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**RULES RELATING TO THE  
2023 RESTRICTED SHARE UNITS SCHEME  
OF  
INGDAN, INC.  
硬蛋創新**

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## 1. DEFINITIONS AND INTERPRETATION

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

“Adoption Date”	[•], being the date on which the Shareholders adopted the Scheme;
“Actual Selling Price”	an amount equal to the actual price at which Shares are sold (net of brokerage, Stock Exchange trading fee, SFC transaction levy and any other applicable costs) in the circumstances contemplated in Rules 14.1 or 14.4;
“Articles”	the articles of association of the Company, as amended from time to time;
“associate”	shall have the meaning as set out in the Listing Rules;
“Award”	a grant of a RSU under the Scheme by the Board to a Grantee, which may be settled by the Award Shares, Actual Selling Price or a combination of both as set out in Rule 14.1;
“Award Letter”	shall have the meaning as set out in Rule 11.1;
“Award Shares”	Shares underlying an Award;
“Board”	the board of Directors of the Company;
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities;
“chief executive”	shall have the meaning given to it in the Listing Rules;
“Company”	Ingdan, Inc., an exempted company with limited liability incorporated in the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange under the stock code “400”;
“connected person”	shall have the meaning given to it in the Listing Rules;
“Director”	a director of the Company;
“Employee Participant”	any person who is an employee (whether full-time or part-time), director or officer of any member of the Group, including persons who are granted Awards under this Scheme as an inducement to enter into employment contracts with any member of the Group, provided that a person shall not cease to be an employee in the case of (a) any leave of absence approved by the relevant member of the Group; or (b) any transfer of employment amongst members of the Group or any successor, and provided further that a person shall, for the avoidance of doubt, cease to be an employee with effect from (and including) the date of termination of his/her employment;

17.03A(1)(a)

<b>“Eligible Participant”</b>	an Employee Participant, a Related Entity Participant or a Service Provider Participant;	17.03A(1)
<b>“Existing Shares”</b>	Shares that have already been issued by the Company and does not enlarge the Company’s total issued share capital on the date that the Award Shares shall be delivered to the Grantee;	
<b>“Existing Shares Scheme Limit”</b>	shall have the meaning set out in Rule 6.2, as increased, refreshed or renewed from time to time in accordance with the Scheme Rules;	
<b>“Grant Date”</b>	the date on which the grant of an Award is made to a Grantee, being the date of the Award Letter in respect of such Award;	
<b>“Grantee”</b>	any Eligible Participant approved for participation in the Scheme and who has been granted any Award pursuant to Rule 9;	
<b>“Group”</b>	the Company and its Subsidiaries from time to time, and the expression <b>“member of the Group”</b> shall be construed accordingly;	
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong;	
<b>“Holding Company”</b>	a company of which the Company is a Subsidiary;	
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China;	
<b>“Listing Committee”</b>	the Listing Committee of the Stock Exchange;	
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;	
<b>“New Shares”</b>	the new Shares to be allotted and issued by the Company;	
<b>“Nominated Account”</b>	any nominee account set up by the Company or Scheme Administrator for the Company to hold the Vested Award Shares and the relevant sale proceeds and dividends for and on behalf of the Grantee(s);	
<b>“on-market”</b>	the acquisition or sale of Shares through one or more transactions through the facilities of the Stock Exchange in accordance with the Listing Rules and any other Applicable Laws;	
<b>“Purchase Price”</b>	in respect of any Award, the price per share a Grantee is required to pay to subscribe for the Shares constituting the Award;	
<b>“Related Entity”</b>	(i) a Holding Company; (ii) Subsidiaries of the Holding Company other than members of the Group; or (iii) any company which is an associate of the Company;	

<b>“Related Entity Participant”</b>	any person who is an employee (whether full-time or part-time), director or officer of a Related Entity, in each case if the Company is of the view that such grant is in the interest of the long term growth of the Group;	17.03A(1)(b)
<b>“Related Income”</b>	any income derived from the Award Shares held on trust for a Grantee (e.g. cash dividends or other distributions declared and paid in respect of the Award Shares; but excluding any interest earned on such income);	
<b>“RSU(s)”</b>	Restricted share unit(s), which shall have the meaning set out in Rule 9.2;	
<b>“Scheme”</b>	this share scheme constituted by the Scheme Rules;	
<b>“Scheme Administrator”</b>	the Board and/or any committee of the Board or other person(s) to whom the Board has delegated its authority in accordance with Rule 7.2;	
<b>“Scheme Mandate Limit”</b>	shall have the meaning set out in Rule 6, as increased, refreshed or renewed from time to time in accordance with the Scheme Rules;	
<b>“Scheme Period”</b>	the period of 10 years commencing on the Adoption Date and ending on the 10 <sup>th</sup> anniversary of the Adoption Date;	17.03(11)
<b>“Scheme Rules”</b>	the rules set out herein relating to the Scheme as amended from time to time;	
<b>“Service Provider Participant”</b>	persons providing services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group as determined by the Scheme Administrator pursuant to the criteria set out in Rule 4.3;	
<b>“Service Provider Sublimit”</b>	shall have the meaning set out in Rule 6.4, as increased, refreshed or renewed from time to time in accordance with the Scheme Rules;	
<b>“SFC”</b>	the Securities and Futures Commission of Hong Kong;	
<b>“Shareholders”</b>	holders of Shares;	
<b>“Share Registrar”</b>	the Hong Kong branch share registrar of the Company;	
<b>“Shares”</b>	ordinary shares with a par value of US\$0.0000001 each in the share capital of the Company, or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, shares forming part of the ordinary share capital of the Company of such other nominal amount as shall result from such sub-division, consolidation, re-classification or re-construction;	
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited;	

“ <b>Subsidiary</b> ” or “ <b>Subsidiaries</b> ”	shall have the meaning given to it in the Listing Rules;
“ <b>substantial shareholder</b> ”	shall have the meaning given to it in the Listing Rules;
“ <b>Taxes</b> ”	shall have the meaning as set out in Rule 15;
“ <b>Trust</b> ”	any trust or similar arrangement established for the purposes of implementing and administering the Scheme pursuant to Rule 8.1;
“ <b>Trust Deed</b> ”	the deed constituting and/or governing any Trust or such other governing documents or custodian arrangements entered into between the Company and any Trustee as the Scheme Administrator considers appropriate;
“ <b>Trustee(s)</b> ”	any trustee(s) or other third party(ies) appointed by the Company to hold Shares under a Trust pursuant to a Trust Deed;
“ <b>Vested Award Shares</b> ”	such number of Award Shares that have vested in accordance with Rule 12; and
“ <b>Vesting Date</b> ”	the date(s) on which an Award (or part thereof) is to vest in the relevant Grantee following which the Grantee will be delivered the Shares underlying the Award or the cash in lieu, as determined from time to time by the Scheme Administrator pursuant to Rule 12.1, unless a different Vesting Date is deemed to occur in accordance with Rule 23.1.

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

- (a) references to Rules are to rules of the Scheme Rules;
- (b) references to times of the day are to Hong Kong time;
- (c) if a period of time is specified as from a given day, or from the day of an act or event, it shall be calculated exclusive of that day;
- (d) a reference to “**dollars**” or to “**\$**” shall be construed as a reference to the lawful currency for the time being of Hong Kong;
- (e) a reference to statutes, statutory provisions or the Listing Rules shall be construed as references to those statutes, provisions or rules as respectively amended or re-enacted and shall include any orders, regulations, instruments, subsidiary legislation, other subordinate legislation or practice notes under the relevant statute, provision or Listing Rule;
- (f) unless otherwise indicated, the Board can make determinations in its absolute discretion and if the Board delegates its authority to administer the Scheme to a Scheme Administrator, such Scheme Administrator shall enjoy the same absolute discretion;
- (g) a reference to “**include**”, “**includes**” and “**including**” shall be deemed to be followed by the words “**without limitation**”;

- (h) words importing the singular include the plural and vice versa, and words importing a gender include every gender;
- (i) headings are included in the Scheme Rules for convenience only and do not affect its interpretation;
- (j) references to any statutory body shall include the successor thereof and any body established to replace or assume the functions of the same; and
- (k) references to person includes any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity.

## **2. CONDITIONS**

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

- (a) the passing of a resolution by the Shareholders to approve the adoption of the Scheme; and
- (b) the Listing Committee granting approval for the listing of, and permission to deal in, the Shares to be allotted and issued pursuant to the Awards.

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

17.03(1)

3.1 The purpose of the Scheme is:

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

## **4. ELIGIBLE PARTICIPANTS**

17.03(2)

4.1 Eligible Participants as determined by the Scheme Administrator from time to time shall be eligible to participate in the Scheme.

4.2 No person who is:

- (a) resident in a place where the grant or acceptance of an Award pursuant to the Scheme is not permitted under, or contrary to, the laws and regulations of such place; or
- (b) where, in the view of the Scheme Administrator, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such person,

shall be entitled to participate in the Scheme and such person shall therefore not be an Eligible Participant for the purposes of this Scheme.

4.3 Service Provider Participants shall include the following category of service provider:

Category	Eligibility criteria for Service Provider Participant
Consultants	<p>Those that (a) provide consultancy services material and relevant to the Group's operations (including but not limited to services in recruitment, tax, research and development, market advisory services); (b) engage with the Group on a regular or recurring basis; and (c) have specialties or expertise in areas that supplement the Group's operations or with which the Group would consider important to maintain a close business relationship on an ongoing basis (for example, consultants in the areas of technology); and (d) operate in the industries of technology, and other business industries in which the Group operates from time to time; and (e) who, or are anticipated to be going forward, a significant business partner, or otherwise significant to the Group's business, with reference to, among other metrics, revenue generation, sales volume, acquisition of new target customers/users or directing of recurring customers/users, research and development, engineering or technical contribution, the design or development or delivery of products/services provided by the Group, or is otherwise significant to the Group, including from a financial, business or operational perspective, as determined by the Scheme Administrator on a case-by-case basis. Such consultants may be able to collaborate with the Group on continuing or discrete projects but may not be able to serve as full-time or part-time employees, directors or officers of the Group.</p>
Suppliers	<p>Those that (a) supply the Group with goods on a regular or recurring basis (for example, industry leaders that are crucial to the innovations and developments of high-end IC chips), with which the Group would consider important to maintain a close business relationship on an ongoing basis, and in turn, it would be beneficial to the Group's business relationship to grant such supplier with proprietary ownership in the Company and to encourage the supplier to have a vested shareholding interest in the Group and in the Group's future development; (b) operate in the industries of technology, and other business industries in which the Group operates from time to time; and (c) who, or are anticipated to be going forward, a significant business partner, or otherwise significant to the Group's business, with reference to, among other metrics, revenue generation, sales volume, acquisition of new target customers/users or directing of recurring customers/users, research and development, engineering or technical contribution, the design or development or delivery of products/ services provided by the Group, or is otherwise significant to the Group, including from a financial, business or operational perspective, as determined by the Scheme Administrator on a case-by-case basis.</p>
Service Providers	<p>Those that (a) provide important services to the Group on a regular or recurring basis (for example, advisors and consultants with</p>



	<p>relevant expertise in the fields related to the IC chips industry, former senior management of prominent industry players which have unique knowledge of market trends and product roadmap, technical consultants which may advise on and assist the Group in its technical development and improve its R&amp;D capabilities), with whom the Group would consider important to maintain a close collaborative relationship on an ongoing basis, that in turn, it would be beneficial to the collaboration between the Group and the service provider to grant such service provider proprietary ownership in the Company and to encourage the service provider to have a vested shareholding interest in the Group and the Group's future development; (b) operate in the industries of technology, and other business industries in which the Group operates from time to time; and (c) who, or are anticipated to be going forward, a significant business partner, or otherwise significant to the Group's business, with reference to, among other metrics, revenue generation, sales volume, acquisition of new target customers/users or directing of recurring customers/users, research and development, engineering or technical contribution, the design or development or delivery of products/services provided by the Group, or is otherwise significant to the Group, including from a financial, business or operational perspective, as determined by the Scheme Administrator on a case-by-case basis.</p>
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provided that (i) placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, or (ii) professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity may not be Service Provider Participants for the purposes of this Scheme. 17.03A(1)(c)

## 5. DURATION

- 5.1 Subject to Rule 25, the Scheme shall be valid and effective for the Scheme Period, after which no further Awards will be granted under the Scheme, and thereafter for so long as there are any unvested Awards granted prior to the expiration of the Scheme Period, in order to give effect to the vesting of such Awards or otherwise as may be required in accordance with the provisions of the Scheme Rules.

## 6. SCHEME LIMITS

17.03(3)

### *Scheme Mandate Limit and Service Provider Sublimit*

17.03B(1)

- 6.1 The total number of *New Shares* which may be issued pursuant to all Awards to be granted under this Scheme together with the number of *New Shares* which may be issued under any other share schemes of the Company is [139,426,273] Shares, being 10% of the Shares in issue on the date of approval of the Scheme and rounded down to the nearest integer (the "**Scheme Mandate Limit**").
- 6.2 The total number of Existing Shares which may be transferred as Award Shares underlying an Award pursuant to this Scheme is [13,942,627] Shares, being 1% of the Shares in issue on the date of approval of the Scheme and rounded down to the nearest integer (the "**Existing Shares**").

**Scheme Limit**”). For the avoidance of doubt, the Existing Shares Scheme Limit shall not count toward the Scheme Mandate Limit.

- 6.3 Shares which may be issued pursuant to Awards which have lapsed in accordance with the terms of the Scheme Rules (or the terms of any other share scheme(s) of the Company) shall not be counted for the purpose of calculating the Scheme Mandate Limit. 17.03B Note 1
- 6.4 The total number of *New Shares* which may be issued pursuant to Awards to be granted to Service Provider Participants under this Scheme is [4,182,788] Shares, being not more than 3% of the Scheme Mandate Limit (the “**Service Provider Sublimit**”). 17.03B(2)

***Refreshing the Limit and Service Provider Sublimit***

- 6.5 The Company may refresh either of the Scheme Mandate Limit and/or the Service Provider Sublimit: 17.03C(1)
- (a) from the later of three years after the Adoption Date or three years after the date of the previous shareholder approval for refreshment of the Scheme Mandate Limit or Service Provider Sublimit (as the case may be) pursuant to this Rule, with the prior approval of Shareholders in general meeting by way of ordinary resolution; or
  - (b) at any time, with the prior approval of the Shareholders in general meeting and subject to compliance with any additional requirements set out in the Listing Rules.
- 6.6 The total number of New Shares which may be issued in respect of all Awards to be granted under this Scheme and all other schemes of the Company under the Scheme Mandate Limit as refreshed pursuant to Rule 6.5 shall not exceed 10% of the Shares in issue as at the date of the aforesaid approval to refresh the Scheme Mandate Limit by the Shareholders in general meeting. 17.03C(2)
- 6.7 Awards already granted under the Scheme and any other share schemes of the Company (including those vested, outstanding, cancelled or lapsed in accordance with its terms) and pursuant to the Existing Shares Scheme Limit shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed.
- 6.8 The Company may refresh the Existing Shares Scheme Limit at any time, with the approval of the Board and subject to compliance with any additional requirements set out in the Listing Rules.

***Grants beyond the Limit and Service Provider Sublimit***

- 6.9 The Company may seek separate approval of the Shareholders in general meeting to grant Awards beyond the Scheme Mandate Limit to Eligible Participants specifically identified by the Company, subject to compliance with the requirements set out in the Listing Rules. 17.03C(3)

**7. ADMINISTRATION**

- 7.1 The Board shall be responsible and have full authority for administering the Scheme in accordance with the Scheme Rules.
- 7.2 The authority to administer the Scheme (such as senior management members) may be delegated by the Board to a committee of the Board or to any other person(s) deemed appropriate at the sole discretion of the Board, including its powers to offer or grant Awards and to determine the terms and conditions of such Awards, provided that nothing in this Rule

7.2 shall prejudice the Board's power to revoke such delegation at any time or derogate from the authority rested with the Board in Rule 7.1.

7.3 Decisions of such committee duly established or person(s) duly appointed by the Board in accordance with Rule 7.2 in relation to the operation of the Scheme or interpretation of the Scheme Rules shall be final and binding on all parties. In the event of any disagreement or ambiguity, the decision of the Board shall prevail.

7.4 The Scheme Administrator may from time to time appoint one or more administrators, who may be independent third-party contractors, to assist in the administration of the Scheme, to whom they may delegate such functions relating to the administration of the Scheme as they may think fit. The duration of office, terms of reference and remuneration (if any) of such administrator(s) shall be determined by the Scheme Administrator.

***Powers of the Scheme Administrator***

7.5 Subject to the Scheme Rules and any applicable laws, rules and regulations, the Scheme Administrator shall have the power from time to time to:

- (a) construe and interpret the Scheme Rules and the terms of the Awards granted from time to time;
- (b) make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the Scheme, provided that they are not inconsistent with the Scheme Rules;
- (c) establish a Trust, appoint a Trustee, approve the terms of any Trust Deed and make such other arrangements for the implementation and administration of the Scheme as they shall see fit pursuant to Rule 8.1;
- (d) grant Awards to those Eligible Participants whom they shall select from time to time;
- (e) take actions on behalf of the Company to allot and issue New Shares underlying Awards from time to time;
- (f) determine the terms and conditions of Awards granted under the Scheme including but not limited to number of Awards, Purchase Price, Vesting Dates, vesting criteria, performance targets, clawback mechanisms and other conditions;
- (g) approve the form of Award Letters;
- (h) decide how the vesting of the Award Shares will be settled pursuant to Rules 14.1 and 14.4;
- (i) make such appropriate and equitable adjustments to the terms of Awards granted under the Scheme as they deem necessary;
- (j) determine the commencement or termination date of an Eligible Participant's or Grantee's employment with any member of the Group; and
- (k) take such other steps or actions as they deem necessary or prudent to give effect to the terms and intent of the Scheme Rules and/or Awards, including settlement of Awards.

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

***No liability of the Scheme Administrator***

- 7.7 None of the directors of the Company or any Scheme Administrator shall be personally liable by reason of any contract or other instrument executed by him/her, or on his/her behalf or for any mistake of judgment made in good faith, for the purposes of the Scheme, and the Company shall indemnify and hold harmless each member of the Board and any other Scheme Administrator 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 wilful default, negligence, fraud or bad faith.

**8. IMPLEMENTATION BY TRUST**

- 8.1 The Company may establish one or more Trust(s) and appoint one or more Trustee(s) to hold Shares and other trust property under the Trust(s) for the purposes of : (i) holding Award Shares allotted, issued and/or acquired on-market by the Company and reserved for specified Eligible Participants; (ii) settling Awards under Rule 14; and (iii) taking other actions for the purposes of administering and implementing the Scheme. The trustee(s) of the Trust shall be instructed by the Company, and unless otherwise agreed between the Company and the Trustee(s), the Scheme Administrator shall act on behalf of the Company to give instructions to and direct the Trustee(s).

- 8.2 Where a Trust has been established under Rule 8.1, the administration and operation of the Trust shall be governed by the Trust Deed or such other governing documents of such Trust or custodian arrangements between the Company and the respective Trustee(s), which may include but is not limited to:

- (a) requirements relating to notifying the Trustee about the granting, vesting, cancellation or lapse of Awards or Award Shares;
- (b) on-market acquisition of Shares or other methods for settling Awards;
- (c) voting, dividends, distributions and other rights associated with the Vested Award Shares;
- (d) holding and transferring Shares; and
- (e) holding and transferring any Related Income or proceeds derived from dealings in the Vested Award Shares.

- 8.3 A Trustee shall not exercise any voting rights in respect of any unvested Award Shares held by it, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given. 17.05A

**9. GRANT OF AWARDS AND PURCHASE PRICE**

***Grants and Nature of Awards***

- 9.1 The Scheme Administrator may, from time to time, in their absolute discretion select any Eligible Participant to be a Grantee and, subject to these Scheme Rules, grant an Award to such Grantee during the Scheme Period. The nature, amount, terms and conditions of any such

Award so granted shall be determined by the Scheme Administrator in their sole and absolute discretion.

- 9.2 An Award will take the form of a RSU which vests in the form of the right to subscribe for and/or to be issued such number of Award Shares as the Scheme Administrator may determine at the Purchase Price (if any) in accordance with the terms of the Scheme Rules.

*Consideration for Acceptance and Purchase Price*

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

- 9.4 The Purchase Price for the Awards shall be such price determined by the Scheme Administrator and notified to the Grantee in the Award Letter, taking into consideration factors such as the prevailing closing price of the Shares, the purpose of the Scheme, the performance and profile of the relevant Grantee(s). For the avoidance of doubt, the Scheme Administrator may determine the Purchase Price to be at nil consideration. 17.03(9)

**10. LIMITS ON GRANTS OF AWARDS**

*Additional Approvals for Grants Beyond Individual Limits*

17.03(4)  
17.03D

- 10.1 Grants of Awards to an individual Eligible Participant shall be subject to the following additional rules:

- (a) Unless approved by the Shareholders in the manner set out in this Rule 10.1, the total number of Shares issued and to be issued upon vesting and exercise of share options and Awards granted and to be granted under this Scheme and any other share scheme(s) of the Company to each Eligible Participant (including both exercised and outstanding share options) in any 12 month period shall not exceed 1% of the total number of Shares in issue;
- (b) Any further grant of Awards to an Eligible Participant which would exceed this limit shall be subject to the relevant requirements in the Listing Rules, which includes separate approval of the Shareholders in general meeting with the relevant Eligible Participant and their associates abstaining from voting. A circular shall be sent to the Shareholders disclosing the information required to be disclosed under the Listing Rules. The number and terms of the Awards to be granted to such Eligible Participant shall be fixed before the Shareholders' approval is sought.

- 10.2 Grants of Awards to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates, shall be subject to the following additional rules: 17.04

- (a) Such grant shall be subject to the prior approval of the independent non-executive Directors of the Company (excluding any independent non-executive Director who is a proposed recipient of the grant of Awards).
- (b) Grants to any Director or senior manager of the Company, which are made on terms with a vesting period less than 12 months or without a performance target or without a clawback mechanism (each of which, a “**Unique Term**”), shall be reviewed by the remuneration committee of the Board as to why the Unique Term is appropriate and how the grant nevertheless aligns with the purpose of the Scheme. 17.03F,  
17.06B(8)
- (c) In addition:

- (i) where any grant of Awards (i.e. excluding any grant of share options) to any Director (including the independent non-executive Directors), substantial shareholder of the Company, chief executive of the Company or their associates would result in the Shares issued and to be issued in respect of all Awards granted (excluding any Awards lapsed in accordance with the terms of this Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue at the date of such grant; or
- (ii) where any grant of Awards to other Eligible Participants would result in the number of Shares issued and to be issued in respect of all share options and Awards granted (excluding any share options and Awards lapsed in accordance with the terms of this Scheme and any other share scheme(s) of the Company) to such person in the 12 month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of Shares in issue,

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

***Restrictions on Grants***

10.3 No Award shall be granted to any Eligible Participant during the following time periods: 17.05

- (a) in circumstances prohibited by the Listing Rules or at a time when the relevant Eligible Participant would be prohibited from dealing in the Shares by the Listing Rules (including the Model Code for Securities Transactions by Directors of Listed Issuers, set out in Appendix 10 to the Listing Rules) or by any applicable rules, regulations or law;
- (b) where the Company is in possession of any unpublished inside information in relation to the Company, until (and including) the trading day after such inside information has been announced; and
- (c) during the periods commencing one month immediately before the earlier of the date of the board meeting for approving the Company's results for any year, half-year, quarterly or any other interim period and the deadline for the Company to announce such results, and ending on (and including) the trading day after the date of the results announcement, provided that such period will also cover any period of delay in the publication of any results announcement.

10.4 Additionally, no Award shall be granted to any Eligible Participant under the following circumstances:

- (a) if any member of the Group is required under applicable laws, rules or regulations to issue a prospectus or other offer documents in respect of such grant or the Scheme; or
- (b) where such grant or dealing in the Shares in respect of such grant would result in a breach by any member of the Group or any of its directors of any applicable laws, rules, regulations or codes in any jurisdiction from time to time,
- (c) in circumstances where the requisite approval from any applicable governmental or regulatory authority has not been obtained, provided that to the extent permissible in accordance with applicable laws, rules and regulations an Award may be made conditional upon such approval being obtained;

- (d) in circumstances which would result in a breach of the Scheme Mandate Limit, provided that to the extent permissible in accordance with applicable laws, rules and regulations an Award may be made conditional upon the Scheme Mandate Limit being refreshed or approval of Shareholders being otherwise obtained;
- (e) where such Award is to a connected person and under the Listing Rules requires the specific approval of Shareholders, until such approval of Shareholders is obtained, provided that to the extent permissible in accordance with applicable laws, rules and regulations an Award may be made conditional upon such specific shareholder approval being obtained.

## 11. AWARD LETTER AND ACCEPTANCE

### *Award Letter*

- 11.1 The Company shall, in respect of each grant of Awards, on the Grant Date issue a letter to each Grantee in such form as the Scheme Administrator may from time to time determine setting out the terms and conditions of the Award (an “**Award Letter**”), which may include but not limited to, the number of Award Shares in respect of which the Award relates, the Purchase Price, the vesting criteria and conditions, the Vesting Date, any minimum performance targets that must be achieved, any clawback mechanism (if applicable) and any such other details as the Scheme Administrator may consider necessary, and requiring the Grantee to undertake to hold the Award on the terms of the Award Letter and be bound by the provisions of the Scheme Rules.
- 11.2 To the extent that Awards shall be satisfied by way of issue and allotment of New Shares, the grant of such Awards shall be conditional upon the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, such New Shares and the satisfaction of any other conditions as may be considered necessary or appropriate by the Scheme Administrator.

### *Acceptance*

- 11.3 Unless otherwise specified in the Award Letter:
  - (a) a Grantee shall have 20 Business Days from the Grant Date to accept the Award. A Grantee may accept an Award by giving written notice of their acceptance to the Company or the Scheme Administrator, together with remittance in favour of the Company of any consideration payable (e.g. Purchase Price) upon grant of the Award; 17.03(8)
  - (b) any Award may be accepted in whole or in part provided that it must be accepted in respect of a board lot for dealing in Shares or a multiple thereof; and
  - (c) to the extent that an Award or part thereof is not accepted within the time and in the manner indicated in this Rule, the portion not accepted shall be deemed to have been irrevocably declined and shall automatically lapse.

## 12. VESTING OF AWARDS

17.03(6)  
17.03F

- 12.1 The Scheme Administrator may in respect of each Award and subject to all applicable laws, rules and regulations, determine the applicable Vesting Dates and/or any other criteria and conditions for vesting of the Awards in their sole and absolute discretion. The relevant Vesting Date of any Award and any other criteria or conditions for vesting shall be set out in the Award Letter.

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12.2 The Vesting Date in respect of any Award shall be not less than 12 months from the Grant Date, provided that for Employee Participants, the Vesting Date may be less than 12 months from the Grant Date (including on the Grant Date) in the following circumstances:

- (a) grants of “make whole” Awards to new Employee Participants to replace share awards 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 specific and objective performance targets, in lieu of time-based vesting criteria, pursuant to Rule 13;
- (d) grants of Awards the timing of which is determined by administrative or compliance requirements not connected with the performance of the relevant Employee Participant, in which case the Vesting Date may be adjusted to take account of the time from which the Award would have been granted if not for such administrative or compliance requirements;

*Note:*

This includes the situation where the awards should have been granted earlier (e.g. at the time of employment of a new employee) but such grant is delayed due to administrative or compliance reasons such that all the grants are dealt with and announced at the same time periodically, in which case, the vesting period may be shortened to reflect such time of delay of the grant.

- (e) grants of Awards with a mixed vesting schedule such that the Awards vest evenly over a period of 12 months; or
- (f) grants of Awards with a total vesting and holding period of more than 12 months.

12.3 If a Vesting Date is not a Business Day, such Vesting Date shall, subject to any trading halt or suspension of dealings in the Shares on the Stock Exchange, be deemed to be the next Business Day immediately thereafter.

### 13. PERFORMANCE TARGETS

17.03(7)

13.1 The Scheme Administrator may in respect of each Award and subject to all applicable laws, rules and regulations determine such performance targets or other criteria or conditions for vesting of Awards in their sole and absolute discretion. Any such performance targets, criteria or conditions shall be set out in the Award Letter. For the avoidance of doubt, an Award shall not be subject to any performance targets, criteria or conditions if none are set out in the relevant Award Letter.

13.2 The Scheme Administrator (or body designated by the Scheme Administrator) shall specify in the Award Letter the person(s) of the Company that will assess how and whether such targets, criteria or conditions are satisfied.

13.3 Where performance targets, criteria or conditions are to be specified in the relevant Award Letter, the Scheme Administrator may determine such performance targets, criteria or conditions based on, among others criteria, the following considerations:

	Grantee	Considerations



(i)	Director and member of senior management of the Company	Business or financial milestones or performance results, transaction milestones, the Grantee's historical, current or anticipated contribution to the Group (including with respect to their experience, expertise, insight, management and oversight, or direction, etc.), as considered appropriate by the Scheme Administrator.
(ii)	Employee Participant (except a director or member of senior management of the Company)	If the performance appraisal within a specified period (such as in the previous year) reached a level to be further specified in the Award Letter, as determined by the Scheme Administrator (or body designated by the Administrator).
(iii)	Related Entity Participant	Contributes, or is likely to contribute, to the long-term development of the Group, with reference to achieving specified targets, among other criteria, financial or business performance, minimum service period, or business collaboration milestones, as determined by the Scheme Administrator (or body designated by the Scheme Administrator).
(iv)	Service Provider Participant	

#### 14. SETTLEMENT OF AWARDS

14.1 Subject to Rule 14.2, after the applicable Vesting Date for any Award, within 15 Business Days following the Vesting Date, subject to receipt in full of the Purchase Price payable (if any) multiplied by the number of Award Shares vested (the "**Vested Award Shares**") pursuant to the relevant Award, the Company shall arrange for the Vested Award Shares to be satisfied in one of the following methods, as determined by the Scheme Administrator:

- (a) allot and instruct the Share Registrar to issue the relevant number of New Shares constituting the Vested Award Shares to the Grantee (or the Grantee's personal representative(s)) credited as fully paid and issue to the Grantee (or the Grantee's personal representative(s)) a share certificate in respect of the New Shares so allotted and issued;
- (b) pursuant to Rule 14.4, instruct the Trustee to acquire and hold Award Shares and Related Income on trust for, and to distribute such Award Shares and Related Income to, Grantees, in accordance with the Trust Deed or such other governing documents of such Trust; or
- (c) pay to the Grantee (or the Grantee's personal representative(s)) by remittance to the bank account designated and provided by the Grantee to the Scheme Administrator, the proceeds from the Scheme Administrator (whether or not through the Trustee or other third party) arranging to sell on-market at prevailing market prices of the Vested Award Shares (the "**Actual Selling Price**"),

subject to the Grantee (or the Grantee's personal representative(s)) executing and delivering all such forms and instruments and providing such instructions in the manner as shall be required by the Scheme Administrator, the Trustee(s) or any designated third party.

14.2 Where the Scheme Administrator in their sole discretion determines that it is not practicable for the Grantee to receive Award Shares or for the Company (whether or not through a trustee or other third party) to settle the Award due to applicable legal or regulatory restrictions

(including under the Listing Rules), the settlement of the Award shall be postponed and shall take place within 15 Business Days from the date that the Scheme Administrator subsequently determines it will be practicable to proceed with the settlement of the Award.

- 14.3 The Award Shares, whether funded by New Shares or Existing Shares, shall be identical to all other Existing Shares in issue and shall be allotted and issued subject to all the provisions of the Articles for the time being in force and will rank *pari passu* with the other fully paid Shares in issue on the date the name of the Grantee is registered on the register of members of the Company or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members. For the avoidance of doubt, a Grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the Shareholders on the register on a date prior to such registration.
- 14.4 In the event that a Trust has been established to implement and administer the Scheme, for the purposes of satisfying the Award Shares, the Scheme Administrator may at their discretion, pursuant to the Trust Deed or such other governing documents of such Trust or custodian arrangements:
- (a) allot and instruct the Share Registrar to issue New Shares constituting the Award Shares to the Trustee to hold on trust for the Grantee;
  - (b) transfer to the Trust the necessary funds and instruct the Trustee to acquire Existing Shares through on-market transactions at the prevailing market price;
  - (c) direct the Trustee to transfer the relevant number of Shares constituting the Vested Award Shares to the Grantee (or the Grantee's personal representative(s)) upon vesting;
  - (d) direct the Trustee to transfer the relevant number of Vested Award Shares to the Company's Nominated Account to hold for the benefit of the Grantee until such time as the Scheme Administrator instructs to:
    - (i) (A) transfer the relevant number of Shares constituting the Vested Award Shares to the Grantee; or (B) sell the Vested Award Shares on-market at prevailing market prices and remit the Actual Selling Price to the Grantee; and
    - (ii) remit to the Grantee any Related Income which has accrued in respect of the Vested Award Shares from the relevant Vesting Date through to the date the Scheme Administrator gives a direction to the Trustee pursuant to this Rule.

#### **Costs**

- 14.5 Any direct costs and expenses arising on the vesting and issue of the New Shares to or for the benefit of a Grantee as contemplated by Rules 14.1 and 14.4 shall be borne by the Company.
- 14.6 Any stamp duty, fees, levies, brokerage or other direct costs and expenses arising on the transfer or sale of the Award Shares and payment of the Actual Selling Price as contemplated by Rules 14.1 and 14.4 shall be borne by the Company and deducted by the Scheme Administrator from the amounts payable to the Grantee.
- 14.7 At the discretion of the Scheme Administrator and to the extent permitted by the Listing Rules, any obligation to issue or transfer Award Shares to a Grantee pursuant to these Scheme Rules may be satisfied by allotting, issuing or transferring the relevant Award Shares to the Grantee's nominee or depositing the relevant Award Shares in the Grantee's designated securities account held with the Central Clearing and Settlement System operated by The Hong Kong Securities

Clearing Company Limited, the details of which the Grantee shall provide to the Scheme Administrator upon request.

## **15. TAXATION**

15.1 All taxes (including personal income taxes, capital gains taxes, salary taxes and similar taxes, as applicable), duties, social security contributions, impositions, charges and other levies arising out of or in connection with the Grantee's participation in the Scheme or in relation to the Shares, Award Shares, Actual Selling Price or Related Income (the "Taxes") received by a Grantee shall be borne by such Grantee and neither the Company nor any designated third party shall be liable for any Taxes. Each Grantee by its acceptance of any grant of Awards agrees to and will indemnify each member of the Group, the Trustee(s) and any designated third party against any liability they may have to pay or account for such Taxes, including any withholding liability in connection with any Taxes. To give effect to this, the Company, Trustee(s) or other designated third party may:

- (a) reduce or withhold such number of the Award Shares to be issued or transferred, or Actual Selling Price or Related Income paid, to the Grantee as may be necessary to settle any Taxes (the number of Award Shares that may be reduced or withheld shall be limited to the number of Award Shares that have a fair market value on the date of withholding that, in the reasonable opinion of the Scheme Administrator (or the trustee or designated third party) is sufficient to cover any such liability);
- (b) sell, on the Grantee's behalf, such number of Award Shares as may be necessary to settle any Taxes and retain the proceeds and/or pay them to the relevant authorities or government agency;
- (c) deduct or withhold, without notice to the Grantee, the amount of any such liability from any payment to the Grantee made under the Scheme or from any payments due from a member of the Group to the Grantee, including from the salary payable to the Grantee by any member of the Group; and/or
- (d) require the Grantee to remit to any member of the Group an amount sufficient to satisfy any Taxes or other amounts required by any governmental authority to be withheld and paid over to such authority by any member of the Group or Trustee on account of the Grantee or to otherwise make alternative arrangements satisfactory to the Company for the payment of such amounts.

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

## **16. VOTING AND DIVIDEND RIGHTS**

17.03(10)

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

16.2 Where Award Shares are held by the Nominated Account for the Grantee pursuant to Rule 14.4(d), a Grantee may give instructions to the manager of the nominated account to exercise the voting rights in respect of those Vested Award Shares.

## **17. CANCELLATION OF AWARDS**

17.03(14)

- 17.1 Any Awards granted but not vested may be cancelled by the Scheme Administrator at any time with the prior consent of the Grantee.
- 17.2 The Scheme Administrator may in their sole discretion determine to buyout an Award from a Grantee at a price, and on such terms as, deemed fair and communicated to the Grantee, following which, the purchased Award shall be cancelled.
- 17.3 Issuance of new Awards to the same Grantee whose Awards have been cancelled pursuant to Rule 17.1 may only be made if there are sufficient Award Shares available under the Scheme Mandate (excluding the Awards of the relevant Grantee cancelled pursuant to Rules 17.1 and 17.2) to satisfy the new Awards and in compliance with the terms of the Scheme.

## **18. LAPSE OF AWARDS**

17.03(12)

- 18.1 Without prejudice to the authority of the Scheme Administrator to provide additional situations when an Award shall lapse in the terms of any Award Letter, an Award shall lapse automatically (to the extent not already vested) on the earliest of:
- (a) any Award granted but has not been accepted by the Grantee within the acceptance period under Rule 11.3;
  - (b) any Awards scheduled to vest at the end of that vesting period but that did not vest due to, for example, the Grantee does not satisfy the performance criteria, shall lapse in such number and manner as specified in the Award Letter;
  - (c) the date on which the Board makes a determination under the clawback mechanism in Rule 19;
  - (d) any unvested or outstanding Awards as at the date that the Grantee ceases to qualify as an Eligible Participant;
  - (e) any unvested or outstanding Award forfeited by the Grantee upon the Grantee's written notification to the Scheme Administrator;
  - (f) the date on which the Grantee commits a breach of Rule 21;
  - (g) the date of the commencement of the winding-up of the Company; and
  - (h) the expiry of the periods referred to in the paragraphs headed "Rights on windingup" and "Rights on a compromise or arrangement".
- 18.2 The Scheme Administrator shall have the power to decide whether an Award shall lapse and their decision shall be binding and conclusive on all parties. The Company shall not owe any liability to any Grantee for the lapse of any Award under this Rule 18.
- 18.3 For the avoidance of doubt, Awards lapsed pursuant to this Scheme will not be regarded as utilised for the purpose of the Scheme Mandate Limit and the Service Provider Sublimit.

## **19. CLAWBACK**

17.03(19)

- 19.1 In the event that:

- (a) a Grantee ceases to be an Eligible Participant by reason of the termination of the Grantee's employment or contractual engagement with the Group or Related Entity for cause or without notice or with payment in lieu of notice;
- (b) a Grantee has been convicted of a criminal offence involving his/her integrity or honesty; or
- (c) in the reasonable opinion of the Board, a Grantee has engaged in serious misconduct or breaches the terms of this Scheme in any material respect,

then the Board may make a determination at its absolute discretion that: (A) any Awards granted to that Grantee but not yet vested shall immediately lapse, regardless of whether such Awards have vested or not, (B) with respect to any Award Shares issued or transferred to that Grantee, the Grantee shall be required to transfer back to the Company or its nominee (1) the equivalent number of Shares, (2) an amount in cash equal to the market value of such Shares, or (3) a combination of (1) and (2), and/or (C) with respect to any Award Shares held by the Trustee for the benefit of the Grantee, those Award Shares shall no longer be held on trust for nor inure to the benefit of the Grantee.

## **20. CEASING TO BE AN ELIGIBLE PARTICIPANT**

17.03(14)

### **20.1 Retirement:**

- (a) If a Grantee ceases to be an Eligible Participant by reason of the Grantee's retirement, any outstanding Awards not yet vested shall continue to vest in accordance with the Vesting Dates set out in the Award Letter, or such other period as the Scheme Administrator may determine at their sole discretion.
- (b) A Grantee shall be taken to have retired on the date that the Grantee retires upon or after reaching the age of retirement specified in the Grantee's service agreement or pursuant to any retirement policy of the relevant member of the Group or Related Entity applicable to the Grantee from time to time or, in case there is no such terms of retirement applicable to the Grantee, with the approval of the Board or the board of the applicable member of the Group or Related Entity.

### **20.2 Death or permanent incapacity:**

- (a) If a Grantee ceases to be an Eligible Participant by reason of (i) death of the Grantee; or (ii) the termination of the Grantee's employment or contractual engagement with any member of the Group or Related Entity by reason of the Grantee's permanent physical or mental disablement, any outstanding Awards not yet vested shall immediately vest, and the Company shall issue such number of Award Shares or pay the Actual Selling Price (as the "**Benefits**") pursuant to the vested Award to the legal personal representatives of the Grantee or the persons charged with the duty of representing the Grantee under applicable laws as soon as practicable following the death or incapacity of the Grantee or, if the Benefits would otherwise become bona vacantia, the Benefits shall be forfeited and shall lapse.
- (b) References in these Scheme Rules to "Grantee" shall be construed as references to a Grantee's personal representative or estate where the context requires to the extent necessary to give effect to the provisions of this Rule 20.2.

### **20.3 Bankruptcy:** If a Grantee is declared bankrupt or becomes insolvent or is wound-up or makes any arrangements or composition with the Grantee's creditors generally, they shall cease to be an Eligible Participant under this Scheme and any Awards not yet vested shall immediately be

forfeited and shall lapse, unless the Scheme Administrator determines otherwise at their absolute discretion. A resolution of the Scheme Administrator to the effect that a Grantee or an Eligible Participant has or has not ceased to be an Eligible Participant for purposes of this Rule 20.3 shall be conclusive.

- 20.4 **Other reasons:** If a Grantee ceases to be an Eligible Participant for reasons other than those set out in the preceding provisions of this Rule 20, any outstanding Awards not yet vested shall immediately be forfeited and shall lapse, unless the Scheme Administrator determines otherwise at their absolute discretion.

## 21. TRANSFERABILITY

17.03(17)

- 21.1 Awards shall be personal to the Grantee to whom they are made and shall not be assignable or transferable, except in circumstances where the written consent of the Company has been obtained and a waiver has been granted by the Stock Exchange for such transfer in compliance with the requirements of the Listing Rules and provided that any such transferee agrees to be bound by these Scheme Rules as if the transferee were the Grantee.
- 21.2 Any breach of Rule 21.1 shall entitle the Company to cancel the applicable Awards. For this purpose, a determination by the Board to the effect that a breach of Rule 21.1 has occurred shall be final and conclusive.

## 22. ALTERATIONS IN SHARE CAPITAL

17.03(13)

- 22.1 In the event of any alteration in the capital structure of the Company by way of capitalization of profits or reserves, rights issue, subdivision or consolidation of Shares or reduction of the share capital of the Company (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party) after the Adoption Date, the Scheme Administrator shall make such corresponding adjustments, if any, as the Scheme Administrator in its discretion may deem appropriate to reflect such change with respect to:

- (a) the number of Shares constituting the Scheme Mandate Limit, Service Provider Sublimit or Existing Shares Scheme Limit, provided that in the event of any Share subdivision or consolidation the Scheme Mandate Limit, Service Provider Sublimit and Existing Shares Scheme Limit as a percentage of the total issued Shares of the Company at the date immediately before any consolidation or subdivision shall be the same on the date immediately after such consolidation or subdivision;
- (b) the number of Shares in each Award to the extent any Award has not vested;
- (c) the Purchase Price of any Award,

17.03B Note 2

or any combination thereof, as the Auditors or a financial advisor engaged by the Company for such purpose have certified satisfy the relevant requirements of the Listing Rules and are, in their opinion, fair and reasonable either generally or as regards any particular Grantee, provided always that (i) any such adjustments should give each Grantee the same proportion of the equity capital of the Company, rounded to the nearest whole Share, as that to which that Grantee was previously entitled prior to such adjustments, and (ii) no such adjustments shall be made which would result in a Share being issued at less than its nominal value. The capacity of the Auditors or financial advisor (as the case may be) in this Rule 22 is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees.

## 23. CHANGE OF CONTROL

- 23.1 If there is an event of change in control of the Company as the result of a merger, scheme of arrangement or general offer, or in the event of a dissolution or liquidation of the Company, the Scheme Administrator shall at their sole discretion determine whether the Vesting Dates of any Awards will be accelerated and/or the vesting conditions or criteria of any Awards will be amended or waived (provided they are in compliance with the requirements under Chapter 17 of the Listing Rules), and notify the Grantees accordingly. 17.03(10)
- 23.2 For the purpose of Rule 23.1, “**control**” shall have the meaning given to it in The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC (as amended from time to time).

## 24. AMENDMENT OF THE SCHEME OR AWARDS

17.03(18)

- 24.1 Subject to the provisions of this Rule 24, the the Scheme Administrator may amend any of the provisions of this Scheme or any Awards granted under this Scheme at any time and in any respect, provided that the terms of this Scheme or Awards so altered must comply with the relevant requirements of Chapter 17 of the Listing Rules.
- 24.2 No amendment or alteration shall be made to any provisions of this Scheme or any Awards granted under this Scheme to the extent that such amendment or alteration has a material adverse effect on any subsisting rights of any Grantee at that date in respect of Awards already granted to that Grantee and to the extent that such Awards have not vested or lapsed or been forfeited, without such Grantee’s consent, provided that no such consent shall be required if the Scheme Administrator determines in their sole discretion that such amendment or alteration either:
- (a) is necessary or advisable in order for the Company, this Scheme or the Award to satisfy any applicable law or Listing Rules or to meet the requirements of, or avoid adverse consequences under, any accounting standard; or
  - (b) is not reasonably likely to diminish materially the benefits provided under such Award, or that any such diminishment has been adequately compensated.
- 24.3 The approval of the Shareholders in general meeting is required for any amendment or alteration to the terms of this Scheme which are of a material nature or to those provisions of this Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules to the extent that such alteration or amendment operates to the advantage of Eligible Participants.
- 24.4 Any amendment or alteration to the terms of any Award the grant of which was subject to the approval of a particular body (such as the Board or any committee thereof, the independent non-executive Directors, or the Shareholders in general meeting) shall be subject to approval by that same body, provided that this requirement does not apply where the relevant alteration takes effect automatically under existing terms of this Scheme. Without limiting the generality of the foregoing, any change in the terms of Awards granted to any Grantee who is a director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the Shareholders in general meeting in the manner required in the Listing Rules if the initial grant of the Awards requires such approval (except where the changes take effect automatically under the rules of this Scheme). 17.03(18)  
Note 2;  
17.04 Note 1
- 24.5 Any change to the authority of the Board or the Scheme Administrator, including under this Rule 24, to alter the terms of this Scheme shall be subject to the approval of the Shareholders in general meeting.

## 25. TERMINATION

25.1 Subject to Rule 25.2, the Scheme shall terminate on the earlier of:

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

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

25.2 Awards complying with the provisions of Chapter 17 of the Listing Rules which are granted during the life of the Scheme and remaining unvested and unexpired immediately prior to the termination of the operation of the Scheme in accordance with Rule 25.1 shall continue to be valid and shall vest in accordance with their terms of issue after the termination of the Scheme.

## 26. MISCELLANEOUS

### *Rights of windingup*

26.1 In the event a notice is given by the Company to the Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall forthwith give notice thereof to all the Grantees and any Grantee (or his legal personal representative) may at any time thereafter (but before such time as shall be notified by the Company) elect to accelerate the Awards either to its full extent or to the extent specified in such notice, and the Company shall as soon as possible and in any event no later than three days prior to the date of the proposed Shareholders' meeting, allot and issue and register in the name of the Grantee such number of fully paid Shares to the Grantee which fall to be issued on acceleration of vesting of such Awards.

### *Rights on a compromise or arrangement*

26.2 In the event a compromise or arrangement (other than a scheme of arrangement) between the Company and its members or creditors is proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all the Grantees on the same day as it gives notice of the meeting to its members or creditors to consider such compromise or arrangement, and any Grantee (or his legal personal representative) may at any time thereafter (but before such time as shall be notified by the Company) elect to accelerate the Awards either to its full extent or to the extent notified by the Company and the Company shall as soon as possible and in any event no later than three days prior to the date of the proposed meeting, allot, issue and register in the name of the Grantee such number of fully paid Shares which fall to be issued on acceleration of vesting of such Awards.

### *No Rights or Liability to Grantee*

26.3 This Scheme shall not form part of any contract of employment or other contract between the Group and any Eligible Participant or Grantee, and the rights and obligations of any Eligible Participant or Grantee under the terms of the Grantee's office or employment or engagement shall not be affected by the Grantee's participation in this Scheme or any right which the Grantee may have to participate in it, and this Scheme shall afford such Eligible Participant or



Grantee no additional rights to compensation or damages in consequence of the termination of such office or employment or engagement for any reason.

- 26.4 The Company shall not be responsible to: (i) any Eligible Participant or Grantee for any failure by the Company or any person involved in the management or administration of the Scheme; (ii) any person (including any Eligible Participant and Grantee) to obtain any consent or approval required for such person to participate in the Scheme; or (iii) any Eligible Participant or Grantee for any Taxes, expenses, fees or any other liability to which such Eligible Participant or Grantee may become subject as a result of participation in the Scheme.
- 26.5 Save as specifically provided herein, this Scheme shall not confer on any person any legal or equitable rights against any member of the Group directly or indirectly or give rise to any cause of action at law or in equity against the any member of the Group. No person shall, under any circumstances, hold the Board, Scheme Administrator, the Company or any other member of the Group, any administrator or any Trustee or designated third party liable for any costs, losses, expenses and/or damages whatsoever arising from or in connection with the Scheme or the administration thereof.
- 26.6 In the event that an Award lapses or is forfeited in accordance with the Scheme Rules, no Grantee shall be entitled to any compensation for any loss or any right or benefit or prospective right or benefit under the Scheme which the Grantee might otherwise have enjoyed.
- 26.7 The Company shall bear the costs of establishing and administering the Scheme.
- 26.8 All allotments and issuances of Shares pursuant to this Scheme will be subject to all necessary consents under any relevant legislation and Listing Rules for the time being in force in Hong Kong and in the Cayman Islands. A Grantee shall be responsible for obtaining any governmental or other official consent or approval that may be required by any country or jurisdiction in order to permit the grant or holding of any Award. By accepting a grant of an Award, the Grantee thereof is deemed to have represented to the Company that the Grantee has obtained all such consents and approvals. Compliance with this Rule shall be a condition precedent to an acceptance of an Award by a Grantee. Each Grantee by their acceptance of any Award thereby agrees to indemnify each member of the Group fully against all claims, demands, liabilities, actions, proceedings, fees, costs and expenses which they may suffer or incur (whether alone or jointly with other party or parties) for or in respect of any failure on the part of the Grantee to obtain any necessary consent or approval or to pay tax or other liabilities referred therein. No member of the Group shall be responsible for any failure by a Grantee to obtain any such consent or approval or for any tax or other liability to which a Grantee may become subject as a result of the Grantee's participation in the Scheme.

#### ***Severability***

- 26.9 Each provision hereof shall be treated as a separate provision and shall be severally enforceable as such in the event of any provision or provisions being or becoming unenforceable in whole or in part. To the extent that any provision or provisions hereof are unenforceable they shall be deemed to be deleted from the Scheme Rules, and any such deletion shall not affect the enforceability of the Scheme Rules as remain not so deleted.

#### ***Personal Data***

- 26.10 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, the Trustee or other third party service provider, in Hong Kong or elsewhere, for the purpose of the administration, management or operation of the Scheme. Such consent permits, but is not limited to, the following:

- (a) the administration and maintenance of records of the Grantee;
- (b) the provision of data or information to, without limitation, members of the Group, Related Entities, trustees, registrars, brokers or third party administrators or managers of the Scheme, in Hong Kong or elsewhere;
- (c) the provision of data or information to future purchasers or merger partners of the Company or any other member of the Group, any Related Entity, the Grantee's employing company, or the business in which the Grantee works;
- (d) the transfer of data or information about the Grantee to a country or territory outside China, Hong Kong or the Grantee's country or region of residence which may not provide the same statutory protection for the information about the Grantee as in China, Hong Kong or the Grantee's country or region of residence; and
- (e) in the case where an announcement or other disclosure document is required to be made pursuant to the Listing Rules for the purposes of granting an Award, the disclosure of the identity of such Grantee, the number of Award Shares subject to the Award and the terms of the Award granted and/or to be granted and all other information as required under the Listing Rules.

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

#### *Notices*

- 26.11 Any notice or other communication between the Company and any Eligible Participant or Grantee may be given by sending the same by prepaid post or by personal delivery to:
- (a) in the case of the Company, its principal place of business in Hong Kong or such other address as notified to the Eligible Participant or Grantee from time to time; and
  - (b) in the case of an Eligible Participant or Grantee, their address as notified to the Company from time to time or by hand delivery.

In addition, any notice, disclosure or other communication from the Company to any Eligible Participant or Grantee may be given, and any mechanism for soliciting responses or notices from any Eligible Participant or Grantee to the Company may be effected, by any electronic means as the Scheme Administrator considers appropriate.

- 26.12 Any notice or other communication served by post shall be deemed to have been served 24 hours after the same was put in the post. Any notice or other communication served by electronic means shall be deemed to have been received on the day following that on which it was sent. Any notice or other communication served by personal delivery shall be deemed to have been received when delivered. Any notice or other communication if sent by the Grantee shall be irrevocable and shall not be effective until actually received by the Company.

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

- 27.1 The Scheme Rules and all Awards granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.
- 27.2 The Scheme shall operate subject to the Articles and to any restrictions under any applicable laws, rules and regulations (including the Listing Rules).

27.3 Save as otherwise expressly provided in the Scheme Rules, no third party (which for the purposes of this Rule 27.3 means any person other than the Company and Grantees) shall have the right to enforce any of the terms of the Scheme or the Scheme Rules or otherwise enjoy any benefits under the Scheme pursuant to the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) or otherwise. Alteration of the Scheme, the Scheme Rules, Awards, or Award Letter may be effected in accordance with Rule 24 without requiring the consent of any third party.