

**SITC INTERNATIONAL HOLDINGS COMPANY LIMITED**  
*(Incorporated in the Cayman Islands with limited liability)*

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**SHARE SCHEME**

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(Adopted by a resolution of the shareholders  
of the Company on 26 April 2024)

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## 1. **DEFINITIONS**

1.1 In this Scheme, the following expressions shall have the following meanings:

“Adoption Date”	26 April 2024, being the date on which this Scheme becomes unconditional;
“Articles”	the articles of association of the Company as amended, supplemented or modified from time to time;
“associate”	has the same meaning as defined in the Listing Rules;
“Auditors”	the auditors of the Company for the time being;
“Award”	an award granted under this Scheme, which may be a Share Option or a Share Award;
“Award Shares”	new Shares underlying an Award;
“Board”	the board of directors of the Company for the time being or a duly authorised committee thereof;
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities listed thereon;
“close associate”	has the meaning as defined in the Listing Rules;
“Company”	SITC International Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability;
“connected person”	has the meaning as defined in the Listing Rules;
“core connected person”	has the meaning as defined in the Listing Rules;
“Directors”	the directors of the Company for the time being;
“Eligible Participants”	the Employee Participants and Related Entity Participants, and for the purposes of this Scheme, the Offer may be made to a vehicle (such as a trust or a private company) or similar arrangement for the benefit of a specified Eligible Participant subject to the fulfilment of requirements of the Listing Rules (including but not limited to a waiver from the Stock Exchange, where applicable);

“Employee Participants”	the directors and employees (whether full-time, part-time or other employment arrangement) of any member of the Group (including persons who are granted Awards under this Scheme as inducement to enter into employment contracts with any member of the Group);
“Exercise Period”	in respect of any Award, the period to be determined and notified by the Company to the Grantee thereof at the time of making an Offer provided that such period shall not go beyond the day immediately prior to the tenth anniversary of the Offer Date with respect of the relevant Award;
“Exercised Award Shares”	such number of Award Shares that have been exercised by a Grantee upon vesting of an Award;
“Exercise Price”	with respect to a particular Share Option, the price per Share at which the relevant Grantee may subscribe for the Shares on the exercise of the particular Share Option;
“Grantee”	any Eligible Participant who accepts the Offer in accordance with the terms of this Scheme or (where the context so permits and as referred to in paragraph 6.6(1)) his Personal Representative;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong for the time being;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issue Price”	in respect to a particular Share Award, the price per Share at which the relevant Grantee is required to pay to subscribe for the Shares comprising the Share Award;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as may be amended from time to time;
“Minimum Period”	with respect to an Award, the period commences on the Offer Date and ending on the day immediately prior to the first anniversary thereof;
“Offer”	an offer to an Eligible Participant for the grant of an Award;
“Offer Date”	the date on which an Offer is made to an Eligible Participant or the date as determined under paragraph 5.3;

“Personal Representative”	with respect to an Eligible Participant or a Grantee, the person who has the authority to deal with the relevant Eligible Participant’s or Grantee’s estate in accordance with the laws of succession applicable in respect of the death of the relevant Eligible Participant or Grantee;
“Related Entity Participants”	the directors and employees (whether full-time, part-time or other employment arrangement) of the holding companies, fellow subsidiaries or associated companies of the Company;
“Scheme Mandate Limit”	has the meaning as defined in paragraph 8.1(1);
“senior manager”	has the meaning as defined in Rule 17.01A of the Listing Rules;
“SFC”	the Securities and Futures Commission of Hong Kong;
“Shareholders”	holders of the Shares in issue from time to time;
“Share Award”	an Award which vests as a right to subscribe for Award Shares at the Issue Price during the Exercise Period pursuant to this Scheme;
“Share Option”	an Award which vests as a right to subscribe for Award Shares at the Exercise Price during the Exercise Period pursuant to this Scheme;
“Share Registrar”	the branch share registrar and transfer office of the Company in Hong Kong for the time being;
“Shares”	ordinary shares in the capital of the Company, or, if there has been a sub-division, consolidation, re-classification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company of such other nominal amount as shall result from any such sub-division, consolidation, re-classification or reconstruction;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“Termination Date”	close of the business day on which falls on the date immediately prior to the tenth anniversary of the Adoption Date;
“Trust”	has the meaning as defined in paragraph 3.4;

“this Scheme”	this share scheme in its present form as set out in this document or as may be amended in accordance with paragraph 13; and
“%”	per cent.

1.2 In this Scheme, save where the context otherwise requires:

- (1) paragraph headings are for ease of reference only and shall be ignored in construing this Scheme;
- (2) references to paragraph or paragraphs are references to paragraph or paragraphs hereof;
- (3) words importing the singular include the plural and vice versa;
- (4) words importing one gender include both genders and the neuter and vice versa;
- (5) references to persons include bodies corporate and unincorporated;
- (6) references to any statutory provisions or rules prescribed by any statutory bodies shall include the same as from time to time amended, consolidated and re-enacted; and
- (7) references to any statutory body shall include the successor thereof and anybody established to replace or assume the functions of the same.

## **2. CONDITIONS**

The adoption of this Scheme is conditional upon:

- (1) the passing of the necessary ordinary resolution at a general meeting of the Company approving the adoption of this Scheme; and
- (2) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal, in the Shares which may fall to be allotted and issued by the Company upon the exercise of the Awards that may be granted under this Scheme.

## **3. PURPOSE, DURATION AND ADMINISTRATION**

3.1 The purpose of this Scheme is to provide incentive to the Eligible Participants in order to promote the development and success of the business of the Group. This Scheme will give the Eligible Participants an opportunity to have a personal stake in the Company and will help motivate the Eligible Participants in optimising their performance and efficiency and attract and retain the Eligible Participants whose contributions are important to the long-term growth of the Group.

- 3.2 This Scheme shall be subject to the administration of the Board whose decision on all matters arising in relation to this Scheme or its interpretation or application or effect shall (save as otherwise provided herein and in the absence of manifest error) be final and binding. For the avoidance of doubt, subject to compliance with the requirements of the Listing Rules and the provisions of this Scheme, the Board shall have the right to (1) interpret and construe the provisions of this Scheme; (2) determine the persons who will be offered Awards under this Scheme, and the number of Shares and the Exercise Price or Issue Price in relation to such Awards; (3) make such appropriate and equitable adjustments to the terms of Awards granted under this Scheme as it may deem necessary; and (4) make such other decisions or determinations or regulations as it shall deem appropriate for the administration of this Scheme.
- 3.3 Subject to compliance with the Listing Rules, the authority to administer this Scheme 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.
- 3.4 The Company may establish a trust (“**Trust**”) and appoint a trustee independent of the Company and its connected persons to hold Shares for the purposes of: (i) holding Award Shares allotted and issued by the Company and reserved for specified Eligible Participants; (ii) settling Awards under paragraph 6.3(3); and (iii) taking other actions for the purposes of administering and implementing this Scheme. The trustee of the Trust shall be instructed by the Company.
- 3.5 In determining the basis of eligibility for Employee Participants, the factors in assessing whether any person is eligible to participate in this Scheme include: (1) the performance; (2) the skill, knowledge, experience, expertise and other personal qualities; (3) time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (4) the length of employment with the Group; and (5) the contribution or potential contribution to the development and growth of the Group.
- 3.6 In determining the basis of eligibility for Related Entity Participants, the Board would take into account, among others:
- (a) the experience of the Related Entity Participant on the Group’s businesses;
  - (b) his/her expertise and skill, the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Related Entity Participant has established with the Group;
  - (c) the positive impacts brought by, or expected from, the Related Entity Participant on the Group’s business development in terms of an increase in turnover or profits and/or an addition of expertise to the Group;
  - (d) whether the Related Entity Participant has assisted the Group in tapping into new markets and/or increased its market share;

- (e) the amount of support, assistance, guidance, advice, efforts and contributions the Related Entity Participant has exerted and given towards the success of the Group in research, product development or commercialisation, and/or the amount of other potential support, assistance, guidance, advice, efforts and contributions the Related Entity Participant is likely to be able to give or make towards the success of the Group in the future;
  - (f) the materiality and nature of the business relation of the holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies which may benefit the core business of the Group through a collaborative relationship.
- 3.7 Subject to paragraph 2 and paragraph 14, this Scheme shall be valid and effective until the Termination Date, after which period no further Awards will be granted but the provisions of this Scheme shall remain in force to the extent necessary to give effect to the exercise of any Awards granted on or prior to the Termination Date or otherwise as may be required in accordance with the provisions of this Scheme.
- 3.8 A Grantee shall ensure that any exercise of his Award is valid and complies with all laws, legislations and regulations to which the person is subject. The Board may, as a condition precedent of issuing Shares upon an exercise of an Award, require the relevant Grantee to produce such evidence as it may reasonably require for such purpose.
- 3.9 The Board may, in its absolute discretion, specify any condition in the Offer, including performance target or clawback mechanism, which must be satisfied before an Award may be exercised. The exercise of the Options is subject to the Eligible Participants satisfying all such conditions, without triggering any clawback mechanism. Such performance targets may include: (i) aggregate revenue of the Group for the relevant financial year (or the corresponding annual growth rate comparing with that of the immediately preceding financial year); (ii) market share of the Group's services for the relevant financial year (or the corresponding annual growth rate comparing with that of the immediately preceding financial year); (iii) net profit of the Group for the relevant financial year (or the corresponding annual growth rate comparing with that of the immediately preceding financial year); and/or (iv) other targets to be determined in the sole discretion of the Board. Grounds on which such clawback provisions may be triggered include: (i) resignation unilaterally and failure to meet the termination notice period requirements; (ii) being terminated for violating the relevant Company's regulations and discipline; (iii) been charged, convicted or held liable for any offence under the relevant securities laws in Hong Kong or any other applicable laws or regulations in force from time to time; (iv) breach of material regulations such as non-competition, confidentiality or Company's information security; (v) spreading adverse public opinion regarding Company's brands or image; (vi) material misstatement in the audited financial statements of the Company that requires a restatement; (vii) if the Grant is linked to any performance targets and the Board or the Committee is of the view that there exists circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner; and/or (viii) other circumstances to be determined in the sole discretion of the Board or the Committee. Save as determined by the Board and provided in the Offer, there is no performance target which must be achieved before an Award can be exercised under the terms of this Scheme or any clawback mechanism for the Company to recover or withhold any Award granted to a Grantee.



#### **4. OFFER AND ACCEPTANCE**

- 4.1 Subject to and in accordance with the provisions of this Scheme and the Listing Rules, the Board shall be entitled (but shall not be bound), at any time and from time to time and within a period commencing on the Adoption Date and ending on the Termination Date (both dates inclusive), to make an Offer to such Eligible Participant as it may, in its absolute discretion, select, and subject to such conditions as the Board may think fit, provided that no such Offer shall be made if a prospectus is required to be issued under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any applicable laws or if such grant will result in the breach by the Company or any of the Directors of any applicable securities laws and regulations in any jurisdiction.
- 4.2 No Offer shall be made by the Board:
- (1) after inside information (having the meaning as defined in the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong) has come to its knowledge until (and including) the Business Day after it has been announced by the Company pursuant to the requirements of the Listing Rules; and
  - (2) during the period commencing from one (1) month immediately preceding the earlier of:
    - (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approving the Company's results for any year, half-year or quarter-year period or any other interim period (whether or not required under the Listing Rules); and
    - (ii) the deadline for the Company to publish its results for any year, half-year or quarter-year period under the Listing Rules, or any other interim period (whether or not required under the Listing Rules),and ending on the date of the results announcements (or during any period of delay in publishing results announcements).
  - (3) 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).
- 4.3 An Offer shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the Board may from time to time determine (including where applicable through the Company's internal OA system or through other electronic means) specifying the terms of the Award which may include number of Award Shares, the Issue Price or Exercise Price (as applicable), the vesting criteria and conditions, the Exercise Period, any minimum performance targets that must be achieved, the clawback mechanism (if any) for the Company to recover or withhold any Share Options or Share Awards granted to any Eligible Participants, and any such other details as the Company may consider necessary, and requiring the Grantee to undertake to hold the Award on the terms of the Offer Letter and be bound by the provisions of this Scheme. An Offer shall remain open for acceptance by the Eligible Participant concerned (and by no other person, including the Eligible

Participant's Personal Representative) for a period of five (5) Business Days from the Offer Date.

- 4.4 An Offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all the Award Shares which are offered to such Eligible Participant when the duplicate letter or acknowledgement comprising acceptance of the Offer duly signed or acknowledged (including where applicable through the Company's internal OA system or through other electronic means) by the Eligible Participant, together with a payment in favour of the Company of HK\$1.00 or such other amount (if any) that may be determined by the Board as consideration for the grant thereof, is received by the Company.
- 4.5 Any Offer may only be accepted by an Eligible Participant in its entirety. To the extent that the Offer is not accepted within the stated period in paragraph 4.3, it will be deemed to have been irrevocably declined and the relevant Offer which is not accepted or deemed to be accepted shall lapse.
- 4.6 Upon an Offer being accepted by an Eligible Participant in accordance with paragraph 4.4 or paragraph 4.5 (as the case may be), an Award in respect of the number of Shares in respect of which the Offer was so accepted will be deemed to have been granted by the Company to such Eligible Participant on the Offer Date.
- 4.7 The making of an Offer to any connected person of the Company or any of his associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Grantee of an Award).

## **5. EXERCISE PRICE AND ISSUE PRICE**

- 5.1 The Exercise Price shall, subject to any adjustments made pursuant to paragraph 9, be determined by the Board, in its absolute discretion, provided that it shall be not less than the highest of:
- (1) the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange on the Offer Date, which must be a Business Day;
  - (2) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) consecutive days on which the Shares are traded on the Stock Exchange immediately preceding the Offer Date; and
  - (3) the nominal value of the Share on the Offer Date.
- 5.2 The Issue Price shall be such price determined by the Board in its absolute discretion and notified to the Grantee in the Offer Letter. For the avoidance of doubt, the Board may determine the Issue Price to be nil.
- 5.3 Where an Award is to be granted under paragraph 8.1(4), paragraph 8.1(5), paragraph 8.3 or paragraph 8.4, for the purposes of paragraph 5.1(1) or paragraph 5.1(2) above, the date of the meeting of the Board (or its authorized committee for the administration of this Scheme) or the remuneration committee thereof (as the case may be) at which the Offer was proposed shall be taken to be the Offer Date for the relevant Award, and the provisions of paragraph 5.1 shall apply *mutatis mutandis*.

## **6. EXERCISE AND SETTLEMENT OF AWARDS**

- 6.1 Subject to paragraph 6.2, an Award shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any Award or enter into any agreement so to do. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Award or any part thereof granted to such Grantee to the extent not already exercised.
- 6.2 The Stock Exchange may consider granting a waiver to allow a transfer of an Award to a vehicle (such as trust or private company) for the benefit of the Grantee and any family members of such Grantee that would continue to meet purpose of this Scheme and comply with the requirements of the Listing Rules.
- 6.3 (1) Subject to the terms of this Scheme, an Award shall be exercisable in whole or in part in the circumstances and in the manner as set out in this paragraph 6.3 or paragraph 6.6 (as the case may be) by the Grantee (or, as the case may be, the Grantee's Personal Representative) giving notice in writing to the Company stating that the Award is thereby exercised and the number of Award Shares in respect of which it is so exercised.
- (2) Each of such notice must be accompanied by a remittance for the full amount of the Exercise Price or the Issue Price (as applicable) for the Award Shares in respect of which the notice is given.
- (3) Within twenty-one (21) days (or such longer period if the Company in its sole discretion considers it appropriate due to applicable legal or regulatory restrictions) after receipt of the notice and the remittance and, where appropriate, receipt of the Auditors' or independent financial adviser's certificate pursuant to paragraph 9, the Company shall, at its discretion, arrange for the Exercised Award Shares to be satisfied in the following methods:
- (i) allot and issue the relevant number of Shares to the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's Personal Representative) credited as fully paid and instruct the Share Registrar to issue to the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's Personal Representative) a share certificate for the Shares so allotted and issued; and
- (ii) arrange for the Exercised Award Shares to be transferred to the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's Personal Representative) credited as fully paid and issue to the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's Personal Representative) a share certificate in respect of the Shares so transferred.
- 6.4 Save for the circumstances prescribed in paragraph 6.5, an Award must be held by the Grantee for a period that is not shorter than the Minimum Period before the Award can be exercised.
- 6.5 For the grant of Awards to Employee Participants, the Board may at its absolute discretion determine a vesting period shorter than the Minimum Period in the following circumstances:

- (a) grants of “make-whole” Awards to new joiners to replace the share options or award shares they forfeited when leaving the previous employers;
- (b) grants to an Eligible Participant whose employment is terminated due to death or occurrence of any out of control event;
- (c) grants that are made in batches during a year for administrative and compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch.;
- (d) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of twelve (12) months; or
- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria.

6.6 Subject as hereinafter provided, an Award may be exercised by the Grantee at any time during the Exercise Period provided that:

*Death*

- (1) in the event that the Grantee ceases to be an Eligible Participant by reason of the person’s death before exercising the Award in full (and if the Grantee is an Employee Participant, provided that none of the events which would be a ground for termination of the person’s employment or directorship under paragraph 6.6(3) arises):
  - (a) in the case of Share Options, the Grantee’s Personal Representative may exercise the Share Options outstanding (whether vested or not) in whole or in part in accordance with the provisions of paragraph 6.3 within one hundred and eighty (180) days following the date of death, or such longer period as the Board may determine, and any Share Options not exercised shall lapse at the end of the abovementioned period;
  - (b) in the case of Share Awards, the Grantee’s Personal Representative may, within two (2) years following the date of death, or such other period as the Board may determine, request the Company to deliver any outstanding Share Awards to the Grantee’s estate or if the Grantee has no Personal Representative or in case of bona vacantia, the outstanding Share Awards shall be forfeited and cease to be transferable and lapse upon the expiry of the above period;

*Injury, disability, ill-health, retirement or termination of the Grantee's employment*

- (2) in the event that the Grantee, by reason of the Grantee's employment with any member of the Group, ceases to be an Eligible Participant by reason of injury, disability, ill-health, retirement as an employee in accordance with the Grantee's contract of employment (all evidenced to the satisfaction of the Board), or the termination of the Grantee's employment with the Company provided that none of the events which would be a ground for termination of the Grantee's employment or directorship under paragraph 6.6(3) arises, before exercising the Award in full, the Grantee may exercise the Award (to the extent vested but not already exercised) in whole or in part in accordance with the provisions of paragraph 6.3 within (a) three months in the case of voluntary termination by the Grantee, or (b) six months in the case of termination by reason of injury, disability, ill health or retirement, following the date of such cessation, or such longer period as the Board may determine and any Award not exercised shall lapse at the end of the abovementioned period, or, if any of the events referred to in paragraph 6.6(6), occurs during such period, exercise the Award pursuant to paragraph 6.6(6). The date of cessation as aforesaid shall be the last day on which the Grantee is actually at work with the relevant member of the Group whether salary is paid in lieu of notice or not;

*Termination of employment for misconduct, bankruptcy, etc*

- (3) in the event that the Grantee ceases to be an Eligible Participant by reason of termination of his employment with any member of the Group on any one or more of the following grounds:
- (a) that the Grantee has been guilty of serious misconduct;
  - (b) that the Grantee has been convicted of any criminal offence involving the person's integrity or honesty or in relation to any member of the Group (if so determined by the Board);
  - (c) that the Grantee has become insolvent, bankrupt or has made arrangements or compositions with the Grantee's creditors generally; or
  - (d) on any other ground as determined by the Board that would warrant the termination of the Grantee's employment at common law or pursuant to any applicable laws or under the Grantee's service contract with any member of the Group,

before exercising the Award in full, the Grantee's Award (to the extent not already exercised) shall lapse and shall not be exercisable on the date of cessation, or such longer period as the Board may determine;

### *Related Entity Participants*

- (4) in the event that the Grantee who is a Related Entity Participant ceases to be an Eligible Participant by reason of any one or more of the following grounds:
- (a) in the case of the Grantee who is a Related Entity Participant, that he/she ceases to be associated with the Related Entity as a result of resignation, termination, dismissal or retirement;
  - (b) that there has been a breach of contract entered into between the Grantee and any member of the Group or the Related Entity;
  - (c) that the Board, in its sole and absolute opinion, believes that the Grantee is no longer contributing to the development or success of the Group, or has become a competitor of any member of the Group;
  - (d) that the Grantee has become bankrupt or insolvent or made any arrangement or composition with his creditors generally;
  - (e) that the Grantee has committed any serious misconduct, or
  - (f) that the Grantee has been convicted of any criminal offence (other than an offence which, in the sole and absolute opinion of the Board, does not bring the Grantee or any member the Group into disrepute),

the Award (to the extent vested but not already exercised) shall immediately lapse and shall not be exercisable on the date of cessation or such other date as the Board's determination;

### *Other reasons*

- (5) in the event that the Grantee ceases to be an Eligible Participant for any reason other than the reasons specified in paragraph 6.6(1) to paragraph 6.6(4), the Grantee's Award (to the extent vested but not already exercised) shall lapse and shall not be exercisable on the date of cessation provided that in each case, the Board may, in its absolute discretion, decide that such Award or any part thereof shall not so lapse or determine such conditions or limitations to which the exercise of such Award will be subject to;

### *Corporate transactions*

- (6) (a) 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 Company shall at its sole discretion determine whether the vesting dates of any Awards to Employee Participants will be accelerated and/or determine such conditions or limitations to which the exercise of such Award will be subject.

- (b) For the purpose of paragraph 6.6(a), “control” shall have the meaning as specified in The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC from time to time.

6.7 No dividends shall be payable in relation to Shares that are the subject of Awards that have not been exercised. Shares allotted and issued upon the exercise of an Award will be subject to all the provisions of the Articles and will rank *pari passu* in all respects with the other existing Shares in issue on the date of allotment and issue of the relevant Shares.

## 7. **EARLY TERMINATION OF EXERCISE PERIOD**

7.1 The Exercise Period in respect of any Award shall automatically terminate and that Award (to the extent vested but not already exercised) shall automatically lapse on the earliest of:

- (1) subject to paragraph 6.6, the expiry of the Exercise Period;
- (2) the date on which the Grantee commits a breach of paragraph 6.1;
- (3) the expiry of any of the periods referred to in paragraph 6.6; and
- (4) the date of the commencement of the winding-up of the Company.

7.2 A resolution of the Board to the effect that the employment or directorship of a Grantee has or has not been terminated on one or more of the grounds specified in paragraph 6.6(3) shall be conclusive and binding on the Grantee.

## 8. **SCHEME LIMITS AND ADDITIONAL APPROVALS**

8.1 Subject to the Listing Rules:

### *The Scheme Mandate Limit*

- (1) the total number of Shares which may be issued in respect of all Awards which may be granted at any time under this Scheme together with options and awards which may be granted under any other schemes of the Company shall not exceed such number of Shares as equals 10 % of the Shares in issue as at the Adoption Date (the “**Scheme Mandate Limit**”). Awards lapsed in accordance with the terms of this Scheme (and other schemes of the Company) will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit;

### *Refreshment*

- (2) (a) the Company may seek approval of the Shareholders in a general meeting of the Company to refresh the Scheme Mandate Limit under this Scheme on or after the third anniversary of the date of the Shareholders’ approval for the last refreshment or the Adoption Date. The total number of Shares which may be issued upon exercise of all (1) the Awards under this Scheme and (2) the options and awards to be granted under any other schemes of the Company as “refreshed” must not exceed 10 % of the Shares in issue as at the date of approval of the refreshment. For the purpose of seeking approval of the Shareholders under this paragraph 8.1(3), the Company

must send a circular to the Shareholders containing the information required under the Listing Rules; and

- (b) any refreshment within any three-year period shall be subject to independent Shareholders' approval.

*Grant in excess of the Scheme Mandate Limit*

- (3) the Company may seek separate approval of the Shareholders in a general meeting of the Company for granting Awards exceeding the Scheme Mandate Limit provided that the Awards in excess of the Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. For the purpose of seeking approval of the Shareholders under this paragraph 8.1(4), the Company must send a circular to the Shareholders containing a generic description of the specified Eligible Participants who may be granted such Awards, the number and terms of the Awards to be granted, the purpose of granting Awards to the specified Eligible Participants with an explanation as to how the terms of the Awards serve such purpose, and such other information as required under the Listing Rules. The number and terms (including the Exercise Price or the Issue Price) of the Awards to be granted to such Eligible Participant must be fixed before Shareholders' approval. For the grant of Share Options, the date of Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Exercise Price;

*The 1% individual limit*

- (4) (a) The grant of Awards to an Eligible Participant in any twelve (12) month period must not in aggregate exceed 1% of the Shares in issue. Where any grant of an Award to an Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) in the twelve(12)- month period up to and including the date of such grant representing in aggregate exceeding 1% of the Shares in issue, such grant must be separately approved by the Shareholders in a general meeting of the Company with such Eligible Participant and the person's close associates (or associates if the Eligible Participant is a connected person) abstaining from voting; and
- (b) the Company must send a circular to the Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the Awards to be granted (and Awards previously granted to such Eligible Participant during the twelve(12)-month period), the purpose of granting the Awards to the Eligible Participant, an explanation as to how the terms of the Awards serve such purpose and such information as may be required by the Stock Exchange from time to time. The number and terms (including the Exercise Price or Issue Price) of the Award to be granted to such Eligible Participant must be fixed before the general meeting of the Company. For the grant of Share Options, the date of the meeting of the Board for proposing such grant should be taken as the Offer Date for the purpose of calculating the Exercise Price.



*Offer to a Director, chief executive of the Company or substantial shareholder (as defined in the Listing Rules), or any of their respective associates*

8.2 Any grant of an Award to any of the Directors, chief executive of the Company or substantial shareholder (as defined in the Listing Rules), or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Grantee of the Award).

8.3 (a) (i) Where any grant of an Award to an independent non-executive Director or a substantial shareholder (as defined in the Listing Rules), or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) to such person in the twelve (12)- month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, or

(ii) where any grant of Share Awards (i.e., excluding 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 Awards lapsed in accordance with the terms of the relevant schemes) 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,

such grant of Award must be approved by the Shareholders in a general meeting of the Company.

(b) The Company must send a circular to the Shareholders. The circular must contain the information required under the Listing Rules.

(c) The Grantee, his associates and all the core connected persons must abstain from voting in favour of the proposed grant at such general meeting. Parties that are required to abstain from voting in favour of the proposed grant at the general meeting of the Company pursuant to the Listing Rules may vote against the resolution at the general meeting of the Company, provided that their intention to do so has been stated in the relevant circular to the Shareholders.

(d) Any vote taken at the general meeting of the Company to approve the grant of such Award must be taken on a poll and comply with the requirements under the Listing Rules.

8.4 Any change in the terms of Awards granted to an Eligible Participant who is a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates must be approved by the Shareholders in the manner as set out in the Listing Rules if the initial grant of the options requires such approval (except where the changes take effect automatically under the existing terms of this Scheme).

## 9. REORGANISATION OF CAPITAL STRUCTURE

9.1 In the event of any alteration in the capital structure of the Company whilst any Award remains exercisable or this Scheme remains in effect, and such event arises from a capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction), then, in any such case (other than in the case of capitalisation issue) the Company shall instruct the Auditors or independent financial adviser to certify in writing:

- (1) the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to:
- (2) the number or nominal amount of Shares to which this Scheme or any Awards relates (insofar as it is/they are unexercised); and/or
- (3) the Exercise Price or Issue Price of any Award,

and an adjustment as so certified by the Auditors or the independent financial adviser shall be made, provided that:

- (a) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;
- (b) any such adjustment shall be made on the basis that a Grantee shall be given the same proportion of the issued share capital of the Company for which such Grantee would have been entitled to subscribe had the person exercised all the Awards held by him immediately prior to such event (as interpreted in accordance with FAQ No. 072-2020 or any further or updated guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time);
- (c) the issue of securities of the Company for cash or as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and
- (d) in respect of any such adjustments, the Auditors or the independent financial adviser must confirm to the Board in writing that the adjustments satisfy the requirements set out in the above, the requirements of Rule 17.03(13) of the Listing Rules, FAQ 072-2020, any relevant provisions of the Listing Rules and any guidance/interpretation of the Listing Rules issued by the Stock Exchange and the note thereto from time to time.

Subject to the above principles and certification procedures, the default method of adjustment is set out below:

- (1) In the case of a capitalisation issue or rights issue, the Company would calculate the adjusted number of Awards and adjusted exercise price by applying the formula prescribed (and as updated from time to time) by the Stock Exchange in section A(a) and A(b), respectively, of the “APPENDIX TO SUPPLEMENTARY GUIDANCE ON MAIN BOARD LISTING RULE 17.03(13)” (the “**Supplemental Guidance**”) to FAQ No. 072-2020 published by the Stock Exchange, set out below:

New number of Awards = Existing Awards x F

New Exercise Price = Existing exercise Price x  $\frac{1}{F}$

Where

F = CUM / TEEP

CUM = Closing price as shown in the daily quotation sheet of the Stock Exchange on the last day of trading before going ex-entitlement

TEEP (Theoretical ex entitlement price) =  $\frac{\text{CUM} + [\text{M} \times \text{R}]}{1 + \text{M}}$

M = Entitlement per existing Share

R = Subscription price

- (2) In the case of a consolidation, subdivision or reduction of share capital, the Company would calculate the adjusted number of Awards and exercise price by applying the formula prescribed (and as updated from time to time) by the Stock Exchange in section B of the Supplemental Guidance, set out below:

New number of Awards = Existing Awards x F

New Exercise Price = Existing exercise Price x  $\frac{1}{F}$

Where F = Subdivision or consolidation or reduction factor

Any dispute arising in connection with the number of Shares of an Award and any of the matters referred to this section shall be referred to the decision of the Company's auditors or the independent financial advisers of the Company who shall act as experts and not as arbitrators and whose decision, in the absence of manifest error, shall be final, conclusive and binding on all persons who may be affected thereby.

- 9.2 If there has been any alteration in the capital structure of the Company as referred to in paragraph 9.1, the Company shall, upon receipt of a notice from a Grantee in accordance with paragraph 6.3, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the certificate of the Auditors or the independent financial adviser obtained by the Company for such purpose, or if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the Auditors or an independent financial adviser as soon as practicable thereafter to issue a certificate in that regard in accordance with paragraph 9.1.

- 9.3 In giving any certificate under this paragraph 9, the Auditors and independent financial adviser shall be deemed to be acting as experts and not as arbitrators and their certificate shall, in the absence of manifest error, be final, conclusive and binding on the Company and all persons who may be affected thereby.

## **10. VOTING OF UNVESTED SHARES**

The trustee of the Trust holding unvested Award Shares, whether directly or indirectly, shall abstain from voting on matters that require Shareholders' approval under the Listing Rules. For the avoidance of doubt, no Award Shares (i.e. Shares underlying a Share Award or a Share Option) will be entitled to vote at any general meeting of the Company until and unless they have been vested and transferred to the Grantee.

## **11. CANCELLATION OF AWARDS**

Subject to paragraph 6.6, any Award granted may not be cancelled except with the consent of the relevant Grantee and the prior approval of the Board. Where the Company cancels Awards and makes a new grant to the same Grantee, such new grant may only be made under this Scheme with the available limit approved by the Shareholders as set out in paragraph 8.1. The Awards cancelled and/or lapsed will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

## **12. SHARE CAPITAL**

The exercise of any Award shall be subject to the Company having sufficient share capital for the allotment and issuance of the Share that may fall to be allotted and issued upon exercise of the Award.

## **13. ALTERATION OF THIS SCHEME**

This Scheme may be altered in any respect by a resolution of the Board provided that:

- (a) any alterations to the terms and conditions of this Scheme which are of a material nature or any alteration in relation to any matter contained in Rule 17.03 of the Listing Rules to the advantage of the Eligible Participants must be approved by the shareholders of the Company in a general meeting of the Company;
- (b) any change to the terms of Awards granted to a Grantee must be approved by the Board, the remuneration committee, the independent non-executive Directors and/or the shareholders of the Company (as the case may be) if the initial grant of the Awards was approved by the Board, the remuneration committee, the independent non-executive directors and/or the shareholders of the Company (as the case may be) (except any changes which take effect automatically under the terms of this Scheme);
- (c) any change to the authority of the Directors or the administrator of this Scheme to alter the terms of this Scheme must be approved by the shareholders of the Company in a general meeting of the Company;

- (d) the amended terms of this Scheme or the Awards shall remain in compliance with Chapter 17 of the Listing Rules; and
- (e) no such alteration shall operate to affect adversely the terms of issue of any Award granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the Shareholders under the memorandum of association of the Company and the Articles being for a variation of the rights attached to Shares.

#### **14. TERMINATION**

The Company by an ordinary resolution in a general meeting of the Company may at any time terminate the operation of this Scheme. In such event, no further Awards will be offered but in all other respects, the provisions of this Scheme shall remain in force to the extent necessary to give effect to the exercise of any Awards granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme and the Awards granted prior to such termination shall continue to be valid and exercisable in accordance with this Scheme.

#### **15. MISCELLANEOUS**

- 15.1 This Scheme shall not form part of any contract of employment between the Company and any Eligible Participant who is the employee of any member of the Group and the rights and obligations of any such Eligible Participant under the terms of his office or employment shall not be affected by his participation in this Scheme or any right which the person may have to participate in it and this Scheme shall afford such an Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 15.2 This Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Awards themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.
- 15.3 The Company shall bear the costs of establishing and administering this Scheme, including any costs of the Auditors and the independent financial advisers in relation to the preparation of any certificate by them or providing any other service in relation to this Scheme.
- 15.4 Any direct costs and expenses arising on the vesting and issue of the Award Shares to or for the benefit of a Grantee shall be borne by the Company.
- 15.5 A Grantee shall pay all tax and discharge all other liabilities to which the person may become subject as a result of his participation in this Scheme or the exercise of any Award.

- 15.6 Any notice or other communication between the Company and a Grantee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business in Hong Kong and, in the case of the Grantee, his address in Hong Kong as notified to the Company from time to time or, if none or incorrect or out of date, his last place of employment with the Company or the Company's principal place of business in Hong Kong from time to time.
- 15.7 Any notice or other communication if sent by the Grantee shall be irrevocable and shall not be effective until actually received by the Company.
- 15.8 Any notice or other communication if sent to the Grantee shall be deemed to be given or made:
- (1) one (1) day after the date of posting, if sent by mail;
  - (2) seven (7) days after the date of posing to an address in a different territory;
  - (3) upon completion of transmission if sent by facsimile or other form of electric transmissions; and
  - (4) when delivered, if delivered by hand.
- 15.9 A Grantee shall, before accepting an Offer or exercising his Award, obtain all necessary consents and approvals that may be required to enable him to accept the Offer or to exercise the Award and the Company to allot and issue to him in accordance with the provisions of this Scheme the Shares falling to be allotted and issued upon the exercise of his Award. By accepting an Offer or exercising his Award, the Grantee thereof is deemed to have represented to the Company that the person has obtained all such consents and approvals. Compliance with this paragraph shall be a condition precedent to an acceptance of an Offer by a Grantee and an exercise by a Grantee of his Award.
- 15.10 By accepting an Offer a Grantee shall be deemed irrevocably to have waived any entitlement, by way of compensation for loss of office or otherwise howsoever to any sum or other benefit to compensate him for loss of any rights under this Scheme.
- 15.11 This Scheme and all the Awards granted hereunder are governed by and shall be construed in accordance with the laws of Hong Kong.