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**RULES RELATING TO THE
2024 SHARE SCHEME
OF
TONGCHENG TRAVEL HOLDINGS LIMITED**

SCHEME FUNDED BY NEW SHARES

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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 ”	the date that the Scheme is first approved by the Shareholders;
“ 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 ”	an award granted under the Scheme by the Board to a Grantee, which may take the form of a Share Option or a Share Award;
“ Award Letter ”	shall have the meaning as set out in Rule 11.1;
“ Award Shares ”	new Shares (including treasury Shares) underlying an Award, and each “Award Share” shall represent the right to receive one Share;
“ 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 ”	Tongcheng Travel Holdings Limited, a 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 “0780”;
“ 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;
“ Eligible Participant ”	an Employee Participant or a Related Entity Participant;

“Exercise Period”	in respect of any Share Option, the period during which the Grantee may exercise the Share Option;
“Exercise Price”	in respect of any Share Option, the price per Share at which a Grantee may subscribe for Shares upon the exercise of a Share Option awarded under this Scheme;
“Grant Date”	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;
“Grantee”	any Eligible Participant approved for participation in the Scheme and who has been granted any Award pursuant to Rule 9.1;
“Group”	the Company, its subsidiaries and the consolidated affiliated entities from time to time, and the expression “member of the Group” shall be construed accordingly;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issue Price”	in respect of any Share Award, the price per share a Grantee is required to pay to subscribe for the Shares constituting the Share Award;
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Management”	the Chief Executive Officer, Chief Financial Officer, Chief Operation Officer and Chief Technical Officer of the Company;
“Related Entity Participant”	any person who is an employee (whether full-time or part-time or other employment relationship), director or officer of an associated company of the Company;
“Scheme”	this share scheme constituted by the Scheme Rules;
“Scheme Administrator”	the Board, any committee of the Board, the Management or other person(s) to whom the Board has delegated its authority in accordance with Rule 7.2;
“Scheme Mandate Limit”	shall have the meaning set out in Rule 6.1, as increased, refreshed or renewed from time to time in accordance with the Scheme Rules;
“Scheme Period”	the period of 10 years commencing on the Adoption Date and ending on the 10 th anniversary of the Adoption Date;
“Scheme Rules”	the rules set out herein relating to the Scheme as amended from time to time;

“SFC”	the Securities and Futures Commission of Hong Kong;
“Shareholders”	holders of Shares;
“Share Award”	shall have the meaning set out in Rule 9.2(a);
“Share Option”	shall have the meaning set out in Rule 9.2(b);
“Shares”	ordinary shares in the share capital of the Company, currently of nominal value USD0.0005 each;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary” or “subsidiaries”	any subsidiary (as such term is defined in the Listing Rules) of the Company;
“substantial shareholder”	shall have the meaning given to it in the Listing Rules;
“Taxes”	shall have the meaning as set out in Rule 15;
“treasury Shares”	shall have the meaning given to it in the Listing Rules;
“Vesting Date”	the date or dates on which an Award (or part thereof) is to vest in the relevant Grantee following which the Grantee may exercise the Award, 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;
- (k) references to person includes any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity; and
- (l) references to new shares or new securities include treasury Shares and references to the issue of or subscription for new shares or securities include the transfer of treasury Shares.

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 Awards.

3. PURPOSE OF THE SCHEME

3.1 The purpose of the Scheme is:

- (a) to provide the Company with a flexible means of attracting, remunerating, incentivising, retaining, rewarding, compensating and/or providing benefits to Eligible Participants;
- (b) to align the interests of Eligible Participants with those of the Company and Shareholders by providing such Eligible Participants with the opportunity to acquire shareholding interests in the Company; and
- (c) to encourage Eligible Participants to contribute to the long-term growth, performance and profit 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

4.1 Eligible Participants as determined by the Board (or committee as authorized by the Board pursuant to Rule 7.2 from time to time (the “**Committee**”)), the Management or the Scheme Administrator from time to time shall be eligible to participate in the Scheme. The Share Awards under the Scheme shall comply with the requirements of applicable laws and regulations and the Listing Rules, and shall be granted upon approval by the Board of the Company.

4.2 No person who is:

- (a) resident in a place where the grant, acceptance or exercise 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.

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

The Scheme Mandate Limit

- 6.1 The total number of Award Shares which may be issued under this Scheme shall not exceed 1% of the Shares in issue (excluding any treasury Shares) on the date of approval of the Scheme (the “**Scheme Mandate Limit**”).
- 6.2 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 schemes of the Company) shall not be counted for the purpose of calculating the Scheme Mandate Limit.

Refreshing the Scheme Mandate Limit

- 6.3 The Company may refresh the Scheme Mandate Limit:
 - (a) from the later of three years after the Adoption Date or three years after the date of the previous shareholder approval for refreshment of the Scheme Mandate Limit pursuant to this Rule, with the prior approval of Shareholders in general meeting by way of ordinary resolution; or
 - (b) at any time, with the prior approval of the Shareholders in general meeting and subject to compliance with any additional requirements set out in the Listing Rules.
- 6.4 The total number of Shares which may be issued in respect of all Awards to be granted under this Scheme under the Scheme Mandate Limit as refreshed pursuant to Rule 6.3 shall not exceed 1% of the Shares in issue (excluding any treasury Shares) as at the date of the aforesaid approval to refresh the Scheme Mandate Limit by the Shareholders in general meeting. Awards already granted under the Scheme (including those exercised, outstanding, cancelled or lapsed in accordance with its terms) shall not be counted for the purpose of calculating the number of Award Shares that may be issued under the Scheme Mandate Limit as refreshed. Without limiting the foregoing, the Company may increase or refresh the scheme mandate limit to the extent permissible under the Listing Rules.

Grants beyond the Scheme Mandate Limit

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

7. ADMINISTRATION

Scheme Administrator

7.1 The Board shall be responsible and have full authority for administering the Scheme in accordance with the Scheme Rules.

7.2 The authority to administer the Scheme may be delegated by the Board to the Committee, Management or to any other person(s) deemed appropriate at the sole discretion of the Board, including its powers to offer or grant Awards. The Committee (for the directors and senior management of the Company) or the Management (for persons other than the directors and senior management of the Company) shall have the right to determine the Eligible Participants who may receive the Awards, grant the Awards and formulate all terms and conditions of the awards (including but not limited to the vesting and forfeiture terms).

7.3 Decisions of the Board, the Committee, Management or person(s) duly appointed by the Board in accordance with Rule 7.2, or the Scheme Administrator 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.

Power of the Scheme Administrator

7.4 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 Award 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, Issue Price, Exercise Price, Vesting Dates, vesting criteria, performance targets, clawback arrangements and other conditions;
- (g) approve the form of Award Letters;
- (h) decide how the vesting of the Award will be settled pursuant to Rule 12;

- (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.

7.5 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 Scheme Administrator against any cost or expense (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with the Scheme unless arising out of such person's wilful default, negligence, fraud or bad faith.

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

8. IMPLEMENTATION BY TRUST

8.1 The Company may establish one or more trusts and appoint one or more trustees to hold Shares for the purposes of: (a) holding Shares allotted and issued by the Company and reserved for specified Eligible Participants; (b) settling Awards under Rule 14; and (c) taking other actions for the purposes of administering and implementing the Scheme ("**Trust(s)**").

8.2 Where a Trust has been established under Rule 8.1, the administration and implementation of the Scheme through the Trust shall be governed by a trust deed or such other governing documents of such Trust or custodian arrangements between the Company and the respective trustee(s). For the avoidance of doubt, a trustee shall not exercise any voting rights in respect of any unvested 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.

9. GRANT OF AWARDS

9.1 The Board or 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 Board or Scheme Administrator in their sole and absolute discretion.

9.2 An Award may take the form of:

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

- 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. Such amount will either be RMB1.0 or nil, subject to the discretion of the Scheme Administrator.
- 9.4 The Issue Price for Awards which take the form of Share Awards shall be such price determined by the Scheme Administrator and notified to the Grantee in the Award Letter. For the avoidance of doubt, the Scheme Administrator may determine the Issue Price to be at nil consideration. 17.03(9)
- 9.5 For Awards which take the form of Share Options the Scheme Administrator shall determine and notify the Grantee in the Award Letter:
- (a) the Exercise Price for such Share Options, provided that the Exercise Price shall in any event be no less than the higher of:
 - (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Grant Date; and
 - (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the Grant Date, and
 - (b) the Exercise Period for any award of Share Options shall be such period determined by the Board or Scheme Administrator in their absolute discretion and notified to the Eligible Participant in the Award Letter, provided that the Exercise Period shall in any event be not longer than 10 years from the Grant Date. A Share Option shall lapse automatically and shall not be exercisable (to the extent not already exercised) on the expiry of the tenth anniversary from the Grant Date.

10. LIMITS ON GRANTS OF AWARDS

- 10.1 Unless approved by the Shareholders in the manner set out in this Rule, the total number of Shares issued and to be issued upon exercise of Awards granted and to be granted under this Scheme and any other share schemes 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 (excluding any treasury Shares). Any further grant of Awards to an Eligible Participant which would exceed this limit shall be subject to separate approval of the Shareholders in general meeting with the relevant Eligible Participant and their associates abstaining from voting. A circular shall be sent to the Shareholders disclosing the information required to be disclosed under the Listing Rules. The number and terms of the Awards to be granted to such Eligible Participant shall be fixed before the Shareholders' approval is sought. For any Share Options to be granted in such circumstances, the date of the Board meeting for proposing such further grant shall be the Grant Date for the purpose of calculating the Exercise Price.
- 10.2 Any grant of Awards to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates, shall be subject to the prior approval of the remuneration committee of the Board (excluding any member who is a proposed recipient of the grant of the Award) and the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of Awards). In addition:
- (a) where any grant of Share Awards (but not any grant of Share Options) to any Director (other than an independent non-executive Director) or chief executive of the Company

(or any of their respective associates) would result in the Shares issued and to be issued in respect of all awards granted (excluding any share awards lapsed) 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 the Shares in issue (excluding any treasury Shares) at the date of such grant; or

- (b) where any grant of Awards to an independent non-executive director or substantial shareholder of the Company (or any of their respective associates) would result in the Shares issued and to be issued in respect of all awards granted (excluding any share options and share awards lapsed) to such person in the 12 month period up to and including the date of such grant representing in aggregate over 0.1% of Shares in issue (excluding any treasury Shares) at the date of such grant,

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.

10.3 No Award shall be granted to any Eligible Participant:

- (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 or by any applicable rules, regulations or law;
- (b) where the Company is in possession of any unpublished inside information in relation to the Company, until (and including) the trading day after such inside information has been announced;
- (c) during the periods commencing 30 days 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;
- (d) if any member of the Group is required under applicable laws, rules or regulations to issue a prospectus or other offer documents in respect of such grant or the Scheme;
- (e) where such grant or dealing in the Shares in respect of such grant would result in a breach by any member of the Group or any of its directors of any applicable laws, rules, regulations or codes in any jurisdiction from time to time,
- (f) in circumstances where the requisite approval from any applicable governmental or regulatory authority has not been obtained, provided that to the extent permissible in accordance with applicable laws, rules and regulations an Award may be made conditional upon such approval being obtained;
- (g) in circumstances which would result in a breach of the Scheme Mandate Limit, provided that to the extent permissible in accordance with applicable laws, rules and regulations an Award may be made conditional upon the Scheme Mandate Limit being refreshed or approval of Shareholders being otherwise obtained; or
- (h) where such Award under the Listing Rules requires the specific approval of Shareholders, until such approval of Shareholders is obtained, provided that to the

extent permissible in accordance with applicable laws, rules and regulations an Award may be made conditional upon such specific shareholder approval being obtained,

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

11. AWARD LETTER

11.1 The Company shall, in respect of each grant of Awards, 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 the number of Shares in respect of which the Award relates, the Issue Price or Exercise Price (as applicable), the vesting criteria and conditions, the Vesting Date, any minimum performance targets that must be achieved 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 Shares and the satisfaction of any other conditions as may be considered necessary or appropriate by the Scheme Administrator.

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

12. VESTING OF AWARDS

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 its sole and absolute discretion. The relevant Vesting Date of any Award and any other criteria or conditions for vesting shall be set out in the Award Letter.

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” Share 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 performance targets 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;
 - (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

- 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 its 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.

14. EVENTS AFTER VESTING DATE

- 14.1 The Award Shares to be allotted and issued pursuant to the Scheme shall be identical to all existing issued Shares 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, save that the 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.
- 14.2 Any direct costs and expenses arising on the vesting and issue of the Award Shares to or for the benefit of a Grantee pursuant to the Scheme shall be borne by the Company.

15. TAXATION

- 15.1 All taxes (including personal income taxes, capital gains taxes, salary taxes and similar taxes), duties, social security contributions, impositions, charges and other levies arising out of or in connection with the Grantee's participation in the Scheme or in relation to the Shares or Award Shares (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 (or other designated third party) may:

- (a) reduce or withhold such number of the Award Shares to be issued or transferred, 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 to which the Grantee becomes entitled as may be necessary to settle any Taxes and retain the proceeds and/or pay them to the relevant authorities or government agency;
- (c) deduct or withhold, without notice to the Grantee, the amount of any such liability from any payment to the Grantee made under the Scheme or from any payments due from a member of the Group to the Grantee, including from the salary payable to the Grantee by any member of the Group; and/or
- (d) require the Grantee to remit to any member of the Group or the trustee an amount sufficient to satisfy any Taxes or other amounts required by any governmental authority to be withheld and paid over to such authority by any member of the Group or the trustee on account of the Grantee or to otherwise make alternative arrangements satisfactory to the Company for the payment of such amounts.

The Company shall not be obliged to issue any Shares 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

- 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 Shares underlying an award are issued or delivered to the Grantee pursuant to the vesting and/or exercise of such Awards.

17. CANCELLATION OF AWARDS

- 17.1 Any Awards granted but not exercised may be cancelled by the Scheme Administrator at any time with the prior consent of the Grantee.
- 17.2 Grant 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 Shares underlying the Awards of the relevant Grantee previously cancelled pursuant to Rule 17.1) to satisfy the new Awards and in compliance with the terms of the Scheme.

18. CLAWBACK

- 18.1 In the event that:
- (a) a Grantee ceases to be an Eligible Participant by reason of the termination of his/her employment or contractual engagement with the Group or Related Entity for cause (including but not limited to, misconduct, fraud or poor performance) or as a result of

the Grantee having been charged, penalised or convicted or an offence involving the Grantee's integrity or honesty;

- (b) in the reasonable opinion of the Scheme Administrator, a Grantee has committed a serious breach of an internal policy or code of any member of the Group or agreement with any member of the Group, including the breach of a non-compete obligation imposed on the Grantee by the Group, and such breach is considered material, or a Grantee has been convicted of a criminal offence involving his/her integrity or honesty;
- (c) in the reasonable opinion of the Scheme Administrator, a Grantee has engaged in serious misconduct or breaches the terms of this Scheme in any material respect; or
- (d) in the reasonable opinion of the Scheme Administrator, an Award to the Grantee will no longer be appropriate and aligned with the purpose of the Scheme,

then, unless the Scheme Administrator determines otherwise at its absolute discretion, any Awards granted but not yet exercised shall immediately lapse, regardless of whether such Awards have vested or not, and any Shares delivered to the Grantee pursuant to any Awards granted under this Scheme, and subject to the conditions in this Rule 18.1, 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) an amount equal to the aggregate amount of any proceeds previously received by the Grantee in relation to all Award Shares and Shares issued upon the exercise of the share options.

19. CEASING TO BE AN ELIGIBLE PARTICIPANT

19.1 Termination of employment: If a Grantee ceases to be an Eligible Participant by reason of termination of his/her employment or contractual engagement with the Group or Related Entity by way of his/her resignation or mutual consent and, unless the Scheme Administrator determines otherwise at its absolute discretion:

- (a) in the case of Share Options: (i) any vested Share Options shall be exercised within one month of the date of termination of his/her employment or contractual engagement with the Group or Related Entity; and (ii) any unvested Share Options shall immediately lapse.
- (b) in the case of Share Awards: (i) the unvested portion of the Share Awards shall be immediately lapsed, and (ii) the vested portion of the Share Awards shall be sold within one month after the date of termination of his/her employment or contractual engagement with the Group or Related Entity. For the avoidance of doubt, the Grantee shall retain the proceeds from such sale.

19.2 Death or permanent incapacity: If a Grantee ceases to be an Eligible Participant by reason of (i) death of the Grantee; or (ii) the termination of his/her employment or contractual engagement with any member of the Group or Related Entity by reason of his/her permanent physical or mental disablement and, unless the Scheme Administrator determines otherwise at its absolute discretion:

- (a) in the case of Share Options: (i) any vested Share Options shall be exercised within a period (as determined by the Scheme Administrator) by the personal representatives of the Grantee. In the case where a Grantee no longer has any legal capacity to exercise the Share Options, the vested Share Options may be exercised within that period by the persons charged with the duty of representing the Grantee under applicable laws. If the vested Share Options are not exercised within period as determined by the Scheme

Administrator, the Share Options shall automatically lapse, and (ii) any unvested Share Option shall lapse immediately; and

- (b) in the case of Share Awards: any vested Share Awards shall be sold within a period (as determined by the Scheme Administrator) by the personal representatives of the Grantee. For the avoidance of doubt, the Grantee and/or its personal representatives shall retain the proceeds from such sale. In the event where a Grantee no longer has any legal capacity to sell the Share Awards, the vested Share Awards may be sold within the said period by the persons charged with the duty of representing the Grantee under applicable laws. Any unvested Share Awards shall lapse immediately.

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 19.2.

19.3 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, the Grantee shall cease to be an Eligible Participant under this Scheme and, unless the Scheme Administrator determines otherwise at its absolute discretion:

- (a) in the case of Share Options: (i) any vested Share Options shall be exercised within one month of the date of the his/her cessation as an Eligible Participant under this scheme, and (ii) any unvested Share Options shall immediately lapse.
- (b) in the case of Share Awards: (i) the unvested portion of the Share Awards shall be immediately lapsed, and (ii) the vested portion of the Share Awards shall be sold within one month after the date of the his/her cessation as an Eligible Participant under this scheme and the Grantee shall retain the proceeds from such sale.

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 shall be conclusive.

19.4 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 and, unless the Scheme Administrator determines otherwise at its absolute discretion:

- (a) subject to the provisions of Rule 18, in the case of Share Options: a Grantee shall exercise any vested Share Options within one month of such cessation or within the Exercise Period, whichever is the shorter, or such other period as the Scheme Administrator may decide in their sole discretion. If a Share Option is not exercised within the stipulated time, the Share Option shall be forfeited and shall lapse. Any unvested Share Options shall immediately lapse; and
- (b) subject to the provisions of Rule 18, in the case of Share Awards: (i) the unvested portion of the Share Awards shall be immediately lapsed, and (ii) the vested portion of the Share Awards shall be sold within one month after the Grantee ceases to be an Eligible Participant and the Grantee shall retain the proceeds from such sale.

20. TRANSFERABILITY

20.1 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 shall be bound by these Scheme Rules and all applicable Award Letters as if the transferee were the Grantee.

- 20.2 Any breach of Rule 20.1 shall entitle the Company to cancel the applicable Awards. For this purpose, a determination by the Board or Scheme Administrator to the effect that a breach of Rule 20.1 has occurred shall be final and conclusive.

21. LAPSE OF OPTIONS

- 21.1 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 and, where relevant, exercised) on the earliest of:

- (a) the expiry of any applicable Exercise Period;
- (b) the date on which the Board or Scheme Administrator makes a determination under Rule 18;
- (c) the expiry of any of the periods for accepting the Award as referred to in Rule 11.3(a) or in the other circumstances set out in that Rule;
- (d) the date on which the Grantee commits a breach of Rule 20; and
- (e) the date on which the Grantee gives written notice to the Scheme Administrator that such Award is forfeited by the Grantee.

- 21.2 The Scheme Administrator shall have the power to decide whether an Award shall lapse and its decision shall be binding and conclusive on all parties. The Company shall not owe any liability to any Grantee for the lapse of any Award under this Rule 21.

22. ALTERATIONS IN SHARE CAPITAL

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

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 (including but not limited to, the requirements under Appendix 1 to Frequently Asked Questions FAQ13 —

No. 16 published by the Stock Exchange) 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. In respect of any such adjustments (other than any made on a capitalization issue), an independent financial advisor or the Auditors shall confirm to the Board in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules. The capacity of the Auditors or financial advisor (as the case may be) in this Rule is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees.

23. CHANGE OF CONTROL

- 23.1 If there is a 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 its sole discretion determine whether the Vesting Dates of any Awards will be accelerated and/or the vesting conditions or criteria of any Awards will be amended or waived, and notify the Grantees accordingly.
- 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 from time to time.

24. AMENDMENT OF THE SCHEME OR AWARDS

- 24.1 Subject to the provisions of this Rule 24, the Board or 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 Consent of the relevant Grantee is required for any change to the 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 that 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, provided that no such consent shall be required if the Scheme Administrator determines in its 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).

- 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 be valid and effective for the Scheme Period.

- 25.2 Subject to Rule 25.3, 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 and exercise of any Awards granted prior to the termination of the Scheme and such termination shall not affect any subsisting rights already granted to any Grantee hereunder.

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

26. MISCELLANEOUS

- 26.1 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 his/her office or employment or engagement shall not be affected by his/her participation in this Scheme or any right which he/she 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.

- 26.2 The Company shall not be responsible to (i) any Eligible Participant or Grantee for any failure by the Company or any person involved in the management or administration of the Scheme, (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.

- 26.3 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.

- 26.4 In the event that an Award lapses or is forfeited in accordance with the Scheme Rules, no Grantees shall be entitled to any compensation for any loss or any right or benefit or prospective right or benefit under the Scheme which he/she might otherwise have enjoyed.
- 26.5 The Company shall bear the costs of establishing and administering the Scheme.
- 26.6 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, holding or exercise of any Award. By accepting a grant of an Award or exercising an Award, the Grantee thereof is deemed to have represented to the Company that the Grantee has obtained all such consents and approvals. Compliance with this Rule shall be a condition precedent to an acceptance of an Award by a Grantee and an exercise by a Grantee of their Awards. Each Grantee by their acceptance of any Award thereby agrees to indemnify each member of the Group fully against all claims, demands, liabilities, actions, proceedings, fees, costs and expenses which they may suffer or incur (whether alone or jointly with other party or parties) for or in respect of any failure on the part of the Grantee to obtain any necessary consent or approval or to pay tax or other liabilities referred therein. No member of the Group shall be responsible for any failure by a Grantee to obtain any such consent or approval or for any tax or other liability to which a Grantee may become subject as a result of the Grantee's participation in the Scheme.
- 26.7 Each provision hereof shall be treated as a separate provision and shall be severally enforceable as such in the event of any provision or provisions being or becoming unenforceable in whole or in part. To the extent that any provision or provisions hereof are unenforceable they shall be deemed to be deleted from the Scheme Rules, and any such deletion shall not affect the enforceability of the Scheme Rules as remain not so deleted.
- 26.8 The Scheme shall operate subject to the Articles and to any restrictions under any applicable laws, rules and regulations (including the Listing Rules).
- 26.9 By accepting any Award and participating in the Scheme, each Grantee consents to the holding, processing, storage and use of personal data or information concerning him/her by any member of the Group or 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 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.

26.10 Any notice or other communication between the Company and any Eligible Participant or Grantee may be given by sending the same by prepaid post or by personal delivery to, (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, his/her address as notified to the Company from time to time or by hand delivery. In addition, any notice, disclosure or other communication from the Company to any Eligible Participant or Grantee may be given, and any mechanism for soliciting responses or notices from any Eligible Participant or Grantee to the Company may be effected, by any electronic means as the Scheme Administrator considers appropriate.

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

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 Save as otherwise expressly provided in the Scheme Rules, no third party (which for the purposes of this Rule 27.2 means any person other than the Company and Grantees) shall have the right to enforce any of the terms of the Scheme or the Scheme Rules or otherwise enjoy any benefits under the Scheme pursuant to the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) or otherwise. Alteration of the Scheme or the Scheme Rules may be effected in accordance with Rule 24 without requiring the consent of any third party.