

GUSHENGTANG HOLDINGS LIMITED

固生堂控股有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

**Rules relating to
Restricted Share Award Scheme
(For New Shares)**

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1. DEFINITIONS AND INTERPRETATION

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

“Acceptance Notice”	has the meaning ascribed to it under Clause 7.5;
“Administrator”	means the Board or a committee duly appointed by the Board for the purpose of administering this Scheme;
“Adoption Date”	means the date of adoption of the Scheme by ordinary resolution of the Shareholders at the EGM
“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Auditors”	means the auditors of the Company from time to time;
“Award”	means an award granted by the Administrator to an Eligible Participant, which may vest in the form of Restricted Shares, as the Administrator may determine in accordance with the terms of the rules of the Scheme;;
“Board”	means the board of directors of the Company;
“Business Day”	means a day on which the Stock Exchange is open for the business of dealing in securities;
“Cause”	means any of the following as determined at the sole discretion of the Administrator: (i) a Grantee’s material violations of the internal rules and procedures of any member of the Group, or material breach of employment contract, expert collaboration agreement, consulting agreement or other similar agreement or arrangement between such Grantee and the Company; (ii) other than the Grantee who is a part-time physician, a Grantee’s failure to accept and comply with any changes relating to his/her duties requested by the Company (or any affiliate of the Company), including without limitation to any changes to his/her job title or to the place of work in which he/she may be assigned to work; (iii) a Grantee’s breach of any provision in any confidentiality agreement, non-competition agreement or invention assignment agreement between such Grantee and the Company (or any affiliate of the Company), unauthorized use or other misuse of the Company’s trade secrets, intellectual property or proprietary information or violation of any material policy of the Company or its affiliates applicable to such Grantee; (iv) a Grantee accepting or asking for bribes, commission of embezzlement, theft or other similar acts; (v)

a Grantee's conviction of criminal offense; (vi) a Grantee (being a Management Participant) participating in activities which compete with the business of any member of the Group, or seeking benefits for other companies or entities which compete with any member of the Group; (vii) a Grantee (being a Management Participant) working as a part-time staff at other companies or entities, the business of which compete with any member of the Group, or engaging in any works not arranged by any member of the Group during the working hours, without permission of such member of the Group; (viii) a Grantee engaging in any acts or omission to perform any of his/her duties that has had or will have an adverse effect on the Company's or any of its affiliates' reputation or business as determined by the Administrator in its sole discretion; (ix) without the prior consent of the Group, a Grantee, who is a part-time physician hired by the Company (or an affiliate of the Company), has been engaged by another party as a full-time or part-time physician other than his/her original full-time employer; (x) a Grantee with any conduct that has materially adverse effect to the reputation or interests of any member of the Group; (xi) a medical institution of the Group, where a Grantee serves as a regional general manager, a dean of such institution or other responsible person, has been subject to a single administrative penalty exceeding RMB300,000 by the government institution, or being refused to pay or required to refund annual medical insurance by the medical insurance bureaus with the annual amount exceeding 8% of the annual reimbursement amount (which shall be determined by the financial department of the Group); (xii) a Grantee being a physician, has been subject to a single administrative penalty exceeding RMB300,000, or a single compensation to the clients of the Group for medical incidents or medical disputes exceeding RMB300,000 due to medical malpractice of such Grantee;

- “close associate(s)”** has the meaning ascribed thereto under the Listing Rules;
- “Company”** means GUSHENGTANG HOLDINGS LIMITED (固生堂控股有限公司), an exempted company with limited liability incorporated under the laws of Cayman Islands on May 8, 2014, whose shares are listed on the main board of the Stock Exchange with stock code 2273;
- “connected person”** has the meaning ascribed thereto under the Listing Rules;
- “controlling shareholder(s)”** has the meaning ascribed thereto under the Listing Rules;

“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Director(s)”	means any director (including independent non-executive director) of the Company;
“Disability”	means a disability, whether temporary or permanent, physical or mental, partial or total as determined by the Administrator based on medical proof;
“EGM”	the extraordinary general meeting of the Company for the purpose of, considering and, if thought fit, approving, among other things, the proposed adoption of the Scheme;
“Eligible Participant(s)”	means (i) any Management Participant; or (ii) any Service Provider, who the Administrator considers, in its sole discretion, has the eligibility ascribed thereto in Clause 6;
“Grant”	means the offer of the grant of an Award to be made in accordance with this Scheme;
“Grant Date”	means the date (which shall be a Business Day) on which the Grant is made to an Eligible Participant, being the date of the Grant Letter;
“Grant Letter”	has the meaning ascribed to it under Clause 7.4;
“Grantee”	means any Eligible Participant who accepts a Grant or is deemed to have accepted a Grant in accordance with the terms of this Scheme, or (where the context so permits) any person who is entitled to any Award in consequence of the death of the original Grantee;
“Group”	means the Company, its subsidiaries and its consolidated affiliated entities from time to time;
“Group Companies”	means the members of the Group, and each a “Group Company”;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time);
“Management Participant(s)”	means any senior or middle-level management of the Company or any other member of the Group, as determined by the Administrator at its sole discretion;

“Purchase Price”	means the consideration, if any, payable by a Grantee for acceptance of an Award, which shall be determined at the sole and absolute discretion of the Administrator;
“Remuneration Committee”	means the remuneration committee of the Company;
“Restricted Share(s)”	means any Share that may be offered by the Company to any Eligible Participants pursuant to the Scheme;
“RMB”	means the lawful currency of the People’s Republic of China;
“Scheme”	means this restricted share award scheme (for new Shares) in its present form or as amended from time to time;
“Scheme Mandate Limit”	has the meaning ascribed thereto in Clause 11.1;
“Selected Participant(s)”	means any Eligible Participant(s) selected by the Administrator in accordance with the terms of the Scheme;
“Service Provider(s)”	means (i) any physician, who is not a director or employee of the Company or any other member of the Group, providing online or offline healthcare services to the Group; or (ii) any consultant providing business consulting services on healthcare products quality control, medical regulations and policies, operation of offline medical institutions and medical research and development, to the Group, excluding (i) placing agent or financial adviser providing services for fundraising mergers or acquisitions or (ii) professional service provider such as auditor or valuer who provides assurance, or is required to perform services with impartiality and objectivity, and such person shall provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group;
“Service Provider Sublimit”	has the meaning ascribed thereto in Clause 11.2;
“SFO”	means the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (as amended, supplemented or otherwise modified from time to time);
“Share Schemes”	means share options schemes and/or share award schemes involving issuance of new Shares adopted and to be adopted by the Company from time to time;
“Share(s)”	means ordinary share(s) in the share capital of the Company with nominal value of US\$0.0001 each, or if there has been

a capitalization issue, rights issue, sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares forming part of the ordinary equity share capital of the Company of such nominal amount as shall result from any such capitalization issue, rights issue, sub-division, reduction, consolidation, reclassification or reconstruction;

“Shareholder(s)”	means holder(s) of Shares;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under Section 15 of the Companies Ordinance of Hong Kong (Chapter 622 of the Laws of Hong Kong);
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules;
“Trust”	means the trust constituted under the Trust Deed;
“Trust Deed”	means a trust deed to be entered into between the Company as the settlor and the Trustee as the trustee in respect of the appointment of the Trustee for the administration of the Scheme (as restated, supplemented and amended from time to time);
“Trust Fund”	has the meaning as defined in the Trust Deed;
“Trustee”	means the trustee corporation or trustee corporations (which is/are independent of and not connected with the Company) to be appointed by the Company for the administration of the Scheme or any additional or replacement trustee(s)
“Vesting Date”	means the date(s), as determined from time to time by the Administrator in accordance with this Scheme and the Grant Letter(s) for the Restricted Shares to be vested in the relevant Eligible Participants pursuant to Clause 8; and
“Vesting Notice”	has the meaning ascribed to it under Clause 8.2;
“%”	means per cent.

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

- (a) paragraph headings are inserted for convenience only and shall not limit, vary, extend or otherwise affect the construction of any provision of this Scheme;
- (b) references to Clauses are references to Clauses of this Scheme;

- (c) references to any statute or statutory provision shall be construed as references to such statute or statutory provision as respectively amended, consolidated or re-enacted, or as its operation is modified by any other statute or statutory provision (whether with or without modification), and shall include any subsidiary legislation enacted under the relevant statute;
- (d) expressions in the singular shall include the plural and vice versa;
- (e) expressions in any gender or the neuter shall include other genders and the neuter;
- (f) references to persons shall include bodies corporate, corporations, partnerships, sole proprietorships, organizations, associations, enterprises, branches and entities of any other kind whether or not having separate legal identity; and
- (g) references to any statutory body shall include the successor thereof and any body established to replace or assume the functions of the same.

2. CONDITIONS

2.1 The adoption of the Scheme is conditional upon:

- 2.1.1 the passing of the ordinary resolution by the Shareholders at the EGM to approve and adopt the Scheme and to authorise the Administrator to grant Awards under the Scheme and to allot and issue Shares in respect of such Awards under the Scheme; and
- 2.1.2 the Stock Exchange granting approval of (subject to such conditions as the Stock Exchange may impose) the listing of, and permission to deal in, any Shares which may fall to be allotted and issued in respect of any Award to be granted under the Scheme.

3. PURPOSE OF THIS SCHEME

- 3.1 The purpose of this Scheme is to provide incentives and/or rewards to Eligible Participants for their contributions to, and continuing efforts to promote the interests of, the Group and to enable the Group to recruit and retain talents.

4. EFFECTIVENESS AND DURATION

- 4.1 Subject to the fulfilment of the conditions in Clause 2 and subject to any early termination as may be determined by the Administrator pursuant to Clause 18 of this Scheme, this Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date, after which no further Awards will be granted, but the provisions of this Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to any Awards granted prior to such expiry and the administration of the Trust Fund held by the Trustee pursuant to the Trust Deed.

5. ADMINISTRATION

- 5.1 This Scheme shall be subject to the administration of the Administrator in accordance with the terms and conditions of this Scheme. The Administrator shall have the sole and absolute right to:
- 5.1.1 interpret and construe the provisions of this Scheme;
 - 5.1.2 determine the Eligible Participants who will be granted the Awards under this Scheme, the terms and conditions on which the Awards will be granted and the vesting schedule of the Restricted Shares to be granted pursuant to this Scheme;
 - 5.1.3 make such appropriate and equitable adjustments to the terms of the Awards granted under this Scheme as it deems necessary; and
 - 5.1.4 make such other decisions or determinations as it shall deem appropriate or desirable in the administration of the Scheme.

All the decisions, determinations and interpretations made by the Administrator in accordance with this Scheme shall be final, conclusive and binding on all persons affected thereby.

- 5.2 Subject to any applicable laws, regulations and rules, the powers and obligations of the Trustee will be limited as set forth in the Trust Deed and the Trustee shall, prior to the Restricted Shares being vested and transferred to the Grantees pursuant to this Scheme, exercise all powers and rights attached to the Shares (excluding the voting rights thereof) under this Scheme pursuant to the authorization and instruction by the Administrator. The Trustee will hold the Trust Fund (including the Shares to be purchased by the Trustee for the purpose of this Scheme) in accordance with the terms of the Trust Deed.
- 5.3 No member of the Administrator shall be personally liable by reason of any contract or other instrument executed by such member or on his behalf in his capacity as a member of the Administrator nor for any mistake of judgment made in good faith in relation to the administration or interpretation of the Scheme, and the Company shall indemnify on demand and hold harmless each employee or officer of the Company or any Director to whom any duty or power relating to the administration or interpretation of the Scheme may be allocated or delegated against any costs and expenses (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Administrator) arising out of any act or omission to act in connection with the Scheme, unless arising out of such person's own negligence, fraud or bad faith.

6. **ELIGIBILITY**

- 6.1 The Eligible Participants include Management Participants and Service Providers. Service Providers under the Scheme comprise the following:
- 6.1.1 physicians, who are not directors or employees of the Company or any other member of the Group, providing online or offline healthcare services to the Group; and

6.1.2 consultants providing business consulting services on healthcare products quality control, medical regulations and policies, operation of offline medical institutions and medical research and development, to the Group.

6.2 The eligibility of the Eligible Participants to the grant of the Awards shall be determined by the Administrator from time to time and on a case-by-case basis subject to the Administrator's opinion as to his/her/its contribution to the development and growth of the Group. In particular, in assessing the eligibility of Service Providers, including whether the Service Providers provide services to the Group on a continuing or recurring basis in the ordinary and usual course of business of the Group, the Administrator will consider all relevant factors as appropriate, including but not limited to:

6.2.1 in the case of physicians, (i) the historical collaboration relationships between such physician and the Group; (ii) the continuing services intended to be provided onwards by such physician to the Group; (iii) the Group's future business plans in relation to further collaboration with such physician; (iv) the positive impacts such physician has brought and anticipated to be continuously brought to the Group's business development; (v) track record in the quality of online or offline healthcare services provided by such physician; (vi) the capacity, expertise and reputation of such physician; and (vii) the nature of the service (i.e. whether the service provided and anticipated to be continuously provided by such physician is TCM healthcare service); and

6.2.2 in the case of consultants providing business consulting services to the Group, (i) the historical collaboration relationships between such consultant and the Group; (ii) the continuing services intended to be provided onwards by such consultant to the Group; (iii) the Group's future business plans in relation to further collaboration with such consultant; (iv) the positive impacts the consultant has brought and anticipated to be continuously brought to the Group's business development; (v) track record in the quality of consulting services provided by such consultant; (vi) the capacity, expertise and reputation of such consultant; and (vii) the nature of the service (i.e. whether the service provided and anticipated to be continuously provided by such consultant is business consulting service on healthcare products quality control, medical regulations and policies, operation of offline medical institutions or medical research and development).

7. GRANT OF AWARDS

7.1 On and subject to the terms of this Scheme and the terms and conditions that the Administrator imposes pursuant to Clause 5.1, the Administrator shall be entitled at any time during the term of this Scheme to make a Grant to any Eligible Participant, as the Administrator may in its absolute discretion determine.

7.2 The Administrator may in its absolute discretion specify such conditions, restrictions or limitations as it thinks fit when making a Grant to an Eligible Participant (including, without limitation, as to the performance targets, clawback mechanism and the vesting period attached to the Award), provided such terms and conditions shall not be inconsistent with any other terms and conditions of this Scheme. The terms and

conditions of an Award may be determined at the sole and absolute discretion of the Administrator and may differ among Selected Participants. In particular, the number of Restricted Shares underlying the Awards and/or vesting conditions attached to such Awards may be determined at the sole and absolute discretion of the Administrator with reference to the job title of the relevant Management Participants.

- 7.3 The consideration (if any) payable by a Selected Participant for acceptance of the Award under this Scheme shall be determined with reference, at the sole and absolute discretion of the Administrator, to the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Grant Date, which must be a business day, and shall not be less than the nominal value of a Share and any such consideration shall be paid to the Company or the Trustee at the sole and absolute discretion of the Administrator.
- 7.4 Subject to limitations and conditions of this Scheme, an offer of grant of Award to each of the Selected Participants will be made by the Administrator by way of a Grant Letter, in such form as the Administrator may from time to time determine for acceptance by the Selected Participants, each of which shall be in writing and shall:
- 7.4.1 state the name and address of the Selected Participant;
 - 7.4.2 state the Grant Date;
 - 7.4.3 specify a date, being a date not later than one month after (i) the Grant Date, or (ii) the date on which the conditions (if any) for the Grant are satisfied, whichever is earlier, by which the Selected Participant must accept the Grant or be deemed to have declined it;
 - 7.4.4 state the method for accepting the Grant and that an acceptance of the Grant must be accompanied by payment of the Purchase Price and, if applicable, its payment mechanism;
 - 7.4.5 specify the number of Restricted Shares to be granted;
 - 7.4.6 specify the vesting period, which shall not be less than 12 months, unless the Administrator determines, in its sole discretion, that the Awards granted to a Management Participant may be subject to a vesting period of less than 12 months in the following circumstances:
 - (i) Awards are subject to performance-based vesting conditions provided, in lieu of time-based vesting criteria to stimulate the Management Participants to achieve the relevant performance targets in a shorter period; or
 - (ii) Awards are granted in batches during a year for administrative and compliance reasons, in which case, the vesting period may be shorter to reflect the time from which the Awards would have been granted.
 - 7.4.7 specify the clawback mechanism as the Administrator may determine from time to time, including but not limited to in the occurrence of:

- (i) any Cause of an Eligible Participant;
- (ii) any violation of a Grantee to obligations of confidentiality or non-competition to the Group, or any leakage by such Grantee of the Group's trade secrets, intellectual property or proprietary information within the period of five years after such Grantee ceasing to be an Eligible Participant; or
- (iii) any conduct of a Grantee that has materially adverse effect to the reputation or interests of any member of the Group within the period of five years after such Grantee ceasing to be an Eligible Participant;

upon which, the Company may require such Grantee to return the gains from the vested Restricted Shares;

- 7.4.8 specify the performance target, as the Administrator may in its absolute discretion specify as it thinks fit, which will be imposed on a case-by-case basis to ensure the Award vested would be beneficial to the Group, with general factors to be taken into account include but not limited to (i) at the Company level, the period-to-period growth and development of the Group, the key performance indicators of which will tentatively tie to the phased revenue and profits after taking into account the period-to-period macroeconomic condition and the market and industry condition, as well as the overall strategic planning of the Group (i.e. the business focus of the Group of the upcoming financial year) and (ii) at the individual level, his/her personal position, the overall grade for his/her work performance (i.e. year-end appraisal result), his/her continued contribution to the Group in terms of revenue contribution, customer feedbacks, as well as quality, attitude (i.e. whether the Grantee is disciplined and responsible), capabilities (i.e. work capabilities and independence of the Grantee), teamwork (i.e. the communication skills of the Grantee and whether the Grantee is a team player) and other factors relevant to the Grantee;
 - 7.4.9 require the Eligible Participant to undertake to be bound by the provisions of the Grant Letter or the Scheme;
 - 7.4.10 if applicable, specify any other conditions attached to the Grant or Award as the Administrator may determine from time to time; and
 - 7.4.11 subject to the above, be made in such form as the Administrator may from time to time prescribe.
- 7.5 Upon the receipt from the selected Eligible Participant of a duly executed Acceptance Notice and payment of Purchase Price, the Awards shall be granted to such Eligible Participant, and such Eligible Participant shall become a Grantee pursuant to this Scheme. To the extent that the Grant or any term or condition set out in the Grant Letter is not accepted by any selected Eligible Participant within one month after (i) the Grant Date, or (ii) the date on which the conditions (if any) for the Grant are satisfied, whichever is earlier, or in a manner prescribed in the Grant Letter, it shall be deemed

that such Grant has irrevocably lapsed and terminated and that the Awards that would have been granted under the Grant have immediately lapsed.

- 7.6 The grant of Awards shall be satisfied by new Shares to be allotted and issued to the Trustee by the Company under the specific mandate to be granted by the Shareholders at the EGM.
- 7.7 No Grant shall be made to any Eligible Participant and no payment will be made to the Trustee and no instruction to acquire Shares will be given to the Trustee under the Scheme:
- 7.7.1 after information that must be disclosed under Rule 13.09 of the Listing Rules or inside information which must be disclosed under Part XIVA of the SFO has come to the knowledge of the Company until (and including) the trading day after it has announced the information;
 - 7.7.2 during the period commencing one month immediately preceding the earlier of: (1) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (2) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcements. Such period will cover any period of delay in the publication of a results announcement;
 - 7.7.3 during a specified period, where a Grant is prohibited under the Listing Rules, the SFO or other applicable laws from time to time or where such Grant would render the Company the subject of a mandatory offer under the Codes on Takeovers and Mergers and Share Buy-backs from time to time;
 - 7.7.4 in any other circumstances where dealings in Shares by a Grantee (including Directors of the Company) are prohibited under the Listing Rules, the SFO or any other applicable law or regulation;
 - 7.7.5 where the requisite approval for such Grant from any applicable regulatory authorities has not been granted;
 - 7.7.6 the securities laws or regulations require that a prospectus or other offering documents be issued in respect of the Grant or in respect of this Scheme, unless the Administrator determines otherwise; or
 - 7.7.7 where the Grant would result in a breach of any applicable laws, rules or regulations by any Group Company or any of its directors.
- 7.8 The provisions of Clauses 7.9 to 7.13 shall be subject to any waiver or ruling granted by the Stock Exchange, and may be amended by the Administrator to reflect any amendments made by the Stock Exchange after the Adoption Date to the relevant provisions of the Listing Rules which these Clauses have been drafted to reflect as at

the Adoption Date. For the purpose of calculating the limit in Clauses 7.9 and 7.11, options and awards that have already lapsed shall not be counted. For the purposes of Clauses 7.9 and 7.11, “**Relevant Shares**” means Shares issued and to be issued in respect of all options and awards granted to an Eligible Participant under Relevant Schemes (as defined in Clause 11.1 below) in the 12-month period up to and including the Grant Date of the relevant Award referred to in Clauses 7.9 and 7.11 (as the case may be).

- 7.9 Subject to Clause 7.10, no Award shall be granted to any Eligible Participant (“**Relevant Eligible Participant**”) if, at the time of the Grant, the number of Relevant Shares would exceed 1% of the total number of Shares in issue as at the Grant Date, unless:
- 7.9.1 such Grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by the Shareholders in general meeting, at which the Relevant Eligible Participant and his close associates (or his associates if the Relevant Eligible Participant is a connected person) abstained from voting;
 - 7.9.2 a circular containing the details of the Grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules; and
 - 7.9.3 the number and terms of such Award are fixed before the general meeting of the Company at which the same are approved.
- 7.10 Where an Award is to be granted to any Director, the chief executive or any substantial shareholder of the Company (or any of their respective associates), the grant shall not be valid unless it has been approved by the independent non-executive Directors, excluding any independent non-executive Director who is the proposed Grantee of the Award.
- 7.11 Where an Award is to be granted to an independent non-executive Director or a substantial shareholder of the Company (or any of their respective associates), and the Grant will result in the number of the Relevant Shares exceeding 0.1% of the total number of Shares in issue as at the Grant Date, such Grant shall not be valid unless:
- 7.11.1 the Grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by the Shareholders in general meeting, at which the proposed Grantee, his associates and all core connected persons of the Company abstained from voting in favour of the relevant resolution granting the approval;
 - 7.11.2 a circular containing the details of the Grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including but not limited to, the views of the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of the Award) as to whether the terms of the Grant are fair and reasonable and whether such Grant is in the interests of the Company and

Shareholders as a whole, and their recommendation to the independent Shareholders as to voting); and

7.11.3 the number and terms of such Award are fixed before the general meeting of the Company at which the same are approved.

7.12 Where an Award is to be granted to a Director (other than an independent non-executive Director) or the chief executive of the Company (or any of their respective associates), and the Grant will result in the number of the Shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the scheme) to such person in the 12-month period up to and including the Grant Date of the relevant Award exceeding 0.1% of the total number of Shares in issue as at the Grant Date, such Grant shall not be valid unless:

7.12.1 the Grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by the Shareholders in general meeting, at which the proposed Grantee, his associates and all core connected persons of the Company abstained from voting in favour of the relevant resolution granting the approval;

7.12.2 a circular containing the details of the Grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including but not limited to, the views of the independent non-executive Directors as to whether the terms of the Grant are fair and reasonable and whether such Grant is in the interests of the Company and Shareholders as a whole, and their recommendation to the independent Shareholders as to voting); and

7.12.3 the number and terms of such Award are fixed before the general meeting of the Company at which the same are approved.

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

7.13.1 such Grant has been approved in accordance with Clause 7.11 or 7.12; or

7.13.2 (where the grant was not subject to Clause 7.11 or 7.12) as a result of such proposed change, the Grant would come to be subject to Clause 7.11 or 7.12,

such change shall not be valid unless:

7.13.3 the change has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by the Shareholders in general meeting, at which such Grantee, his associates and all core connected persons of the Company abstained from voting in favour of the relevant resolution granting the approval; and

- 7.13.4 a circular regarding the change has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including but not limited to, the views of the independent non-executive Directors (excluding the independent non-executive Director who is the Grantee of the Award) as to whether the change is fair and reasonable and whether such change is in the interests of the Company and Shareholders as a whole, and their recommendation to the independent Shareholders as to voting).
- 7.14 In the cases referred to in Clauses 7.9 to 7.13, where an Award has not been approved by the Shareholders in general meeting or by the independent non-executive Directors (as the case may be), the Purchase Price paid by the Eligible Participant relating to such Award shall be refunded (without interest) by the Company.

8. VESTING OF RESTRICTED SHARES

- 8.1 Subject to the terms of this Scheme and the specific terms and conditions applicable to each Award, the Restricted Shares granted in an Award shall be subject to a vesting schedule (if any) and to the satisfaction of performance milestones or targets and/or other conditions to be determined by the Administrator (if any) in its sole and absolute discretion. If such conditions are not satisfied or waived, the Award shall automatically lapse on the date on which any such condition is not satisfied, as determined by the Administrator in its sole and absolute discretion.
- 8.2 Within a reasonable time after the fulfilment or waiver (by the Administrator in its sole and absolute discretion) of the vesting schedule and vesting conditions (if any) applicable to a Grantee or a Grant, a Vesting Notice will be sent to the Grantee by the Administrator, or by the relevant Trustee under the authorization and instruction by the Administrator, confirming, inter alia, (a) the extent to which the vesting schedule and vesting conditions (if any) have been fulfilled or waived; (b) the number of Restricted Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of these Shares) or the amount of cash the Grantee will receive; (c) where the Grantee will receive Restricted Shares, the lock-up arrangements or other restrictions for such Shares (if applicable). The Grantee is required to execute, after receiving the Vesting Notice, certain documents set out in the Vesting Notice that the Administrator considers necessary (which may include, without limitation, a certification that he or she has complied with all the terms and conditions set out in this Scheme and the Grant Letter and a certification of payment of Purchase Price, if any). In the event that the Grantee fails to execute the required documents within thirty (30) Business Days or such other date as stated in the Vesting Notice after receiving the Vesting Notice, the vested Restricted Shares will lapse.
- 8.3 Subject to the execution of documents by the Grantee as set out above, the Restricted Shares which have vested shall be satisfied at the Administrator's sole and absolute discretion within twenty (20) Business Days from the Vesting Date of such Restricted Shares, either by:
- 8.3.1 subject to Clause 8.5 below, the Administrator directing and procuring the Trustee to transfer the Restricted Shares (and, if applicable, the cash or non-

cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of these Shares) to the Grantee and/or a vehicle controlled by him/her (such as a trust or a private company) from the Trust Fund; and/or

- 8.3.2 the Administrator directing and procuring the Trustee to pay to the Grantee and/or a vehicle controlled by him/her (such as a trust or a private company) in cash an amount which is equivalent to the market value of the Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of these Shares) set out in Clause 8.3.1 above by making on-market sales of such Shares and after deduction or withholding of any tax, fees, levies, stamp duty and other charges applicable to the entitlement of the Grantee and the sales of any Shares to fund such payment and in relation thereto.
- 8.4 Notwithstanding the foregoing, if the Company, the Trustee or any Grantee would or might be prohibited from dealing in the Shares by the Listing Rules (where applicable) or by any other applicable laws, regulations or rules, the date on which the relevant Restricted Shares shall be transferred to the Grantee and/or a vehicle controlled by him/her (such as a trust or a private company) shall occur as soon as possible after the date when such dealing is permitted by the Listing Rules or by any other applicable laws, regulations or rules.
- 8.5 The Grantee shall be solely liable to pay all taxes, fees, levies, stamp duty and other applicable charges that may be assessed or assessable on any transfer or sale of the Restricted Shares or payments made by the Administrator, the Trustee or the Company (either directly or indirectly through the Trustee) under this Scheme, and all transfers or payments required to be made hereunder by the Administrator, the Trustee or the Company (either directly or indirectly through the Trustee) shall be subject to the deduction or withholding of such amounts as the Administrator may reasonably determine is necessary or desirable by reason of any liability to tax or obligation to account for tax or loss of any relief from tax that may fall on the Administrator or the Company, any Group Company or the Trustee in respect of, or by reason of such transfer or sales of Restricted Shares, and the Grantee agrees to indemnify and keep the Administrator or the Company (for itself and as trustee for its Group Companies) and the Trustee indemnified in respect of any such liability, obligation or loss and accepts any claim in respect of such indemnity may be satisfied by set-off against any sums due from the Administrator or the Company, any Group Company and/or the Trustee to such Grantee from time to time. For the avoidance of doubt, the Grantee shall be solely liable for all loss(es) and damage(s) (if any) to be suffered from acquiring or accepting the Award.
- 8.6 The Administrator shall have the sole and absolute discretion to determine whether or not a Grantee shall have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Restricted Shares underlying an Award prior to vesting of the Restricted Shares.
- 8.7 In the event a general offer by way of voluntary offer, takeover or otherwise (other than by way of scheme of arrangement pursuant to Clause 8.8 below) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person

controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the Vesting Date of any Restricted Shares, the Administrator shall, prior to or immediately upon the offer becoming or being declared unconditional, determine at its absolute discretion whether such Restricted Shares shall vest and the period within which such Restricted Shares shall vest. If the Administrator determines that such Restricted Shares shall vest, it shall notify the Grantee, the Trustee and the Company that the Restricted Shares shall vest and the period within which such Restricted Shares shall vest. For the avoidance of doubt, if the Administrator determines that such unvested Restricted Shares shall not vest, such Restricted Shares shall lapse with immediate effect.

- 8.8 In the event a general offer for Shares by way of scheme of arrangement is made to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings prior to the vesting of any Restricted Shares, the Administrator shall, prior to such meetings, determine at its sole and absolute discretion whether such Restricted Shares shall vest and the period within such Restricted Shares shall vest. If the Administrator determines that such Restricted Shares shall vest, it shall notify the Grantee, the Trustee and the Company that the Restricted Shares shall vest and the period within which such Restricted Shares shall vest. For the avoidance of doubt, if the Administrator determines that such unvested Restricted Shares shall not vest, such Restricted Shares shall lapse with immediate effect.
- 8.9 In the event a notice is given by the Company to the Shareholders to convene a Shareholders' meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company prior to the Vesting Date of any Restricted Shares, the Administrator shall determine at its sole and absolute discretion whether such Restricted Shares shall vest, and the period when such Restricted Shares shall vest. If the Administrator determines that such Restricted Shares shall vest, it shall notify the Grantee, the Trustee and the Company that the Restricted Shares shall vest and the period within which such Restricted Shares shall vest. For the avoidance of doubt, if the Administrator determines that such unvested Restricted Shares shall not vest, such Restricted Shares shall lapse with immediate effect.
- 8.10 In the event a compromise or arrangement, other than a scheme of arrangement contemplated in Clause 8.8 above, between the Company and the Shareholders and/or creditors is proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Administrator shall determine at its sole and absolute discretion whether such Restricted Shares shall vest, and the period when such Restricted Shares shall vest. If the Administrator determines that such Restricted Shares shall vest, it shall notify the Grantee, the Trustee and the Company that the Restricted Shares shall vest and the period within which such Restricted Shares shall vest. For the avoidance of doubt, if the Administrator determines that such unvested Restricted Shares shall not vest, such Restricted Shares shall lapse with immediate effect.

9. **TRANSFERABILITY**

- 9.1 An Award shall be personal to the Grantee and shall not be assignable nor transferable, and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (whether legal or beneficial) in favour of any third party over or in relation

to any unvested Restricted Shares or any property held by the Trustee on trust for the Grantees or enter or purport to enter into any agreement to do so, unless and until such Restricted Shares are actually vested and transferred to the Grantee.

10. LAPSE

- 10.1 Subject to terms and conditions of this Scheme, the unvested Restricted Shares shall automatically lapse upon the earliest of:
- 10.1.1 the date of the termination of a Grantee's employment or service by any Group Company, subject to Clause 10.2;
 - 10.1.2 the date on which the Grantee ceases to be an Eligible Participant due to any Cause;
 - 10.1.3 the date on which the Grantee commits a breach of Clause 9.1;
 - 10.1.4 the date on which the Administrator reasonably believes it is no longer possible for any outstanding conditions to vesting to be satisfied;
 - 10.1.5 the date of the events or the expiry of any of the periods referred to in Clauses 8.7 to 8.10; or
 - 10.1.6 the date on which the Administrator has decided that the unvested Restricted Shares shall not be vested for the Grantee in accordance with the rules of this Scheme and the terms and conditions as set out in the Grant Letter.
- 10.2 If the Grantee's employment or service with the Company or any of the Group Companies is terminated for any reason other than for Cause (including by reason of resignation, retirement, death, Disability, redundancy, non-renewal of the employment or service agreement upon its expiration for any reason other than for Cause), the Administrator shall determine at its sole and absolute discretion and shall notify the Grantee whether any unvested Restricted Shares granted to such Grantee shall vest and the period within which such Restricted Shares shall vest. If the Administrator determines that such Restricted Shares shall not vest, such Restricted Shares shall automatically lapse with effect from the date on which the Grantee's employment or service is terminated.
- 10.3 Notwithstanding any other provisions of this Scheme, for the purpose of Clause 10.1.2, the Administrator shall have the right to determine what constitutes Cause, whether the Grantee's employment or service has been terminated for Cause and the effective date of such termination, and such determination by the Administrator shall be final and conclusive.
- 10.4 Where any unvested Restricted Shares of a Grantee lapse in accordance with the rules of this Scheme, the Administrator shall direct the Trustee to refund to the Grantee the Purchase Price (if any) in correspondence to such unvested Restricted Shares paid by the Grantee pursuant to Clause 7.3 of this Scheme and the terms and conditions as set out in the Grant Letter. To the extent the Trust Fund does not have sufficient cash to pay and settle such refund, the Trustee shall notify the Company/the Administrator of

such shortfall and the Company shall pay to the Trustee the shortfall amount within twenty (20) Business Days upon its receipt of such notice from the Trustee.

- 10.5 Notwithstanding any other provisions of this Scheme, in each case, the Administrator may in its sole and absolute discretion decide that any Restricted Shares shall not lapse or shall be subject to such conditions or limitations as the Administrator may decide.

11. **MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**

- 11.1 Subject to Clauses 11.5 and 11.6, the total number of Shares which may be issued in respect of all options and awards to be granted under the Scheme and any other Share Schemes (the “**Relevant Scheme(s)**”) must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date (the “**Scheme Mandate Limit**”).
- 11.2 Subject to Clauses 11.1, 11.5 and 11.6, the total number of Shares which may be issued in respect of all options and awards to be granted to all service providers (as defined therein) under the Relevant Scheme(s) must not in aggregate exceed 6% of the total number of Shares in issue as at the Adoption Date (the “**Service Provider Sublimit**”).
- 11.3 Subject to Clause 12.2, for the purposes of calculating the Scheme Mandate Limit and the Service Provider Sublimit under Clauses 11.1 and 11.2, options and awards that have already lapsed in accordance with the terms of the Relevant Scheme(s) shall not be regarded as utilised.
- 11.4 If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit or the Service Provider Sublimit has been approved by the Shareholders in general meeting, the maximum number of Shares that may be issued in respect of all options and awards to be granted under all Relevant Scheme(s) under the Scheme Mandate Limit or the Service Provider Sublimit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.
- 11.5 The Scheme Mandate Limit and the Service Provider Sublimit may be refreshed by the Shareholders in general meeting after three years from the date of Shareholders’ approval for the last refreshment (or the adoption of the Scheme), provided that:
- 11.5.1 the total number of Shares which may be issued in respect of all options and awards to be granted under all Relevant Scheme(s) under the Scheme Mandate Limit as refreshed shall not exceed 10% of the total number of Shares in issue as at the date of approval of the refreshing of the Scheme Mandate Limit by the Shareholders;
- 11.5.2 the total number of Shares which may be issued in respect of all options and awards to be granted under all Relevant Scheme(s) under the Service Provider Sublimit as refreshed shall not exceed 6% of the total number of Shares in issue as at the date of approval of the refreshing of the Service Provider Sublimit by the Shareholders; and
- 11.5.3 a circular regarding the proposed refreshing of the Scheme Mandate Limit and the Service Provider Sublimit has been despatched to the Shareholders in a

manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules.

Within three years from the date of Shareholders' approval for the last refreshment (or the adoption of the Scheme), the Scheme Mandate Limit and Service Provider Sublimit may be refreshed by the Shareholders in general meeting subject to the requirements under Clauses 11.5.1, 11.5.2 and 11.5.3 and the following provisions:

11.5.4 any controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and

11.5.5 the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules.

The requirements under Clauses 11.5.4 and 11.5.5 do not apply if such refreshment is made immediately after an issue of securities by the Company to Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit and the Service Provider Sublimit (as a percentage of the total number of issued Shares) upon refreshment is the same as the unused part of the Scheme Mandate Limit and the Service Provider Sublimit immediately before the issue of securities, rounded to the nearest whole Share.

11.6 The Company may seek separate approval from the Shareholders in general meeting for granting Awards which will result in the Scheme Mandate Limit being exceeded, provided that:

11.6.1 the grant is only to Eligible Participants specifically identified by the Company before the approval is sought;

11.6.2 a circular containing the details of the Grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules; and

11.6.3 the number and terms of the Awards to be granted to such Eligible Participants are fixed before the general meeting of the Company at which the same are approved.

12. CANCELLATION OF RESTRICTED SHARES

12.1 The Administrator may at its discretion cancel any Award that has not vested or lapsed, provided that:

12.1.1 The Company or any member of the Group pay to the Grantee an amount equal to the Purchase Price; or

12.1.2 The Administrator makes any arrangement as the Administrator and Grantee may mutually agree in order to compensate him/her for the cancellation of the Awards.

- 12.2 No options or awards may be granted to an Eligible Participant in place of his cancelled Awards unless there are available Scheme Mandate Limit and Service Provider Sublimit (if applicable) from time to time. For the purpose of this Clause 12.2, the Awards cancelled will be regarded as utilised in calculating the Scheme Mandate Limit and the Service Provider Sublimit.

13. **REORGANIZATION OF CAPITAL STRUCTURE**

- 13.1 In the event of any alteration in the capital structure of the Company whilst any Award remains outstanding, such as capitalization issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company, the Administrator may make equitable adjustments that it considers appropriate, at its sole and absolute discretion, including:

13.1.1 the maximum number of Shares subject to the Scheme; and/or

13.1.2 the number or nominal amount of Restricted Shares already granted but not vested; and/or

13.1.3 the Purchase Price,

provided that:

13.1.4 no such adjustments shall be made in respect of an issue of securities by the Company as consideration in a transaction;

13.1.5 any such adjustments must be made so that each Grantee is given the same proportion of the share capital of the Company, rounded to the nearest whole Share, as that to which he was previously entitled;

13.1.6 no such adjustments shall be made which would result in the Purchase Price for a Share being less than its nominal value, provided that in such circumstances the Purchase Price shall be reduced to the nominal value;

13.1.7 any such adjustments, save those made on a capitalisation issue, shall be confirmed by an independent financial adviser or the Auditors in writing to the Directors as satisfying the requirements of Clause 13.1.5 above, the requirements of the relevant provisions of the Listing Rules and the supplementary guidance on Rule 17.03(13) of the Listing Rules set out in the letter issued by the Stock Exchange on September 5, 2005 (the "**Supplementary Guidance**") and any further guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time, and that in the opinion of the Auditors or an independent financial adviser that the adjustments made by the Administrator under this Clause 13.1 are fair and reasonable;

13.1.8 any such adjustments to be made pursuant to a subdivision or consolidation of share capital shall be made on the basis that the aggregate Purchase Price payable by a Grantee for the vesting of the Restricted Shares granted to him

shall remain as nearly as possible the same (but shall not be greater than) as it was before such event; and

13.1.9 any adjustments to be made will comply with the Listing Rules, the Supplementary Guidance and any further guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.

13.2 If there has been any alteration in the capital structure of the Company as referred to in Clause 13.1, the Company shall inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made pursuant to the certificate of the independent financial adviser or the Auditors (as the case may be) 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 independent financial adviser or the Auditors (as the case may be) as soon as practicable to issue a certificate in that regard in accordance with Clause 13.1.

13.3 For the purposes of Clause 13, the independent financial adviser or the Auditors shall act as experts and not as arbitrators and their certification shall be final and binding on the Company and the Grantees. Their costs shall be borne by the Company.

14. **RIGHTS ATTACHED TO AWARDS AND RESTRICTED SHARES**

14.1 Neither the Grantees nor the Trustee may exercise any of the voting rights in respect of any Restricted Shares that have not yet vested. No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an Award pursuant to this Scheme, unless and until such Restricted Shares are actually transferred to the Grantee and/or a vehicle controlled by him/her (such as a trust or a private company) upon the vesting of the Restricted Shares. Unless otherwise specified by the Administrator in its sole and absolute discretion in the Grant Letter pursuant to Clause 8.6 in this Scheme, the Grantees do not have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Restricted Shares prior to the vesting of the Restricted Shares.

14.2 Any Restricted Shares to be transferred to a Grantee or a vehicle controlled by him/her (such as a trust or a private company) upon the vesting of Restricted Shares granted pursuant to this Scheme shall be subject to all the provisions of the amended and restated memorandum and articles of association of the Company and shall rank *pari passu* in all respects with the existing fully-paid Shares in issue on the date of transfer, and accordingly shall entitle the holder of such Shares to participate in all dividends or other distributions paid or made on or after the date of transfer and to exercise all voting rights in respect of such Shares.

14.3 The Trustee shall not exercise any voting rights in respect of any Shares held by the Trustee for the purpose of the Scheme, and will therefore abstain from voting on any Shareholders' general meeting of the Company.

15. **COMPLIANCE**

15.1 No discretion shall be exercised by, as to the Grant and vesting pursuant to this Scheme, and no instructions to deal in any Restricted Shares underlying the Awards shall be

given to, the Trustee under this Scheme, where such exercise of discretion or giving of instructions (as applicable) is prohibited under the Listing Rules, the SFO and other applicable laws, regulations and rules from time to time (and such prohibition has not been waived in respect of the Company). Where such prohibition causes a timeline under this Scheme or the Trust Deed (including but not limited to the Vesting Date or the exercise of any discretion by the Administrator) to be impracticable, such timeline shall be treated as extended until as soon as practicable after the first date on which the prohibition no longer prevents the relevant action or event, or as soon as practicable after a decision has been made as to whether the discretion should or should not be exercised, as the case may be.

- 15.2 The Administrator shall comply with all applicable disclosure requirements in connection with the administration and operation of this Scheme, including but not limited to the requirements under the Listing Rules and applicable laws, regulations and rules from time to time.

16. **DISPUTES**

- 16.1 Any dispute arising in connection with the Scheme shall be referred to the decision of the Administrator and whose decision shall be final and binding.

17. **ALTERATION OF THIS SCHEME**

- 17.1 The Scheme may be altered in any respect by resolution of the Administrator, except that any alterations to the terms and conditions of the Scheme that are of a material nature or any alterations to the specific terms of this Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Grantees or proposed Grantees must be approved by the Shareholders in general meeting (with the Grantees and their associates abstaining from voting). The Administrator's determination as to whether any proposed alteration to the terms and conditions of the Scheme is material shall be conclusive.
- 17.2 Any change to the authority of the Administrator to alter the terms of the Scheme shall not be valid unless approved by Shareholders in general meeting.
- 17.3 Any change to the terms of Awards granted to a Grantee must be approved by the Administrator, the Remuneration Committee, the independent non-executive Directors of the Company and/or the Shareholders (as the case may be) if the initial grant of such Awards under the Scheme was approved by the Administrator, the Remuneration Committee, the independent non-executive Directors of the Company and/or the Shareholders (as the case may be) except where the alterations take effect automatically under the existing terms of the Scheme.
- 17.4 The amended terms of the Scheme or the Awards must comply with the relevant requirements of Chapter 17 of the Listing Rules.
- 17.5 The Company must provide to all Grantees all details relating to changes in the terms of the Scheme during the life of the Scheme immediately upon such changes taking effect.

18. TERMINATION

18.1 This Scheme may be terminated at any time prior to the expiry of its term by the Administrator provided that such termination shall not adversely affect any subsisting rights of any Grantee hereunder. For the avoidance of doubt, no further Awards shall be granted after this Scheme is terminated but in all other respects the provisions of this Scheme shall remain in full force and effect. All Awards granted prior to such termination and not vested on the date of termination shall remain valid. In such event, (i) the Trustee shall act in accordance with the instruction of the Administrator to notify all Grantees of such termination and how the Trust Fund held by the Trustee on trust and other interests or benefits in relation to the outstanding Restricted Shares shall be dealt with, and (ii) to the extent that any part of the Trust Fund will not be transferred to the Grantees under (i), the Trust Fund held by the Trustee and any income thereof shall be held by the Trustee for the purpose of the future incentive schemes of the Company or as otherwise instructed by the Administrator.

19. MISCELLANEOUS

19.1 This Scheme shall not form part of any contract of employment or engagement of services between any Group Company and any Eligible Participant and the rights and obligations of any Eligible Participant under the terms of his/her office, employment or engagement in services shall not be affected by the participation of the Eligible Participants in this Scheme or any rights which he/she 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, employment or engagement for any reason.

19.2 If any provision of this Scheme or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any person or entity or Award, or would disqualify this Scheme or any Award under any law deemed applicable by the Administrator, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Administrator, materially altering the intent of this Scheme or the Award, such provision shall be construed or deemed stricken as to such jurisdiction, person or entity or Award and the remainder of this Scheme and any such Award shall remain in full force and effect.

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

19.4 The Company shall bear the costs of establishing and administering this Scheme, including, for the avoidance of doubt, costs arising from communication as referred to in Clause 19.6, expenses incurred in the purchase of Shares by the Trustee and stamp duty and normal registration fee (i.e. not being fee chargeable by the share registrar of any express service of registration) in respect of the transfer of Shares to Grantees on the relevant Vesting Date. For the avoidance of doubt, the Group shall not be liable for any tax or expenses of such other nature payable on the part of any Grantee in respect

of any sale, purchase, vesting or transfer of Restricted Shares (or cash amount of equivalent value being paid).

- 19.5 The provisions of Awards need not be the same with respect to each Grantee, and such Awards to individual Grantees need not be the same in subsequent years.
- 19.6 Any notice or other communication between the Company (through the Administrator or itself) and a Grantee may be given by sending the same by prepaid post or personal delivery to the address as notified to the Grantee from time to time and, in the case of the Grantee, his/her address as notified to the Company and the Administrator from time to time. Notices may also be sent electronically to Grantees by sending it to the e-mail address notified by the Grantee to the Company and the Administrator from time to time.
- 19.7 Except as otherwise expressly provided under this Scheme,
- 19.7.1 any notice or other communication served by post:
- (i) by the Company or the Administrator shall be deemed to have been served 24 hours after the same was put in the post; and
 - (ii) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company or the Administrator;
- 19.7.2 any notice or other communication served by hand shall be deemed to have been served at the time of delivery; or
- 19.7.3 any notice or other communication served by electronic means by the Company or the Administrator or the Grantee shall be deemed to have been served if the sender did not receive a failure of receipt notification.
- 19.8 Any notice or other communication shall not be withdrawn once it is delivered by the Grantee, except for those which shall only become effective upon a confirmation of the receipt by the Company or the Administrator.
- 19.9 The acceptance of an Award by and the vesting and transfer of Restricted Shares to a Grantee may be subject to all necessary consents under any relevant legislation for the time being in force in Hong Kong, the People's Republic of China, the Cayman Islands and/or the British Virgin Islands, and a Grantee shall be responsible for obtaining any governmental or other official consent or approval and going through any other governmental or other official procedures that may be required by any country or jurisdiction in these regards. The Group and its affiliates may coordinate or assist the Grantee in complying with such applicable requirements and taking any other actions as may be required by any applicable laws, regulations or rules. However, the Group and its affiliates shall not be responsible for any failure by a Grantee to obtain any such consent or approval or for any tax or other liability to which a Grantee may become subject as a result of his/her participation in this Scheme. Subject to the instruction of the Board, the Administrator shall be entitled to establish such arrangements as it deems reasonably necessary with respect to the mechanisms to implement the vesting of Restricted Shares, the remittance of the proceeds therefrom to Grantees and related

registration, recordation and reporting matters to ensure that the Grantee, the Administrator and the Company can comply with all applicable securities, foreign exchange and tax regulations of all relevant jurisdictions, including without limitation, the People's Republic of China. Each Grantee shall authorize the Administrator, the Trustee and the Company to establish all necessary brokerage and other accounts on the Grantee's behalf and shall provide to the Administrator, the Trustee and the Company such information as the Administrator deems necessary in connection with the Company's and the Grantee's compliance with the foregoing obligations.

- 19.10 In the event that a Award lapses in accordance with the Scheme, no Grantees shall be entitled to any compensation for any loss or any right or benefit or prospective right or benefit under the Scheme which he or she might otherwise has enjoyed.
- 19.11 This Scheme and all Awards granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong. The courts of Hong Kong are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Scheme and all Awards granted hereunder and accordingly any legal action or proceedings arising out of or in connection with the Scheme and all Awards granted hereunder may be brought in such courts.

- End of Scheme -