription rights attached to the bonus warrants and shall sell the bonus warrants created and granted to it to the extent permissible by the prevailing market conditions and the net proceeds of sale of such bonus warrants shall be held as income of the Trust Fund and shall be applied in accordance with Rule 6.5.

Scrip dividend

- 12.4 In the event the Company undertakes a scrip dividend scheme whereby the Trustee (as a Shareholder) may elect to receive dividends in scrip Shares or in other forms, the Trustee shall elect to receive the scrip Shares and such Shares will be held as Returned Shares.

Consolidation, sub-division, bonus issue and other distribution

- 12.5 In the event of any alteration in the capital structure of the Company whilst any Award remains unvested, arising from capitalisation issue, rights issue, sub-division or consolidation of the Shares or reduction of capital of the Company in accordance with legal requirements and requirements of the Stock Exchange or other event, 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, such corresponding alterations (if any) shall be made in the number of Award Shares subject to the Awards so far as unvested and the Award Shares to which the Awards relate in such manner as the Board determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Scheme for the Awardees.

- 12.6 The Board shall request the Auditors or the independent financial adviser to the Company to certify in writing to the Board either generally or as regards any particular Awardee that the adjustments contemplated by Rule 12.5 are in their opinion fair and reasonable and confirm that such adjustments satisfy the requirements prescribed under the Listing Rules, save in the case of a capitalisation issue.
- 12.7 If there has been any alteration in the capital structure of the Company as referred to in Rule 12.5, the Company shall within 28 days after receipt of the Auditors' certificate or the certificate of the independent financial adviser to the Company as referred to in Rule 12.6, inform each Awardee of such alteration and of any adjustment to be made in accordance with the Auditors' certificate or the certificate of the independent financial adviser to the Company obtained by the Company for such purposes.
- 12.8 Any additional Shares attributable to the Awarded Shares held by the Trustee for an Awardee as a result of the adjustments contemplated by Rule 12.5 shall be an accretion to such Award Shares and deemed to be a part of the Award in respect of which the Award Shares have been held by the Trustee, provided that all fractional shares (if any) arising out of the consolidation or sub-division in respect of the Award Shares shall be deemed as Returned Shares and shall not be transferred to the relevant Awardee on the relevant Vesting Date.
- 12.9 The Company shall (a) provide such funds as may be required to enable the Trustee to purchase Shares on-market at the prevailing market price or (b) provide such directions on application of the Returned Shares or other funds in the Trust, in each case, so as to effect and implement the relevant adjustment contemplated by Rule 12.5.
- 12.10 In the event of other non-cash and non-scrip distribution made by the Company in respect of Shares held upon the Trust, the Trustee shall dispose of such distribution to the extent permissible by the prevailing market conditions and the net sale proceeds therefrom shall be deemed as the cash income of the Trust Fund for the purposes of Rule 6.5.

13. SCHEME LIMIT

- 13.1 The total number of Shares which may be issued in respect of all options and awards to be granted under the Scheme and any other Share Schemes must not in aggregate exceed 31,957,510 of the Shares in issue (the “**Scheme Mandate Limit**”), representing 10% of issued Shares as at the Effective Date. Without limitation to the generality of and in addition to the foregoing, the total number of Shares which may be issued in respect of all Awards to be granted under the Scheme only must not in aggregate exceed 28,761,759] Shares, i.e. 90% of the Scheme Mandate Limit (the “**Scheme Mandate (Specific) Limit**”), representing 9% of the issued Shares as at the Effective Date.
- 13.2 For the purposes of calculating the Scheme Mandate Limit and the Scheme Mandate (Specific) Limit under Rule 13.1, Shares which are the subject matter of any options or awards that have already lapsed in accordance with the terms of the relevant Share Scheme(s) will not be regarded as utilised; and Shares which are the subject of any options or awards that have been cancelled in accordance with the terms of the relevant Share Scheme(s) will be regarded as utilised.
- 13.3 The Scheme Mandate Limit may be refreshed by ordinary resolution of the Shareholders in general meeting after three years from the date of the Shareholders’ approval for the last refreshment or, as the case may be, the Effective Date, provided that:
- 13.3.1 the Scheme Mandate Limit so refreshed shall not exceed 10% (or such other percentage as may from time to time be specified by the Stock Exchange) of the total number of issued Shares as at the date of such Shareholders’ approval of the refreshment of the Scheme Mandate Limit; and
- 13.3.2 a circular regarding the proposed refreshment of the Scheme Mandate Limit has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules.

- 13.4 Further to the requirements set out under Rule 13.3, any refreshment of the Scheme Mandate Limit within three years from the date of the Shareholders' approval for the last refreshment or, as the case may be, the Effective Date must be approved by the Shareholders in general meeting subject to the following provisions:
- 13.4.1 any controlling shareholder of the Company and its associates (or if there is no such controlling shareholder, the Directors (excluding independent non-executive Directors) and the chief executive(s) of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting;
- 13.4.2 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; and
- 13.4.3 the requirements under Rules 13.4.1 and 13.4.2 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 Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of the Shares, rounded to the nearest whole Share.
- 13.5 For the avoidance of doubt, the Scheme Mandate (Specific) Limit shall be automatically refreshed as and when the corresponding Scheme Mandate Limit are refreshed pursuant to Rule 13.3 or 13.4 (as the case may be).
- 13.6 The Company may seek separate approval from the Shareholders in general meeting for granting Awards which will result in the Scheme Mandate Limit or the Scheme Mandate (Specific) Limit being exceeded, provided that:
- 13.6.1 the grant is only to Eligible Persons specifically identified by the Company before the approval is sought; and

13.6.2 a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules and any other applicable laws and rules.

13.7 If the Company conducts any share consolidation or subdivision after the Scheme Mandate Limit or the Scheme Mandate (Specific) Limit has been approved by the Shareholders in general meeting, the maximum number of Shares that may be issued by the Company pursuant to the Scheme and all other Share Schemes under the unutilised Scheme Mandate Limit or the Scheme Mandate (Specific) Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

14. RETURNED SHARES

14.1 Any cancelled Award or part thereof and the underlying Award Shares and cash proceeds of sale thereof shall be held as Returned Shares and cash income of the Trust Fund, respectively, unless the Board determines otherwise in its absolute discretion.

14.2 The Trustee shall hold Returned Shares to be applied towards future Awards in accordance with the provisions hereof for the purpose of the Scheme. Any income derived from such Returned Shares shall be treated as income of the Trust Fund. When Shares have been deemed to be Returned Shares under the provisions of the Scheme, the Company shall notify the Trustee in writing of the number of Shares having been so deemed and the circumstances relating thereto accordingly. The Trustee shall, as soon as reasonably practicable upon being notified of the foregoing or upon request in writing of the Company, provide the Company a statement in writing showing an account of the Returned Shares held by the Trustee in such form and substance as may be agreed by the Company and the Trustee.

15. ALTERATION OF THE SCHEME

- 15.1 Any alterations to the provisions relating to the matters set out in rule 17.03 of the Listing Rules to the advantage of the Awardees or prospective Awardees or any alterations to the terms and conditions of the Scheme which are of a material nature must be approved by the Shareholders in general meeting. Any other alterations to the provisions of the Scheme may be effected by the Board. No such alteration shall operate to affect adversely the terms of issue of any Awards granted or agreed to be granted prior to such alteration except with the consent or sanction in writing of such majority of the Awardees as would be required of the Shareholders under the Articles (or the equivalent constitutional documents of the Company for the time being) for a variation of the rights attached to the Shares.
- 15.2 Any change to the authority of the Board in relation to any alteration of the terms of the Scheme shall not be valid unless approved by the Shareholders in general meeting.
- 15.3 The amended terms of the Scheme or the Awards must comply with Chapter 17 of the Listing Rules.

16. TERMINATION

- 16.1 The operation of the Scheme shall be terminated on the earliest of (a) the expiry of the Award Period; (b) the date when an order for the winding up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, a solvent amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company); and (c) the date as determined by the Board or by the Company by ordinary resolution in general meeting. No further Award will be granted but in all other respects the provisions of the Scheme shall remain in full force and effect in respect of Awards which are granted and remain unvested immediately prior to the termination of the operation of the Scheme. The Awards which are granted and remain unvested shall continue to be valid and vest in accordance with the vesting schedule as previously determined when the Awards were granted.

- 16.2 The Trustee shall hold the Trust Fund at the termination of the Scheme and shall continue to effect transfer of the Award Shares to the relevant Awardee pursuant to these Rules as and when such Award Shares are or become vested.
- 16.3 Upon expiry of the Trust Period, the Trustee shall, as soon as practicable but in any event within a reasonable time period as agreed between the Trustee and the Board, sell on-market or otherwise dispose of such other Shares and non-cash income remaining in the Trust Fund to the extent permissible by the prevailing market conditions and remit or transfer the net proceeds of sale, Residual Cash and such other assets and property remaining in the Trust Fund (after making the appropriate deductions in respect of all disposal costs, liabilities and expenses properly incurred in accordance with its powers as set out in the Trust Deed) to the Company. For the avoidance of doubt, the Trustee may not transfer any Shares to the Company, nor may the Company otherwise hold any interest in Shares whatsoever (other than its interest in the proceeds of sale of such Shares pursuant to this Rule).

17. OTHER CONDITION

An Awardee shall not engage in personal hedging strategies or remuneration and liability related insurance to hedge his exposure in respect of any outstanding Awards which have been granted to him but not yet vested.

18. GENERAL

18.1 Notwithstanding any Rule or provision of the Scheme:

18.1.1 the Scheme shall not form part of any contract of employment between the Company or any Subsidiary (as appropriate) and any Eligible Person; where an Eligible Person is an employee of the Company or any Subsidiary, the rights and obligations under the terms of his office or 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 an Eligible Person no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason; and

18.1.2 the Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Awards themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.

18.2 The Company shall bear the costs of establishing and administering the Scheme, including, without limitation, costs arising from communication as referred to in Rule 18.4, costs of third-party service providers and professional advisers rendering services for the proper establishment, administration, management, operation, reporting and compliance and monitoring of the Scheme, expenses incurred in the purchase of Shares by the Trustee and stamp duty and normal registration fee (i.e. not being fee chargeable by the share registrar of any express service of registration) in respect of the transfer of Shares to Awardees on the relevant Vesting Date. For the avoidance of doubt, the Company shall not be liable for any Tax or expenses of such other nature payable on the part of any Awardee in respect of any sale, purchase, vesting or transfer of Shares (or cash amount of equivalent value being paid), other than for any withholding tax liability of the Company or any member of the Group under applicable laws.

18.3 An Awardee shall be entitled to receive copies of all notices and other documents which relate to the Scheme sent by the Company to holders of Shares.

18.4 Any notice or other communication between the Company and an Awardee may be given by personal delivery, by prepaid post, by fax or by email to, in the case of the Company, its principal place of business in Hong Kong at 26/F, Dah Sing Financial Centre, 248 Queen's Road East, Wan Chai, Hong Kong or as otherwise notified to the Awardees from time to time and, in the case of the Awardee, his correspondence address as notified to the Company from time to time. In addition, any notice (including any Vesting Notice) or other communication from the Company to any Awardee may be given by personal delivery, by prepaid post, by fax or by email through the Trustee.

- 18.5 Any notice or other communication between the Company and an Awardee shall be deemed to have been received:
- 18.5.1 in the case of delivery by hand, when delivered;
- 18.5.2 in the case of prepaid post, on the second day following the day of posting;
- 18.5.3 in the case of a fax, on the date of transmission provided that the sender has a transmission report indicating that the fax was duly transmitted and received; or
- 18.5.4 in the case of email, at the time of transmission.
- 18.6 In the case of a notice served by the Company by post, in proving service it shall be sufficient to prove that the envelope containing the notice was properly addressed and stamped and was deposited in a post box or at the post office.
- 18.7 An Awardee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction other than Hong Kong (or otherwise determined by the Board) in order to permit the grant or vesting of his Awards. An Awardee shall discharge all liabilities to which he may become subject to as a result of his participation in the Scheme or the vesting of the Award Shares. The Company shall not be responsible for any failure by an Awardee to obtain any such consent or for any liability to which the Awardee may become subject as a result of his participation in the Scheme. An Awardee shall, on demand, indemnify the Company fully against all claims and demands which may be made against the Company (whether alone or jointly with other party or parties) for or in respect of or in connection with any failure on the part of the Awardee to obtain the consent or discharge the liability referred to hereinabove and against all incidental costs and expenses which may be incurred or spent by the Company.

- 18.8 Each and every provision hereof shall be treated as a separate provision and shall be severally enforceable as such in the event of any provision or provisions being or becoming unenforceable in whole or in part. To the extent that any provision or provisions are unenforceable they shall be deemed to be deleted from these Rules, and any such deletion shall not affect the enforceability of these Rules as remain not so deleted.
- 18.9 In the event that an Award lapses or the rights or benefits in respect of the Award (and any or all of the underlying Shares) are cancelled or forfeited in accordance with these Rules, the relevant Awardee shall have no claim against the Company, any other member of the Group or the Trustee and shall not be entitled to any compensation for any loss or any right or benefit or prospective right or benefit under the Scheme which he might otherwise have enjoyed.
- 18.10 The Scheme shall operate subject to the Articles and to any restrictions under any applicable laws, rules and regulations.
- 18.11 The Board shall have the power from time to time to make or vary regulations for the administration and operation of the Scheme, provided that the same are not inconsistent with the provisions of the Scheme. The Board shall also have the power to delegate its powers to grant Awards to Eligible Persons, to the Company's chief executive officer or managing director from time to time, subject to the requirements and restrictions set out in these Rules.
- 18.12 Save as otherwise provided for in these Rules, no Awardees shall enjoy any of the rights of a Shareholder by virtue of the grant of an Award pursuant to the Scheme, unless and until Shares are vested in the Awardee pursuant to the vesting of that Award.
- 18.13 By participating in the Scheme, an Awardee consents to the holding, processing, storage and use of personal data or information concerning him by any member of the Group, the Trustee or other third party service provider(s), in Hong Kong or elsewhere, for the purpose of the establishment, administration, management, operation, reporting and compliance and monitoring of the Scheme. Such consent permits, but is not limited to, the following:
- 18.13.1 the administration and maintenance of records of the Awardee;

- 18.13.2 the provision of data or information to members of the Group, the Trustee, registrars, brokers or third party administrators or managers of the Scheme, in Hong Kong or elsewhere;
- 18.13.3 the provision of data or information to future purchasers or merger partners of the Company, the Awardee's employing company, or the business in which the Awardee works;
- 18.13.4 the transfer of data or information about the Awardee to a country or territory outside the Awardee's home country which may not provide the same statutory protection for the information as his home country; and
- 18.13.5 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 Awardee, the number of Award Shares underlying the Award and the terms of the Award granted and/or to be granted and all other information as required under the Listing Rules.

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

- 18.14 The Scheme and all Awards granted under the Scheme shall be governed by and construed in accordance with the laws of Hong Kong.

- End of Scheme -