

**RULES OF THE SHARE SCHEME**

**OF**

**K CASH FINTECH CORPORATION LIMITED**

**Adopted conditionally pursuant to an ordinary resolution of  
the Shareholders passed on October 31, 2023**

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## Purpose

The purpose of this Scheme is to incentivize and reward the Eligible Persons for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company. This Scheme may, at the discretion of the Board, be used in conjunction with any cash based compensation, incentive compensation or bonus plan.

## 1 Interpretation

### 1.1 Defined Terms

In these Rules:

**“Associate(s)”** has the meaning ascribed to this term under the Listing Rules;

**“Associated company(ies)”** means, in relation to any company, an entity in which the company holds 20 per cent. or more of the issued shares or equity interest (whether directly or indirectly) or is otherwise entitled to control 20 per cent. or more of the entity's voting power;

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

**“Award”** means, 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, and which shall be funded by Award Shares;

**“Award Shares”** means, new Shares underlying an Award, and includes newly allotted and issued Shares or existing Shares that are required to be treated as newly allotted and issued Shares under applicable laws and regulations or by an applicable regulator;

**“Board”** means the board of directors of the Company (including any committee or delegate of the Board appointed by the Board to perform any of its functions hereunder);

**“Business Day”** means a day on which banks in Hong Kong are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong;

**“Company”** means K Cash Fintech Corporation Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability;

**“Connected Person”** has the meaning ascribed to this term under the Listing Rules;

**“Contract”** means, in relation to an employee or Director, his contract of employment or service contract with his Employer (as amended from time to time), whether or not such contract is written or oral and comprised in one or more documents;

**“Director”** means a director of the Company;

**“Eligible Person(s)”** means (i) a director and an employee of any member of the Group (**“Employee Participants”**); (ii) a director or an employee of any of the holding companies, fellow subsidiaries or associated companies of the Company; and (iii) Service Provider(s). The basis of eligibility of such Eligible Person(s) shall be determined by the Board from time to time. In assessing the eligibility, the Board will consider all relevant factors as appropriate, including, among others, (i) work performance; (ii) years of service; and (iii) potential or actual contribution to the business of the Group;

**“Employer”** means, in relation to an employee, the member of the Group which employs or has appointed him under his Contract;

**“Exercise Period”** means, in respect of any Share Option, the period during which the Grantee may exercise the Share Option;

**“Exercise Price”** means, 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”** means, the date on which the grant of an Award is made to a Grantee, which must be a Business Day;

**“Grantee”** means, any Eligible Person approved for participation in the Scheme and who has been granted any Award pursuant to Rule 3.1;

**“Group”** means, the Company together with its subsidiaries (as that term is defined in sections 2, 13 and 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended or supplemented or otherwise modified from time to time; and **“member of the Group”** shall be construed accordingly;

**“HK\$”** means Hong Kong dollars, the lawful currency of Hong Kong;

**“Hong Kong”** means the Hong Kong Special Administrative Region of the People’s Republic of China;

**“Hong Kong Stock Exchange”** means The Stock Exchange of Hong Kong Limited;

**“Issue Price”** means, in respect of a Share Award, is the price per share a Grantee is required to pay to subscribe for the Shares comprising the Share Award;

**“Listing Committee”** means the Listing Committee of the Hong Kong Stock Exchange;

**“Listing Date”** means the date on which dealings in the Shares first commence on the Hong Kong Stock Exchange;

**“Listing Rules”** means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);

**“Other Scheme(s)”** means any other share scheme involving the grant by the Company of awards over securities issued by the Company in accordance with the Listing Rules;

**“Rules”** means the rules of this Scheme as amended from time to time;

**“Scheme”** means the share scheme constituted and governed by these Rules;

**“Service Provider(s)”** means person(s) who provides services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group (including consultants, suppliers and service providers that are, or are anticipated to be going forward, a significant business partner or otherwise significant to the Group’s business but excluding any professional service providers who provide assurance or are required to performance their services with impartiality and objectivity);

**“Shareholder(s)”** means holder(s) of Shares;

**“Share Award(s)”** means shall have the meaning set out in Rule 3.1.2(a);

**“Share Option(s)”** means shall have the meaning set out in Rule 3.1.2(b);

**“Shares”** means ordinary shares with a par value of HK\$0.001 each in the share capital of the Company;

**“Subsidiary”** or **“subsidiaries”** has the meaning ascribed to this term under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended or supplemented or otherwise modified from time to time; and

**“Substantial Shareholder”** has the meaning ascribed to this term under the Listing Rules.

## 1.2 References to Enactments

Any reference in these Rules to any enactment or regulatory requirement means a

reference to such enactment as amended from time to time.

## **2 Adoption and Duration of this Scheme**

### **2.1 Adoption**

2.1.1 The adoption of this Scheme is conditional on:

- (i) the Listing Committee granting approval (subject to such conditions as the Hong Kong Stock Exchange may impose) for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any options or vesting of any Awards which may be granted under the Scheme; and
- (ii) the commencement of the dealings in the Shares on the Hong Kong Stock Exchange.

2.1.2 If the conditions referred to in Rule 2.1.1 are not satisfied on or before the date following six months after the date this Scheme was conditionally adopted:

- (i) this Scheme shall forthwith determine;
- (ii) any Award granted or agreed to be granted pursuant to the Scheme and any offer of such a grant shall be of no effect; and
- (iii) no person shall be entitled to any rights or benefits or be under any obligation under or in respect of this Scheme or any Awards.

### **2.2 Duration**

Subject to Rule 11, this Scheme shall be valid and effective for a period of ten years commencing on the Listing Date, after which period no further Awards will be granted but the provisions of this Scheme shall remain in full force and effect to the extent necessary to give effect to the vesting and exercise of any Awards granted prior thereto which are at that time or become thereafter capable of exercise under the Scheme, or otherwise to the extent as may be required in accordance with the provisions of this Scheme.

## **3 Offer and Acceptance of Grant**

### **3.1 Grants and Types of Awards**

3.1.1 The Board or scheme administrator may, from time to time, in their absolute discretion (a) determine any Eligible Person shall be eligible to participate in the Scheme, and (b) select any Eligible Person to be a Grantee and, subject to these Scheme Rules, grant an Award, the nature and amount of which shall be determined by the Board or scheme administrator, to such Grantee during the Scheme Period.

3.1.2 An Award may take the form of:

- (a) an award which vests in the form of the right to subscribe for and/or to be issued such number of Award Shares as the scheme administrator may determine at the 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 Award Shares as the Board or scheme administrator may determine during the exercise period at the Exercise Price in accordance with the terms of the Scheme Rules (a “**Share Option**”).

### **3.2 Acceptance**

Awards shall be open for acceptance in writing or by electronic communication to the scheme administrator, together with remittance in favour of the Company of any consideration payable upon grant of the Award for such period (not exceeding 30 days inclusive of, and from, the grant date) as the Board may determine and notify to the

Eligible Persons concerned provided that no such offer shall be open for acceptance after the expiry of the duration of this Scheme as specified in Rule 2.2. An 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. To the extent that an Award or part thereof is not accepted within the time and in the manner indicated in this Rule, the portion not accepted shall be deemed to have been irrevocably declined and shall automatically lapse.

### **3.3 Issue Price and Exercise Price**

3.3.1 For Awards which take the form of Share Awards, the Issue Price for the exercise of such Share Awards shall be such price determined by the scheme administrator in their absolute discretion and notified to the Grantee in the Award Letter. For the avoidance of doubt, the Board or the scheme administrator may determine the Issue Price to be at nil consideration.

3.3.2 For Awards which take the form of Share Options, the Exercise Price for such Share Options shall be such price determined by the Board or scheme administrator in their absolute discretion and notified to the Grantee in the Award Letter, provided that the Exercise Price shall in any event be no less than the higher of:

- (a) the closing price of the Shares as stated in the daily quotations sheet issued by the Hong Kong Stock Exchange on the Grant Date, which must be a Business Day;
- (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Hong Kong Stock Exchange for the five Business Days immediately preceding the Grant Date; and
- (c) the nominal value of the Shares.

### **3.4 Terms of Awards**

3.4.1 An Award shall be subject to such terms and conditions (if any) as may be determined by the Board and specified in the offer of the Award, including any vesting schedule and/or conditions. Any terms and conditions determined by the Board must not be contrary to the purpose of this Scheme and must be consistent with such guidelines (if any) as may be approved from time to time by the Shareholders.

3.4.2 The Directors shall have absolute discretion to determine, in respect of each Award, the performance targets that must be achieved for the vesting of Awards.

### **3.5 Payment on Grant**

The Board or scheme administrator may determine in their absolute discretion the amount (if any) payable on application or acceptance of an Award and the period within which any such payments must be made.

### **3.6 Non-Transferability of Awards**

An Award is personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest (legal or beneficial) in favor of or enter into any agreement with any other person over or in relation to any Awards, except for the transmission of an Award on the death of the Grantee to his/her/its personal representative(s) on the terms of this Scheme, or, subject to the Hong Kong Stock Exchange granting a waiver, on a case-by-case basis, transfer to vehicle (such as a trust or a private company) for the benefit of the participant and any family members of such participant (for example, for estate planning or tax planning purposes) that would continue to meet the purpose of this Scheme and comply with the requirements of the Listing Rules.

Except for the transmission of an Award on the death of a Grantee to his personal representatives, neither the Award nor any rights in respect of it may be transferred, assigned or otherwise disposed of by any Grantee to any other person or entity. If a Grantee transfers, assigns or disposes of any such Award or rights, whether voluntarily or involuntarily, then the relevant Award will immediately lapse.

## **4 Vesting and Exercise**

### **4.1 Vesting**

4.1.1 The Board or scheme administrator may in respect of each Award and subject to all applicable laws, rules and regulations determine such vesting criteria and conditions or periods for vesting of the Award in its sole and absolute discretion. The relevant Vesting Date of any Award shall be set out in the Award Letter.

4.1.2 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 3.3.2;
- (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 Share Options and Share Awards with a total vesting and holding period of more than 12 months.

4.1.3 A Share Option may be exercised in accordance with the terms of the Share Scheme at any time after the date upon which the Share Option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which a Share Option may be exercised will be determined by the Board in its absolute discretion, save that no Share Option may be exercised more than 10 years after it has been granted.

4.1.4 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.

### **4.2 Exercise**

Subject to the restriction set out in Rule 4.4, any Award:

4.2.1 which has vested;

4.2.2 which conditions have been satisfied or waived by the Board in its sole discretion; and

4.2.3 which has not lapsed,

may, unless the Board determines otherwise in its absolute discretion, be exercised at any time from the next Business Day after the offer of Awards has been accepted by a Grantee in accordance with Rule 3.2.

#### **4.3 Manner of Exercise**

A Grantee may exercise any or all of his Awards by notice of exercise in writing in such form as the Board may from time to time require delivered to the Chairman of the Company (or a person designated by him with the approval of the Board). The notice of exercise must be completed, signed by the Grantee or by his appointed agent:

- (a) For the exercise of a Share Option, such notice must be accompanied by a remittance for the Exercise Price multiplied by the number of Shares in respect of which the notice is given.
- (b) For the exercise of a Share Award, such notice must be accompanied by a remittance of the Issue Price (if any).

#### **4.4 Restriction on Exercise**

No Award may be exercised in circumstances where such exercise would, in the opinion of the Board, be in breach of a statutory or regulatory requirement.

### **5 Lapse and Cancellation**

#### **5.1 Lapse on Expiry of Exercise Period**

An Award shall lapse on the earlier of:

- 5.1.1 the expiry of the Exercise Period; or
- 5.1.2 the date when any circumstance referred to in Rule 3.6 occurs; or
- 5.1.3 the expiry of the time provided for in the applicable Rule where any of the circumstances provided in Rules 5.2 to 5.4 below apply.

#### **5.2 Lapse on Cessation of Employment**

##### **5.2.1 Resignation**

If a Grantee ceases to be an Eligible Person by reason of his voluntary resignation (other than in circumstances where he is constructively dismissed), any outstanding offer of Awards shall continue to be open for acceptance for such period as determined by the Board at its absolute discretion and notified to such Eligible Person under Rule 3.2, and all Awards (to the extent vested but not already exercised) will continue to be exercisable for such period as the Board may determine at its absolute discretion and notify to such Eligible Person on the date of cessation of employment of such Eligible Person.

##### **5.2.2 Termination by Employer**

If a Grantee ceases to be an Eligible Person by reason of his:

- (i) Employer terminating his Contract in accordance with its terms or any right conferred on his Employer by law; or
- (ii) Contract, being a Contract for a fixed term, expiring and not being renewed; or
- (iii) Employer terminating his Contract for serious or gross misconduct,

then any outstanding offer of an Award and all Awards shall immediately lapse, regardless of whether such Awards have vested or not, on the date the Grantee ceases to be an Eligible Person.

##### **5.2.3 Death, Disability, Retirement and Transfer**

If a Grantee ceases to be an Eligible Person by reason of:

- (i) his death; or
- (ii) his serious illness or injury which in the opinion of the Board renders the Grantee concerned unfit to perform the duties of his employment



and which in the normal course would render the Grantee unfit to continue performing the duties under his Contract for the following 12 months provided such illness or injury is not self-inflicted; or

- (iii) his retirement in accordance with the terms of a Grantee's Contract; or
- (iv) his early retirement by agreement with the Grantee's Employer; or
- (v) his Employer terminating his Contract by reason of redundancy; or
- (vi) his Employer ceasing to be a member of the Group, an holding company of the Company or its fellow subsidiaries, or an associated company of the Company; or
- (vii) a transfer of the business, or the part of the business, in which the Grantee works to a person who is neither under the control of the Company nor a member of the Group or an associated company of the Company; or
- (viii) if the Board determines in its absolute discretion that circumstances exist which mean that it is appropriate and consistent with the purpose of this Scheme to treat a Grantee whose Awards would otherwise lapse so that such Awards do not lapse but continue to subsist in accordance with (and subject to) the provisions of this Scheme,

then, subject to Rule 5.2.4, any outstanding offer of an Award which has not been accepted and any unvested Award will lapse and the Grantee or his personal representatives (if appropriate) may (subject to Rule 5.1) exercise all his Awards (to the extent vested but not already exercised) within a period of one month of the date of cessation of employment. Any Awards not exercised prior to the expiry of this period shall lapse.

#### **5.2.4 Lapse After Leaving Employment**

If the Board determines that a Grantee who ceases to be an Eligible Person in circumstances such that his Awards continue to subsist in accordance with Rule 5.2.3:

- (i) is guilty of any misconduct which would have justified the termination of his Contract for cause but which does not become known to the Company until after he has ceased employment with any member of the Group or associated companies of the Company;
- (ii) is in breach of any material term of Contract (or other contract or agreement related to his Contract), without limitation, any confidentiality agreement or agreement containing non-competition or non-solicitation restrictions between him and any member of the Group or associated companies of the Company;
- (iii) has disclosed trade secrets or confidential information of any member of the Group or associated companies of the Company; or
- (iv) has entered into competition with a member of the Group or associated companies of the Company or breached any non-solicitation provisions in his Contract,

then it may, in its absolute discretion, determine that any Awards granted and to be granted under the Scheme and any Other Scheme of our Company shall lapse regardless of whether such Awards have vested or not, upon the Board resolving to make such determination (whether or not the Grantee has been notified of the determination).

### **5.3 Lapse on Cessation to be a Director**

In the event that any Director ceases to be a Director of any member of the Group or associated companies of the Company, the Company shall, as soon as practicable

thereafter, give notice to the relevant Grantee who as a result ceases to be an Eligible Person. Any outstanding offer of an Award which has not been accepted under Rule 3.2 and any unvested Award will lapse on the date the Grantee ceases to be an Eligible Person. The Grantee (or his personal representative) may (subject to Rule 5.1) exercise all his Awards (to the extent vested but not already exercised) within a period of one month of the date of the notification by the Board. Any Award not exercised prior to the expiry of this period shall lapse.

#### **5.4 Corporate Transactions**

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 Board or 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.

For the purpose of Rule 5.4, “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.

#### **5.5 Cancellation of Awards**

Notwithstanding any other provision in this Scheme, the Board may cancel any Award. Unless the Grantee otherwise agrees, the Board may only cancel an Award (which has been granted but not yet exercised) if, at the election of the Board, either:

- 5.5.1 the Company determines to buyout an Award from a Grantee at a price, and on such terms as, deemed fair and communicated to the Grantee, following which, the purchased Award shall be cancelled; or
- 5.5.2 the Board offers to grant to the Grantee replacement Awards (or awards under any Other Scheme) or makes such arrangements as the Grantee may agree to compensate him for the loss of the Award; or
- 5.5.3 the Board makes such arrangements as the Grantee may agree to compensate him for the cancellation of the Award.

Where the Company cancels Awards granted and makes a new grant to the same Grantee, such new grant may only be made under this Scheme with available Scheme Mandate Limit and Service Provider Sublimit (as defined in Rule 7.1 below) approved by the Shareholders. Awards cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and Service Provider Sublimit.

### **6 Shares**

#### **6.1 Issue of Shares**

Shares to be issued following the exercise of an Award will be issued as soon as reasonably practicable (and, unless otherwise agreed between the Company and the Grantee, in any event within 30 days after the date on which correct payment in cleared funds of the Option Price for the number of Shares to be issued is received by the Company). However, if the Board considers that any restriction under any law or regulation or the rules of any stock exchange prevents the issue of Shares within this timeframe, the Shares will be issued or transferred within 30 days of the lifting of the restrictions.

#### **6.2 Rights**

No dividends (and distributions made upon the liquidation of the Company) will be payable and no voting rights will be exercisable in relation to an Award that has not been vested and exercised. Award Shares shall be identical to all existing issued Shares and (in respect of new Shares) shall be allotted and issued subject to all the provisions of the Articles of Association for the time being in force and will rank *pari passu* in all respects with the other fully paid Shares in issue on the date of allotment. They will not rank for any rights attaching to Shares by reference to a record date preceding the date

of allotment.

### 6.3 **Consents**

All allotments and issues of Shares or grant or exercise of Awards will be subject to any necessary consent under any relevant enactments or regulations for the time being in force under any relevant local legislation or regulations. The Grantee will be responsible for complying with any requirements to be fulfilled in order to obtain (or avoid the necessity for) any such consent.

## 7 **Scheme Limit**

### 7.1 **Scheme Mandate Limit**

Subject to Rule 7.2 and Rule 7.3, the initial maximum number of Shares which may be issued pursuant to all Awards to be granted under the Scheme and any Other Scheme must not in aggregate exceed 10% of the total number of Shares of the Company in issue on the Listing Date, or such higher limit as the Hong Kong Stock Exchange may allow pursuant to a waiver granted at the Hong Kong Stock Exchange's discretion (the "**Scheme Mandate Limit**"). Within the Scheme Mandate Limit, the initial total number of new Shares which may be issued pursuant to Awards to be granted to Service Providers shall not exceed 1% of the total number of Shares in issue on the Listing Date (the "**Service Provider Sublimit**").

Shares which may be issued pursuant to Awards which have lapsed in accordance with the terms of this Scheme and any Other Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit and/or the Service Provider Sublimit.

The total number of Shares which may be issued pursuant to the Scheme Mandate Limit and the Service Provider Sublimit shall be 32,000,000 Shares and 3,200,000 Shares, respectively.

### 7.2 **Refreshing the Scheme Mandate Limit and Sublimit**

The Company may refresh either of the Scheme Mandate Limit and/or the Service Provider Sublimit:

- (a) after three years from the date of the approval of the Shareholders for the adoption of the Scheme or the last refreshment of the Scheme Mandate Limit or Service Provider Sublimit (as the case may be) pursuant to this Rule with the prior approval of Shareholders in general meeting by way of ordinary resolution; or
- (b) at any time, with the prior approval of the Shareholders in general meeting (with the controlling shareholder (as defined under the Listing Rules) and their associates, or if there is no controlling shareholder, with the directors (excluding the independence nonexecutive directors) and the chief executive of the Company and their respective associates, abstaining from voting in favour at the general meeting) and subject to compliance with any additional requirements set out in the Listing Rules.

Awards already granted under the Scheme and any other share schemes of the Company (including those outstanding, cancelled or lapsed in accordance with its terms or exercised) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed.

### 7.3 **Exceeding the Scheme Limit**

The Board may grant Awards to any Eligible Person specifically identified by them which would cause the limit under Rule 7.1 (including, for the avoidance of doubt, any such limit as "refreshed" under Rule 7.2) to be exceeded, but only with the approval of the Shareholders in general meeting.

## **7.4 Individual Limit**

- 7.4.1 Subject to Rule 7.4.2, the Board shall not grant any Awards to any Eligible Person which, if exercised, would result in such Eligible Person becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued or to be issued to him under all Awards granted and to be granted under this Scheme and any other share scheme(s) of the Company (excluding any options and awards lapsed in accordance with the terms of the scheme) in the 12-month period up to and including the date of offer of such Awards, exceeds 1% of the Shares in issue at such date or such higher limit as the Hong Kong Stock Exchange may allow.
- 7.4.2 Notwithstanding Rule 7.4.1, the Board may further grant Awards to any Eligible Person causing the limit under Rule 7.4.1 in relation to such Eligible Person to be exceeded, but only with the approval of the Shareholders in general meeting (with such Eligible Person and his/her/its close associates abstaining from voting, or associates if the participant is a connected person). The Company must send a circular to the Shareholders disclosing the identity of the Eligible Person in question, the number and terms of the Awards to be granted (and Awards previously granted to such Eligible Person in the 12-month period) and such other information required under the Listing Rules. The number and terms of the Share Options or Share Awards to be granted to such Eligible Person must be fixed before the approval of the Shareholders and the date of the Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the exercise price under paragraph 17.03E of the Listing Rules.

## **8 Restrictions on Grants**

- 8.1 Grants of Awards to an Eligible Person shall be subject to the following additional rules:
- (a) Unless approved by the Shareholders in the manner set out in this Rule 8.3, the total number of Award Shares issued and to be issued upon exercise of Awards granted and to be granted under this Scheme and Other Schemes to each Eligible Person (including both exercised and outstanding Options) in any 12 month period shall not exceed 1% of the total number of Shares in issue.
  - (b) Any further grant of Awards to an Eligible Person which would exceed this limit shall be subject to separate approval of the Shareholders in general meeting with the relevant Eligible Person 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 Person shall be fixed before the Shareholders' approval is sought.
  - (c) 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.
- 8.2 Grants of Awards to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates, shall be subject to the following additional rules:
- (a) Such grant 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 of the Company (excluding any independent non-executive Director who is a proposed recipient of the grant of Awards).
  - (b) In addition:
    - (i) where any grant of 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 associates, would result in the shares issued and to be issued in respect of all awards granted (excluding any Awards lapsed in accordance with the terms of this Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue at the date of such grant; or

- (ii) where any grant of Awards to an independent non-executive director or substantial shareholder of the Company (or any of their respective associates) would result in the number of Shares issued and to be issued upon exercise of all awards already granted (excluding any Awards lapsed in accordance with the terms of this Scheme) to such person in the 12 month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of Shares in issue,

such further grant of Awards must be approved by Shareholders in general meeting in the manner required, and subject to the requirements set out, in the Listing Rules. Such Grantee, his associates and all core connected persons of the Company must abstain from voting on the resolution to approve such further grant of Awards. The Company shall send to the Shareholders a circular containing the information required under the Listing Rules for the purpose of seeking the approval of the Shareholders.

### **8.3 Restriction on the time of grant**

No Award shall be granted to any Eligible Person during the following time periods:

- 8.3.1 in circumstances prohibited by the Listing Rules or at a time when the relevant Eligible Person would be prohibited from dealing in the Shares by the Listing Rules (including the Model Code for Securities Transactions by Directors of Listed Issuers, set out in Appendix 10 to the Listing Rules) or by any applicable rules, regulations or law;
- 8.3.2 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 as required by the Listing Rules; and
- 8.3.3 during the periods commencing one month immediately before the earlier of the date of the board meeting (as such date is first notified to the Hong Kong Stock Exchange in accordance with the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and the deadline for the Company to announce such results (whether or not required under the Listing Rules), and ending on the date of the results announcement, provided that such period will also cover any period of delay in the publication of any results announcement.

### **8.4 Additionally, no Award shall be granted to any Eligible Person under the following circumstances:**

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

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

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

## **9 Reorganization of Capital Structure**

### **9.1 Adjustments**

In the event of any alteration in the capital structure of the Company by way of capitalization of profits or reserves, further rights issues of Shares, consolidation or subdivision of shares, or reduction of the share capital of the Company in accordance with applicable laws and regulatory requirements (other than an issue of any share capital as consideration in respect of a transaction), such corresponding adjustments (if any) shall be made to:

- (a) the number of Shares comprising the Scheme Mandate Limit or Service Provider Sublimit, provided that in the event of any Share subdivision or consolidation the Scheme Mandate Limit and Service Provider Sublimit 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 an independent financial adviser engaged by the Company for such purpose have certified such corresponding adjustments satisfy the relevant requirements of the Listing Rules and are, in their opinion, fair and reasonable either generally or as regards any particular Grantee, provided always that: (i) any such adjustments should give each Grantee the same proportion of the issued share 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.

### **9.2 Conditions Governing Adjustment**

Any adjustment under Rule 9.1 will be made in accordance with the following:

- 9.2.1 any such adjustment shall be made on the basis that a Grantee shall have the same proportion of the issued share capital of the Company as that to which he was entitled before such adjustment;
- 9.2.2 no such adjustment shall be made the effect of which would be to enable any Share to be issued at less than its nominal value, or to increase the proportion of the issued share capital of the Company for which any Grantee would have been entitled to subscribe had he exercised all the Awards held by him immediately prior to such adjustments; and
- 9.2.3 the Auditors or independent financial advisers appointed by the Board (as appropriate) must confirm to the Board in writing that the adjustment satisfies the requirements of the Note to paragraph 17.03(13) of the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time



to time issued by the Hong Kong Stock Exchange, except where such adjustment is made on a capitalization issue.

**9.3 Capacity of Auditors or Independent Financial Advisers**

The capacity of the Auditors or independent financial advisers in this Rule 9 is that of experts and not of arbitrators and their certification shall be final and binding on the Company and the Grantee in the absence of fraud or manifest error. The costs of the Auditors or independent financial advisers shall be borne by the Company.

**9.4 Notification of Adjustment**

The Company will notify a Grantee of any adjustments made in accordance with Rule 9.

**10 Amendment**

**10.1 Amendments to this Scheme**

10.1.1 Subject to the provisions of this Rule 10, the Board may amend any of the provisions of this Scheme (including amendments in order to comply with changes in legal or regulatory requirements) or any Awards granted under this Scheme at any time, except that any amendments to the terms and conditions of the Scheme which are of material nature or any amendments to the advantage of present or future Grantee in respect of matters contained in Rule 17.03 of the Listing Rules must be approved by the Shareholders in general meeting.

10.1.2 The 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 Board or 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.

10.1.3 Any amendments to the terms and conditions of this Scheme which are of a material nature or any amendments to the advantage of Eligible Persons in respect of matter contained in paragraph 17.03 of the Listing Rules and any change to the authority of the Board or scheme administrator to alter the terms of this Scheme shall be subject to the approval of the Shareholders in general meeting save where the amendments take effect automatically under the existing terms of this Scheme.

10.1.4 The amended terms of this Scheme must still comply with Chapter 17 of the Listing Rules.

**10.2 Amendments to terms of Awards**

10.2.1 Any amendments to the terms of any Awards granted may only be made with the approval of the Shareholders save where the amendments take effect automatically under the existing terms of this Scheme.

- 10.2.2 Any amendments to the terms of Awards granted to a Grantee who is a Substantial Shareholder or an Independent Non-Executive Director, or any of their respective Associates, must be approved by the Shareholders in general meeting. The resolution to approve the amendment must be taken on a poll and any Connected Person of the Company must abstain from voting on the resolution to approve such amendment, except that such a Connected Person may vote against such resolution subject to the requirements of paragraph 17.04 of the Listing Rules.

**10.3 Authority of the Board**

Any change to the authority of the Board in relation to any amendment of these Rules may only be made with the approval of the Shareholders in general meeting.

**11 Termination**

- 11.1 This Scheme will expire automatically on the day immediately preceding the 10th anniversary of the Listing Date.
- 11.2 The Board may terminate this Scheme at any time without Shareholders' approval by resolving that no further Awards shall be granted under this Scheme.
- 11.3 If the Board decides to terminate this Scheme under Rule 11.2, then no new grant under this Scheme will be made and Awards which have been granted but not yet exercised shall either:
- 11.3.1 continue subject to these Rules; or
- 11.3.2 be cancelled in accordance with Rule 5.5.

**12 General**

**12.1 Notices**

- 12.1.1 Any notice or other document which has to be given to an Eligible Person or Grantee under or in connection with this Scheme may be delivered to the Eligible Person or Grantee or sent by post or personal delivery to him at his home postal address according to the records of his employing company or such other address as the Company reasonably considers appropriate.
- 12.1.2 Any notice or other document which has to be given to the Company under or in connection with this Scheme may be delivered or sent by post to it at its registered office (or such other place as the Board may from time to time decide and notify to Grantees) or by facsimile transmission to the central facsimile number of the Company.
- 12.1.3 Notices sent by post will be deemed to have been given by the Company on the first day after the date of posting, and by the Grantee on the date of receipt by the Board.

**12.2 Administration**

- 12.2.1 The responsibility for administration of this Scheme shall rest with the Board. The Board, may, however, appoint an administrator or administrators in relation to this Scheme (or certain aspects thereof) on such terms as the Board may determine.
- 12.2.2 The decision of the Board on the interpretation of these Rules or operation of the Scheme or in any dispute relating to any matter relating to this Scheme will be final and binding (in the absence of manifest error).

**12.3 Terms of Employment**

Nothing in this Scheme will in any way be construed as imposing on any member of the Group a contractual obligation to any Eligible Person to offer participation in this Scheme.



Any person who ceased to be an employee of any member of the Group because of lawful dismissal or termination of employment or who is under notice of such lawful dismissal or termination of employment will in no circumstances be entitled to claim any compensation in respect of the operation of this Scheme (except as expressly provided under this Scheme).

**12.4 Withholding**

The Employer may withhold any amount and make any such arrangements, including the sale of any Shares on behalf of a Grantee as it considers necessary to meet any liability to taxation or social security contributions in respect of any Award granted to the Grantee pursuant to this Scheme. These arrangements may include the sale of any Shares on behalf of a Grantee, unless the Grantee discharges the liability himself.

**12.5 General Notices**

Grantees shall be entitled to receive copies of all notices and other documents sent by the Company to holders of Shares generally, provided that the Grantees are deemed to have received such notices and documents if and when they are posted on the Company's website.

**12.6 Taxation**

Each Grantee shall pay all taxes and discharge all other liabilities to which he may become subject as a result of his participation in this Scheme or the exercise or vesting of any Award.

**12.7 Costs**

The Company will pay the costs of establishing and administering this Scheme.

**13 Governing Law and Third Party Rights**

13.1 The law of the Hong Kong Special Administrative Region governs this Scheme and all Awards and their construction. The Company, each member of the Group and each Grantee must submit to the exclusive jurisdiction of the Hong Kong courts in all matters relating to this Scheme and any Award.

13.2 Save as otherwise expressly provided in the Scheme Rules, no third party (which for the purposes of this Rule means any person other than the Company and Grantees) shall have the right to enforce any of the terms of the Scheme or the Scheme Rules or otherwise enjoy any benefits under the Scheme pursuant to the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) or otherwise. Alteration of the Scheme, the Scheme Rules, Awards, or Award Letter may be effected in accordance with Rule 10 without requiring the consent of any third party.