

**Rules of
Executive Share Scheme 2024 of
Lam Soon (Hong Kong) Limited**

LAM SOON (HONG KONG) LIMITED

EXECUTIVE SHARE SCHEME 2024

PART A: GENERAL PROVISIONS

1. DEFINITIONS

1.1 In this Scheme 2024, unless otherwise specified, the following definitions shall apply throughout:-

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| “Articles of Association” | : The articles of association of the Company, as amended from time to time |
| “Associates” | : Has the meaning ascribed to it in the Listing Rules |
| “Associate Corporation” | : A corporation in which at least 20% but not more than 50% of the shares are held directly or indirectly by LSHK |
| “Board” | : The Board of directors of the Company as a committee or an individual duly authorised by the Board to administer the Scheme 2024 |
| “Board Lot” | : A parcel of Shares comprising one thousand (1,000) units or any other number of shares permitted to be traded by the Stock Exchange as a board lot |
| “Close Associates” | : Has the meaning ascribed to it in the Listing Rules |
| “Companies Ordinance” | : The Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended from time to time |
| “Connected Person” | : Has the meaning ascribed to it in the Listing Rules |
| “Date of Offer” | : The date on which an Offer is made by a Member of the Group in writing to an Eligible Executive |
| “Disciplinary Proceeding” | : Proceedings instituted by the employer of a Holder against a Holder for any alleged misbehaviour, misconduct or any other acts of a Holder deemed to be unacceptable by that employer whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such Holder |
| “Earned Option” | : An Option or any part thereof that is exercisable by an Option Holder following the fulfillment of the prescribed financial and performance targets or criteria (if any) within such period as may be determined by the Board and as confirmed by the issue of a letter from the relevant Member of the Group |
| “Eligible Executive” | : Any person who is eligible to participate in the Scheme 2024 pursuant to Rule 6.1 |

“ESGS”	: The executive share grant scheme established by these Rules, as may be modified or altered from time to time
“ESOS”	: The executive share option scheme established by these Rules, as may be modified or altered from time to time
“Grant”	: A grant of Shares, by whatever name called, by a Member of the Group to the relevant Grant Holder, which may be conditional or unconditional as determined by the Board, constituted by the issuance of a Grant Certificate after the acceptance of a Grant Offer
“Grant Certificate”	: A certificate or letter for a Grant issued by a Member of the Group in relation to an accepted Grant Offer
“Grant Conditions”	: The conditions, if any, determined by the Board and stipulated in the Grant, which must be fulfilled for the Shares to be Vested in a Grant Holder
“Grant Holder”	: An Eligible Executive who is the holder of a valid Grant Certificate
“Grant Offer”	: An offer made in writing by a Member of the Group to an Eligible Executive to participate in the ESGS in the manner provided in these Rules
“HK\$”	: Hong Kong dollars, the lawful currency of Hong Kong
“Holder”	: An Option Holder or Grant Holder, or both
“Listing Rules”	: The Rules Governing the Listing of Securities on the Stock Exchange, as may be amended and modified from time to time
“LSHK” or “the Company”	: Lam Soon (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“LSHK Group” or “the Group”	: LSHK and all its subsidiaries (as defined in the Listing Rules) from time to time
“Market Day”	: Any day which the Stock Exchange is open for trading of securities
“Member of the Group”	: LSHK or any of its subsidiaries
“Offer”	: An Option Offer or Grant Offer, or an offer comprising both an Option Offer and a Grant Offer
“Option”	: An option contract for Shares, by whatever name called, between a Member of the Group and the relevant Option Holder, the exercise of which may be conditional or unconditional as determined by the Board, constituted by the issuance of an Option Certificate after the acceptance of an Option Offer

“Option Certificate”	: A certificate or letter for an Option issued by a Member of the Group in relation to an accepted Option Offer
“Option Exercise Period”	: The period during which an Earned Option may be exercised as determined by the Board in compliance with the Listing Rules and specified in an Option Certificate
“Option Holder”	: An Eligible Executive who is the holder of a valid Option Certificate
“Option Offer”	: An offer made in writing by a Member of the Group to an Eligible Executive to participate in the ESOS in the manner provided in these Rules
“Option Price”	: The exercise price for Shares set out in an Option Certificate as determined by the Board under Rule 30
“Performance Period”	: The period determined by the Board for the achievement of the financial and performance targets or criteria
“Related Corporation”	: Hong Leong Company (Malaysia) Berhad, GuoLine Capital Assets Limited and their subsidiaries from time to time
“Rules”	: These rules of the Scheme 2024, as amended from time to time
“Scheme 2024”	: The executive share scheme comprising the ESOS and the ESGS established by these Rules as modified and altered from time to time
“Scheme Mandate Limit”	: the total number of Shares which may be issued (and, together with Treasury Shares which may be transferred, as applicable) in respect of all Options and Grants to be offered under the Scheme 2024 and any other schemes of the Company must not in aggregate exceed ten percent (10%) of the issued and paid-up Shares (excluding Treasury Shares) on the date that the Scheme 2024 was approved by shareholders of the Company and that such limit may be refreshed pursuant to Rules 4.4 and 4.5.
“Scheme Period”	: The period as set out in Rule 17.2
“Share(s)” or “LSHK Share(s)”	: Ordinary shares of LSHK
“Stock Exchange”	: The Stock Exchange of Hong Kong Limited
“Treasury Shares”	: Shares repurchased and held by the Company in treasury, to the extent permitted under all applicable laws, rules and regulations as well as the Articles of Association, which include Shares repurchased by the Company and held or deposited in the central depository for sale on the Stock Exchange
“Vest”	: (i) In relation to an Option, it becoming exercisable; and (ii) In relation to a Grant, a Grant Holder becoming entitled to have Shares issued or transferred to him/her; in each case subject to these Rules, and “Vesting” and “Vested” shall be construed accordingly

- “Vested Shares” : Those Shares which have been Vested to the Holder
- “Vesting Date” : In relation to a Share, the date or dates on which all or some of the Option or Grant becomes Vested
- “Vesting Notice” : Has the meaning ascribed to that term in Rule 37.3

- 1.2 In these Rules, unless the context requires otherwise, words denoting the singular number shall include the plural number and words denoting one gender shall include the other gender.
- 1.3 The headings in these Rules are for convenience only and shall not be taken into account in the interpretation of these Rules.
- 1.4 If an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day.

2. PURPOSES OF THE SCHEME

17.03(1)

The purposes of the Scheme are as follows:-

- (a) to align the long term interests of Eligible Executives with those of the shareholders of the Company and encourage Eligible Executives to assume greater responsibility for the performance of the businesses that they manage;
- (b) to motivate Eligible Executives towards strategic business objectives;
- (c) to reward Eligible Executives with an equity stake in the success of LSHK Group; and
- (d) to make the total compensation package more competitive in order to attract, retain and motivate high calibre executives.

3. ADMINISTRATION

The Scheme 2024 shall be administered by the Board in such manner as it shall at its discretion deem fit. Without prejudice to the generality of the foregoing, the Board shall have power from time to time to make, or vary, regulations relating to the Scheme 2024 provided that such regulations are not inconsistent with the provisions of these Rules.

4. BASIS OF ALLOCATION AND QUANTUM OF SHARES AVAILABLE UNDER THE SCHEME 2024

- 4.1 The allocation of Shares to be made available for Offers under the Scheme 2024 shall be determined by the Board at any time and from time to time.
- 4.2 The Board shall determine whether Shares available under this Scheme 2024 are to be offered to the Eligible Executive via ESOS or ESGS, or a combination of both. The Board may decide, at its absolute discretion, to change an Offer made as an Option or a Grant to a Grant or an Option respectively after it has been made.

- 4.3 The ESOS and ESGS may be satisfied:
- (a) by the issue of new Shares; and/or
 - (b) by the transfer of Treasury Shares; and/or
 - (c) by the transfer of existing Shares (other than Treasury Shares); and/or
 - (d) by cash settlement pursuant to Rule 5 below.

Provided always the ESOS and ESGS may only be satisfied by the issue of new Shares after the Commencement Date as defined under Rule 17.

- 4.4 At any point of time during the existence of the Scheme 2024, provided that for so long as the Company is listed on the Stock Exchange, the total number of Shares which may be issued (and, together with Treasury Shares which may be transferred, as applicable) in respect of all Options and Grants to be offered under the Scheme 2024 and any other schemes of the Company must not in aggregate exceed ten percent (10%) of the issued and paid-up Shares (excluding Treasury Shares) on the date that the Scheme 2024 was approved by shareholders of the Company. The Scheme Mandate Limit may be refreshed by approval of shareholders of the Company in general meeting after three years from the date of shareholders' approval for the adoption of the Scheme 2024 or the last refreshment in accordance with the provisions of the Listing Rules where required.

17.03B
17.03C

17.03(3)

- 4.5 The total number of Shares which may be issued (and, together with Treasury Shares which may be transferred, as applicable) in respect of all Options and Grants to be offered under all the schemes of the Company under the Scheme Mandate Limit as refreshed must not exceed ten percent (10%) of the issued and paid-up Shares (excluding Treasury Shares) as at the date of approval of the refreshed Scheme Mandate Limit, or in accordance with the provisions of the Listing Rules where required.

17.03C(2)

5. ALTERNATIVE SETTLEMENT

Subject to the laws and Listing Rules:

- 5.1 The Board may, at its absolute discretion, and at any time (including without limitation, after an Option has been exercised or after a Grant Vesting Date, as the case may be), decide that in substitution for all or any part of the Shares which the Holder would otherwise be entitled to upon exercise of an Option or Vesting of a Grant, the Holder shall be paid in cash in lieu of the Shares so substituted ("Substituted Shares") an amount equal to :
- (a) in the case of an Option, the aggregate Market Value (as defined below) of the Substituted Shares less the aggregate Option Price of such Substituted Shares ("Differential Amount"); and
 - (b) in the case of a Grant, the aggregate Market Value (as defined below) of the Substituted Shares.

"Market Value" means the weighted average market price of a Share for such period preceding or following such date as determined by the Board at its absolute discretion.

- 5.2 In addition and without prejudice to Rule 5.1, the Board may, at its absolute discretion, decide that in substitution for all or any part of the Shares which the Holder would otherwise be entitled to upon exercise of an Option, the Holder shall be granted such number of Shares (“Differential Shares”), in lieu of the Option over the Substituted Shares, that is equal to:-

$$\frac{\text{Differential Amount}}{\text{Market Value of the Substituted Shares}}$$

- 5.3 In the event the Board elects to substitute all or any part of the Shares for cash pursuant to Rule 5.1 or by Differential Shares pursuant to Rule 5.2, the relevant Member of the Group shall within eight (8) Market Days (or such other period as may be prescribed in the Listing Rules, if any) of the exercise date or Vesting Date (as the case may be), pay the cash amount or deliver the Differential Shares (as the case may be) to the Holder and in the case of an Option, shall refund the Option Price paid in cash in respect of the Substituted Shares submitted by the Option Holder with the notice of exercise of Option (in the event received).

6. ELIGIBILITY

17.03A

- 6.1 To be eligible for participation in the Scheme 2024, a person must be at least eighteen (18) years of age on the Date of Offer and satisfy the following conditions:-

17.03(2)

- (a) be an executive of a Member of the Group and has been confirmed in service; or
- (b) be a director of a Member of the Group.

- 6.2 The Board may from time to time at its absolute discretion select and identify suitable Eligible Executives to be offered Options or Grants.

- 6.3 An Eligible Executive who remains on the payroll of a Member of the Group will be entitled to participate in the Scheme 2024 notwithstanding that such Eligible Executive may have been seconded to a Related Corporation or an Associate Corporation.

- 6.4 Where an Option Holder or Grant Holder is transferred to a Related Corporation or an Associate Corporation from one Member of the Group, the Board may at its absolute discretion allow the Option Holder or Grant Holder to continue to be entitled to all of his rights in respect of his Option or Grant (as may be applicable), subject to these Rules.

- 6.5 Eligibility under the Scheme 2024 does not confer an Eligible Executive a claim or right to participate in or any rights whatsoever under the Scheme 2024 and an Eligible Executive does not acquire or has any rights over or in connection with Offers comprised in the Scheme 2024 unless an Option Certificate or a Grant Certificate has been issued by a Member of the Group to the Eligible Executive.

7. MALUS AND CLAWBACK

17.03(19)

- 7.1 The Board may, at its absolute discretion, determine such malus and/or clawback provisions to be applied to an Option or a Grant so as to provide, upon the occurrence of the applicable malus and/or clawback event(s):

- (a) for a reduction in the number of Shares (including to nil) that may be Vested or acquired under such Option or Grant, and such Option or (as the case may be) Grant will be deemed to have been granted in respect of such reduced number of Shares and the Vesting of the Option or Grant in accordance with the Rules will be with reference to this reduced number of Shares, or (if the number of Shares is reduced to nil) be cancelled; or
 - (b) for the claw back of Shares and/or repayment of an equivalent cash sum.
- 7.2 The malus and/or clawback event(s) may include, but not limited to, negligence, fraud, misconduct of the Holder or where there has been material misstatement or omission in the financial reports of the Group or such other events as the Board may, at its absolute discretion determine.
- 7.3 If the Board exercises its discretion under this Rule, it will give the relevant Holder written notice of such determination and the Board's interpretation of, determination and decision pursuant to this Rule shall be final, conclusive and binding.

8. MAXIMUM ALLOWABLE ALLOCATION

- 8.1 Subject to this Rule 8, where any grant of Options or Grants to any Eligible Executive would result in the total number of Shares issued and to be issued (and, together with Treasury Shares which may be transferred, as applicable) in respect of all Options and Grants granted to such Eligible Executive (excluding any Options and Grants lapsed in accordance with the terms of the Scheme 2024) in any 12-month period up to and including such Date of Offer representing in aggregate over one percent (1%) of the issued and paid-up Shares (excluding Treasury Shares), such further grant must be separately approved by the shareholders of the Company in general meeting with such Eligible Executive and his/her Close Associates (or Associates if the Eligible Executive is a Connected Person) abstain from voting in accordance with the provisions of the Listing Rules. 17.03D(1)
- 8.2 The independent non-executive directors of the Company (excluding any independent non-executive director of the Company who is the grantee of the Options or Grants) will be required to approve any grant of Options or Grants to a director, chief executive, or substantial shareholder of the Company or any of their associates. 17.03(4)
- 8.3 Subject to Rule 8.2, where any Grant Offer to a director (other than an independent non-executive director) or chief executive of the Company or any of their associates, will result in the total number of Shares issued and to be issued (and, together with Treasury Shares which may be transferred, as applicable) in respect of all Grants made (excluding any Grants lapsed in accordance with the terms of the Scheme 2024) to such person in the 12-month period up to and including such Date of Offer representing in aggregate over 0.1% of Shares in issue (excluding Treasury Shares), such further grant will be required to be approved by the independent shareholders of the Company in general meeting in accordance with the provisions of the Listing Rules. 17.04(1)
- 8.4 Subject to Rule 8.2, where any Option Offer or Grant Offer to a substantial shareholder or an independent non-executive director of the Company or any of their associates, will result in the total number of Shares issued and to be issued (and, together with Treasury Shares which may be transferred, as applicable) in respect of all Options and Grants granted (excluding any Options and Grants lapsed in accordance with the terms of the Scheme 2024) to such person in the 12-month period up to and including such Date of Offer representing in aggregate over 0.1% of the Shares in issue (excluding Treasury Shares), such further grant of Options or Grants will be required to be approved by the independent shareholders of the Company in general meeting in accordance with the provisions of the Listing Rules. 17.04(2)
- 8.4 Subject to Rule 8.2, where any Option Offer or Grant Offer to a substantial shareholder or an independent non-executive director of the Company or any of their associates, will result in the total number of Shares issued and to be issued (and, together with Treasury Shares which may be transferred, as applicable) in respect of all Options and Grants granted (excluding any Options and Grants lapsed in accordance with the terms of the Scheme 2024) to such person in the 12-month period up to and including such Date of Offer representing in aggregate over 0.1% of the Shares in issue (excluding Treasury Shares), such further grant of Options or Grants will be required to be approved by the independent shareholders of the Company in general meeting in accordance with the provisions of the Listing Rules. 17.04(3)

- 8.5 In the circumstances where the maximum allowable allocation as provided in the Listing Rules on share scheme is amended by the Stock Exchange (or any relevant authority) from time to time, the Board shall have discretion to make necessary adjustments so that the number of Shares comprised in the Options or Grants that may be offered to any Eligible Executive shall be in accordance with the provisions of the Listing Rules on share scheme.

9. RIGHTS ATTACHING TO THE SHARES

17.03(10)

- 9.1 In the event that any new Shares are to be allotted (or Treasury Shares are to be transferred) upon the exercise of an Option or Vesting of a Grant hereunder, such Shares shall be allotted and issued (or transferred) subject to all relevant provisions of the Articles of Association, and they shall, upon issue and allotment (or transferred), rank *pari passu* in all respects with the existing issued and fully paid Shares of the Company, except that they will not rank for any dividend, right, entitlement or distribution, in respect of which the record date precedes the allotment date of the new Shares (i.e. the date the name of the Option Holder/Grant Holder is registered on the register of members of the Company) or the date of transfer of the Treasury Shares, as the case may be, and will be subject to all the provisions of the Articles of Association relating to transfer, transmission and otherwise.

17.03(15)

- 9.2 In the event that any existing Shares are to be transferred upon the exercise of an Option or Vesting of a Grant hereunder, the existing Shares shall be transferred to the Option Holder/Grant Holder together with all dividends, rights, entitlements and distributions, in respect of which the record date is on or after the transfer date.

- 9.3 For the purpose hereof, the expression “record date” means the date as at the close of business on which shareholders must be registered as members of the Company in order to participate in any dividend, right, entitlement or distribution.

10. LISTING AND QUOTATION OF SHARES

The Company will apply to the Stock Exchange for listing of and quotation for any new Shares to be issued under the Scheme 2024 and will use its best endeavours to obtain permission for such listing and quotation.

11. RETENTION PERIOD

Upon the exercise of an Option or upon the Vesting of a Grant, the Shares received by the Holder may be subject to such retention period or restriction of transfer as may be determined by the Board at its absolute discretion.

12. ALTERATION OF SHARE CAPITAL AND ADJUSTMENT

17.03(13)

- 12.1 Subject to Rule 12.9 below, in the event of an alteration in the capital structure of the Company during the Scheme Period, whether by way of capitalisation issue, rights issue, bonus issue, consolidation or subdivision of Shares, capital reduction or any other variation of capital, adjustments (if any) may be made to the ESOS and ESGS.

- 12.2 With respect to the ESOS, adjustments may be made in:

- (a) the number of Shares comprised in an Option Offer or Option, or any portion thereof that is unexercised; and/or
- (b) the Option Price.

- 12.3 With respect to the ESGS, adjustments may be made in the number of Shares comprised in a Grant Offer or Grant, or any portion thereof that is not Vested.
- 12.4 Any adjustments must give the Holders the same proportion of the equity capital, rounded to the nearest whole share, as that to which that person was previously entitled but no such adjustment may be made to the extent that a Share would be issued at less than its nominal value, if any.
- 12.5 Any adjustments arising from a capitalisation issue shall be as determined by the Board to be in its opinion as having satisfied the requirement set out in Rule 12.4, and the decision of the Board shall be final and binding in all respects on the Holders.
- 12.6 Any adjustments other than on a capitalisation issue must be confirmed in writing by an independent financial adviser or the external auditors of the Company as having satisfied the requirement set out in Rule 12.4. The confirmation by the independent financial adviser or the external auditors of the Company shall be final and binding in all respects on the Holders.
- 12.7 In the event that a fraction of a Share arises from the adjustments referred to in this Rule 12, the number of Shares comprised in the Options, Grants or Offers shall automatically be rounded down to the nearest whole number.
- 12.8 The Board shall in writing and within thirty (30) Market Days of any adjustment as determined by the Board pursuant to Rule 12.1, notify the Holders and holders of Offers (or his legal or personal representatives where applicable) of the adjustments.
- 12.9 No adjustments as provided in Rule 12.1 or otherwise shall apply where the alteration in the capital structure of the Company arises from:
- (a) an issue of securities in consideration or part consideration for an acquisition;
 - (b) an issue of securities as a private placement;
 - (c) a restricted issue of securities;
 - (d) implementation of a share buy-back arrangement by the Company;
 - (e) any issue of warrants, convertible loan stocks or other instruments by the Company that gives a right of conversion into Shares (other than pursuant to a bonus issue), and any issue of new Shares arising from the exercise of any conversion rights attached to such convertible securities;
 - (f) an issue of new Shares upon the exercise of Options or Vesting of Grants under the Scheme 2024;
 - (g) any issue of new Shares under any other executive share scheme established by the Company; or
 - (h) an issue of new Shares arising from a dividend reinvestment scheme which allows shareholders of the Company an option to elect to reinvest their cash dividend entitlements into new Shares.

13. MODIFICATION / VARIATION TO THE SCHEME 2024 AND THE TERMS OF OPTIONS OR GRANTS

13.1 Subject to Rule 13.4, the approval of the Stock Exchange or any other relevant authorities, as may be required, the power to amend or modify all or any of these Rules shall rest with the Board provided that no amendment shall alter adversely the rights attaching to any Option and/or Grant given prior to such amendment except with the approval of the Holders of such Option and/or Grant as the case may be (i) at a meeting called for this purpose; or (ii) by consent in writing.

17.03(18)

The decision of the Board as to whether (a) any modification or alteration would alter adversely the rights attaching to any Option and/or Grant; and (b) any approval to be obtained shall be obtained via a meeting or consent in writing; shall be final, conclusive and binding.

13.2 At such meeting referred to in Rule 13.1(i), the relevant Holders may approve any amendment or modification by:

- (a) if voting by a show of hands, a simple majority of those present and voting; or
- (b) if voting by poll, a simple majority of the relevant Holders present and voting and whose entitlement shall be one (1) vote for each Share comprised in their respective Option or Grant.

13.3 The quorum for the meeting of Holders shall be two (2) Holders unless there is only one (1) Holder, in which case, the quorum for the meeting shall comprise the single Holder only.

13.4 A consent in writing by the relevant Holders referred to in Rule 13.1(ii) shall be valid and effectual, if the request for consent in writing has been served on all the relevant Holders and consent in writing of such number of relevant Holders who, if they exercised their Options in full or have their Grant Vested in full, would thereby become entitled to not less than half of the Shares which would fall to be issued and/or transferred upon exercise or Vesting in full of all outstanding Options or Grants, as the case may be, has been obtained.

13.5 Where the Listing Rules prescribe that provisions under these Rules cannot be modified or amended to the advantage of participants under the Scheme 2024 without the approval of the shareholders of the Company at a general meeting, and/or where the modification or amendment to the provisions under these Rules are of a material nature, such provisions can only be modified or amended with the approval of the shareholders of the Company at a general meeting.

13.6 Any change to the terms of Options or Grants must be approved by the Board, the Board Remuneration Committee, the independent non-executive directors and/or the shareholders of the Company (as the case may be) if the initial grant of the Options or Grants was approved by the Board, the Board Remuneration Committee, the independent non-executive directors and/or the shareholders of the Company (as the case may be).

17.03(18)

14. CANCELLATION OF OPTIONS OR GRANTS

In the event that the Company cancels the Options or Grants over new Shares and grants new Options or Grants over new Shares to the same Holder, the grant of such new Options or Grants must be within the Scheme Mandate Limit as specified under Rule 4.4. The Options or Grants cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

17.03(14)

15. DIVESTMENT FROM THE GROUP

- 15.1 If an Option Holder was in the employment of a Member of the Group which was subsequently divested, then:
- (a) notwithstanding such divestment or any of the provisions of any Rule herein, the Board may at its absolute discretion allow the Option Holder to continue to exercise in whole or in part the Option remaining unexercised within such period as the Board may determine, failing which the right of such Option Holder to exercise his Option shall automatically lapse and be null and void and of no further force and effect; and
 - (b) such Option Holder shall not be eligible to participate further under the Scheme 2024.
- 15.2 If a Grant Holder was in the employment of a Member of the Group which was subsequently divested, then:
- (a) notwithstanding such divestment or any of the provisions of any Rule herein, the Board may at its absolute discretion Vest those unvested Shares either in whole or in part under the Grant to the Grant Holder; and
 - (b) such Grant Holder shall not be eligible to participate further under the Scheme 2024.

16. LIQUIDATION OF THE COMPANY

- 16.1 Upon the commencement of winding-up of the Company, all unaccepted Offers, all Options and Grants not Vested, and all Vested Options and Vested Grants for which Shares have not yet been issued and/or transferred, shall lapse and be null and void and be of no further force and effect. 17.03(10)
- 16.2 The winding-up of any Member of the Group other than the Company shall have no effect on Scheme 2024 or the provisions herein.

17. DURATION AND TERMINATION OF THE SCHEME 2024

- 17.1 This Scheme 2024 shall take effect from the date (the “Commencement Date”) upon the satisfaction of the following conditions: 17.03(16)
- (i) the passing of the necessary resolution to adopt the Scheme 2024 by the shareholders of the Company in general meeting and to grant authorities to the Board to grant Options and/or Grants in accordance with the Scheme 2024, and allot, issue and deal in such number of Shares fall to be issued pursuant to these Rules; and
 - (ii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any Shares which fall to be issued and allotted pursuant to these Rules.
- 17.2 The Scheme 2024 shall be in force for a period of ten (10) years from the Commencement Date. 17.03(11)
- 17.3 The Scheme 2024 may be terminated by the Company prior to the expiry of the Scheme Period. Upon termination of the Scheme 2024, no further Offers shall be made by a Member of the Group.

- 17.4 The Options granted prior to the expiry or termination of the Scheme 2024 shall continue to be valid and exercisable in accordance with these Rules after the expiry or termination of the Scheme 2024.
- 17.5 In the event that Shares were not yet issued or transferred in respect of a Grant prior to the expiry or termination of the Scheme 2024, the Board shall proceed to issue or transfer such Shares pursuant to the relevant Vesting Notice to the Grant Holder in accordance with these Rules after the expiry or termination of the Scheme 2024.

18. TAXES

All taxes (including income tax), if any, arising from the exercise of any Option or Vesting of any Shares under the ESGS shall be borne by the Holders.

19. COSTS AND EXPENSES

- 19.1 The Holders shall be responsible for all charges relating to or in connection with the issue and allotment or transfer of any scrip Shares to the scripless accounts the Holders maintained with central depository or securities brokers / custodians.
- 19.2 Save for the taxes referred to in Rule 18 and the fees referred to in Rule 19.1, all fees, costs and expenses in relation to the Scheme 2024 including but not limited to the fees, costs and expenses (including stamp duty and normal registration) relating to the issue and allotment or transfer of the Shares by or on behalf of the Company pursuant to the exercise of any Option or Vesting of any Shares under the ESGS shall be borne by the Company. However, the Company can require the relevant Member of the Group to reimburse the Company for any fees, costs and expenses borne by the Company (whether directly or indirectly), or to pay for such fees, costs and expenses directly.

20. DISCLAIMER OF LIABILITY

Notwithstanding any provisions contained herein and subject to the Companies Ordinance, the Board, the Company and any Member of the Group shall not under any circumstances be held liable for any cost, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's or the relevant Member of the Group's delay in transferring or causing to be transferred, any Shares to the Holders, or allotting and issuing the new Shares or in applying for or procuring the listing of the Shares on the Stock Exchange.

21. DISPUTES

Any dispute or difference of any nature arising hereunder shall be referred to the decision of the Board, whose decision shall be final and binding in all respects on the Holders.

22. NO RIGHT TO COMPENSATION / NOT TERM OF EMPLOYMENT

- 22.1 The Scheme 2024 shall not afford a Holder the right to compensation or damages in the event of the cessation of his employment or appointment for any reason whatsoever.
- 22.2 The Scheme 2024 does not form part, nor shall it in any way be construed as part, of the terms and conditions of employment of any Eligible Executive. Participation in this Scheme 2024 by a Holder is a matter entirely separate from his terms or conditions of employment and participation in this Scheme 2024 shall in no respects whatever affect in any way his terms and conditions of employment or form part of such terms and conditions. In particular (but without limiting the generality of the foregoing words) any Holder who leaves employment shall not be entitled to any compensation for any loss of any right or benefit or prospective right or benefit under this Scheme 2024 which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office or otherwise howsoever.

23. NOTICE

23.1 Any notice/communication which under the Scheme 2024 is required to be given to or served upon the Board or the relevant Member of the Group by an Eligible Executive, Option Holder or Grant Holder shall be given or served in writing and either delivered by hand or sent to the registered office of the relevant Member of the Group by ordinary mail. Notice/communication shall also be sent electronically to the address notified by the Board or the relevant Member of the Group from time to time for the receipt of electronic communication. Such notice/communication shall be deemed to have been duly given or served on the Board or the relevant Member of the Group:

- (a) if sent by hand, upon delivery at the registered address of the relevant Member of the Group;
- (b) if sent by mail, upon actual receipt; and
- (c) if sent electronically, at the time of transmission if no delivery failure notification/confirmation of delivery is received by the sender 24 hours after transmitting the message.

23.2 Any notice/communication which under the Scheme 2024 is required to be given to or served upon an Eligible Executive, Option Holder or Grant Holder by the Board or relevant Member of the Group shall be deemed to be sufficiently given or served if the notice/communication is in writing and either delivered by hand or sent to the Eligible Executive, Option Holder or Grant Holder by ordinary mail addressed to them at their place of employment or at the last address known to the relevant Member of the Group as being their address. Any notice/communication served by post as aforesaid shall be deemed to have been received on the third day after the day the letter is posted, including that day, and if sent electronically, at the time of transmission if no delivery failure notification is received by the sender 24 hours after transmitting the message.

23.3 Any notice/communication served after the relevant Member of the Group's official working hours shall be deemed to have been served on the next working day.

24. ARTICLES OF ASSOCIATION

Notwithstanding the terms and conditions contained in this Scheme 2024, if a situation of conflict should arise between this Scheme 2024 and the Articles of Association, the provisions of the Articles of Association shall prevail at all times.

25. GOVERNING LAWS AND REGULATIONS

The Scheme 2024 and all Options and Grants offered hereunder shall be governed by and construed in accordance with Hong Kong law.

As the Company is listed on the Stock Exchange, these Rules are subject to the Listing Rules.

26. INTERPRETATION

The Board shall have the authority to interpret these Rules and to give effect to the terms and conditions of the Scheme 2024. The interpretation by and the decision of the Board shall be final and binding.

27. TRUSTEES AND FINANCIAL ASSISTANCE

- 27.1 The Company may make any arrangements it deems fit to acquire and hold Shares for the purpose of the Scheme 2024, including appointing a trustee or trust company upon such terms and conditions as the Company may deem fit to enable the trustee to acquire Treasury Shares or other existing issued and fully paid Shares or to subscribe for new Shares for the purpose of the Scheme 2024.
- 27.2 The Company and any subsidiary or any third party may provide financial or other permissible assistance under the Companies Ordinance and the Listing Rules to enable the Holders, trustee or trust company to acquire Treasury Shares or other existing issued and fully paid Shares, or to subscribe for new Shares, to be held for the purposes of the Scheme 2024.

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PART B: ESOS

28. OPTION OFFERS

- 28.1 A Member of the Group may at its absolute discretion at any time and from time to time as it shall deem fit make one or more Option Offers to an Eligible Executive under or pursuant to the Scheme 2024. An Option Offer may be made upon such terms and conditions as the Board may, at its absolute discretion, decide from time to time, and shall be in such form and substance as determined by the Board.
- 28.2 Subject to any adjustment which may be made under Rule 12, the Board may, from time to time, at its absolute discretion determine the number of Shares and the terms and conditions to be comprised in an Option Offer made to an Eligible Executive under the ESOS.
- 28.3 The Board shall at its absolute discretion determine the performance targets, if any, attached to the Option Offers. The performance targets may be based on financial, business and/or operational performances of the Group and the individual performance of the Eligible Executive. 17.03(7)
- 28.4 The Board may also at its absolute discretion determine:
- (a) the date which an Option Offer is made to an Eligible Executive;
 - (b) the starting date and duration of the Performance Period;
 - (c) the number of Shares comprised in an Earned Option at the end of the Performance Period, based on the achievement of the prescribed financial and performance targets or criteria;
 - (d) any other terms and conditions as the Board may from time to time deem appropriate; and
 - (e) to make such changes as the Board may deem fit or appropriate.

29. ACCEPTANCE OF OPTION OFFERS

- 29.1 Unless otherwise specified in an Option Offer, an Option Offer must be accepted by the offeree within thirty (30) days from the Date of Offer (or such longer period of time as may be permitted by the Board at its absolute discretion) by way of a written notice of acceptance and in such manner as may be prescribed by the Board, and accompanied by a payment to the relevant Member of the Group of a sum of Hong Kong Dollar One (HK\$1.00) only as non-refundable consideration for the Option. The date of receipt by the relevant Member of the Group of such written notice and payment shall constitute the date of acceptance. 17.03(8)
- 29.2 The relevant Member of the Group shall within thirty (30) days from the date of acceptance issue to the offeree an Option Certificate in such form as may be determined by the Board.
- 29.3 If an Option Offer is not accepted in the manner aforesaid, such Option Offer shall upon the expiry of the period referred to in Rule 29.1 automatically lapse and be null and void and of no further effect.
- 29.4 The Option Offer is personal to the offeree and cannot be assigned, transferred, encumbered or otherwise disposed of. An Option Offer or any part thereof which has not been accepted shall automatically lapse and be null and void.

30. OPTION PRICE

The Board may at its absolute discretion determine the Option Price provided that the Option Price so fixed must be at least the higher of: (a) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the Date of Offer of such Option, which must be a business day; (b) the average closing price of a Share as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Offer of such Option; and (c) the nominal value of a Share.

17.03E

17.03(9)

31. EXERCISE OF OPTIONS

31.1 Except where it is otherwise specifically allowed under these Rules, the Option offered to an Option Holder under the ESOS is exercisable by that Option Holder only during his employment or directorship with the Group, within the Option Exercise Period, which in any event shall not be more than ten (10) years from the Date of Offer, and subject to any other terms and conditions as may be contained in the Option Certificate. The Vesting period of Options to be granted under the Scheme 2024 shall not be less than 12 months from the Date of Offer, except for such circumstances the Board may consider appropriate and in alignment with the purposes of the Scheme 2024 to shorten the Vesting period, and such circumstances may include grants of Options:

17.03(5)
17.03(6)
17.03F

- a) to Eligible Executive who had ceased employment with any Member of the Group pursuant to Rules 34.2 or 34.5;
- b) with performance-based Vesting conditions in lieu of time-based Vesting criteria;
- c) that are made in batches during a year for administrative and compliance reasons, which include grants that should have been made earlier but have to wait for subsequent batch. In such case, the Vesting period may be shorter to reflect the time from which the Options would have been granted;
- d) with a mixed or accelerated Vesting schedule such as where the Options may Vest evenly over a period of 12 months; or
- e) with a total Vesting and Share holding period of more than 12 months.

31.2 Subject to Rule 31.3, an Option offered under the Scheme 2024 shall only be capable of being exercised on a Market Day within the Option Exercise Period.

31.3 An Option Holder may, in a particular period, exercise his Earned Option up to such maximum number of Shares as determined by the Board and specified in the Option Certificate.

31.4 All Earned Options must be exercised by the end of the Option Exercise Period, failing which all remaining unexercised Options shall automatically lapse and be null and void and of no further effect.

31.5 An Option Holder shall notify the relevant Member of the Group in writing of his intention to exercise his Earned Option in such form as may be prescribed by the Board. The Earned Option or the balance thereof may be exercised in full (subject to any prescribed limit) or in respect of such lesser number of Shares as the Option Holder may decide to exercise provided that such lesser number shall be in multiples of and not less than a Board Lot.

31.6 Every notice of exercise of an Option shall be accompanied by the relevant Option Certificate, and a remittance (in the form of a direct bank transfer, a bank draft or cashier's order drawn on a bank in Hong Kong) for the full amount payable in relation to the number of Shares in respect of which the Earned Option is being exercised. An Option shall be deemed to be exercised upon the receipt by the relevant Member of the Group of the said notice duly completed, the Option Certificate and the full amount of the exercise price in the manner as specified by the Board for the exercise of the Option.

Subject to any approval of any competent authority as may be necessary and subject to compliance with the Rules, the relevant Member of the Group shall:

- (a) within ten (10) Market Days (or such other period as may be prescribed in the Listing Rules) of receiving such notice, issue and allot or procure the issuance and allotment of the relevant number of Shares and despatch the notice of allotment to the Option Holder; and/or
- (b) as soon as practicable upon receiving such notice, transfer or procure the transfer of the relevant number of Treasury Shares or other existing Shares and despatch the notice of transfer to the Option Holder,

subject to the provisions of the Articles of Association.

31.7 Where an Earned Option is exercised only in part, the Option Certificate shall be endorsed by the Board stating, inter-alia, the number of Shares comprised in the Option which remain capable of exercise.

31.8 Notwithstanding anything to the contrary contained in these Rules, the Board shall have absolute discretion, by notice in writing to an Option Holder who is being subjected to any Disciplinary Proceeding to suspend his rights to exercise his Option pending the outcome of such Disciplinary Proceeding. In addition to this right of suspension, the Board may impose such terms and conditions as it shall deem appropriate, in its absolute discretion, on the right of exercise of the Option having regard to the nature of the charges made or brought against such Option Holder, provided always that:

- (a) in the event such Option Holder is found not guilty of the charges which gave rise to such Disciplinary Proceeding at the end of its proceedings, the Board shall reinstate the rights of such Option Holder to exercise his Option as if such Disciplinary Proceeding had not been instituted in the first place;
- (b) in the event the Disciplinary Proceeding resulted in a recommendation for the dismissal or termination of service of such Option Holder, the Option shall immediately lapse and be null and void and of no further force and effect upon pronouncement of the dismissal or termination of service of such Option Holder notwithstanding that such recommendation may be subsequently challenged by the Option Holder in any other forum; and
- (c) in the event such Option Holder is found guilty but no dismissal or termination of service is recommended, the Board shall have the right to determine at its absolute discretion whether or not the Option Holder may continue to exercise his Option and if so, to impose such limits, terms and conditions as the Board deems appropriate, on such exercise.

32. TAKE-OVER

- 32.1 Notwithstanding Rule 31, in the event of a takeover offer being made for the Company by a general offer or otherwise and resulting in a change of control (as shall be notified by the Company or the Board) and upon such offer becoming or being declared unconditional, the Board may at its absolute discretion allow any Option Holder, within six (6) months of the date on which such takeover offer becomes or is declared unconditional, to exercise in whole or in part the Option remaining unexercised and any Options remaining unexercised shall, unless the Board in its absolute discretion otherwise determines, lapse and be null and void.
- 32.2 In addition, if any person becomes entitled or bound to exercise rights of compulsory acquisition of the Shares of the Company under the provisions of the Companies Ordinance and gives notice to an Option Holder that it intends to exercise such rights on a specific date, the Board may at its absolute discretion allow any Option Holder to exercise in whole or in part the Option remaining unexercised until the expiry of such specified date and any Options remaining unexercised shall, unless the Board in its absolute discretion otherwise determines, lapse and be null and void.
- 32.3 Notwithstanding Rules 32.1 and 32.2, the exercise of Options must nevertheless be within the Option Exercise Period.

33. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC

Notwithstanding Rule 31, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme of arrangement or reconstruction of the Company or amalgamation with any other company or companies under the Companies Ordinance or pursuant to any other applicable laws, the Board may at its absolute discretion allow any Option Holder to exercise all or any part of his Option remaining unexercised at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending on the date upon which, in the opinion of the Board, it has been fully implemented, or on any other date specified by the Board within the Option Exercise Period, failing which any unexercised Options and any Options remaining unexercised shall, unless the Board in its absolute discretion otherwise determine, lapse and be null and void.

34. TERMINATION OF OPTIONS

- 34.1 Upon the cessation of employment of an Option Holder with any Member of the Group for any reason whatsoever prior to the exercise of his Option or any part thereof, any outstanding Option shall forthwith cease and become incapable of exercise as if the same had never been granted in the first place unless the Board decides otherwise. 17.03(12)
- 34.2 Where the Option Holder ceases his employment with any Member of the Group by reason of:-
- (a) ill-health, injury or disability;
 - (b) transfer to a Related Corporation or an Associate Corporation; or
 - (c) other reasons or circumstances or occurrence of any out of control events which are acceptable to the Board,

the Board may at its absolute discretion allow the Option Holder to exercise in whole or in part the Option remaining unexercised within such period as the Board may allow and upon the expiry of such period as determined by the Board, any Options remaining unexercised shall lapse and be null and void.

- 34.3 Where an Option Holder retires and is immediately re-employed by any Member of the Group, upon his re-employment, the Board may at its absolute discretion allow the Option Holder to either:-
- (a) exercise in whole or in part his unexercised Option within such period as the Board may allow; or
 - (b) continue with the Option, subject to these Rules as if that Option Holder has never ceased employment.
- 34.4 With effect from the date of adjudication of bankruptcy of an Option Holder, any and all unexercised portion of the Option shall immediately become null and void and of no further effect as if the same had never been granted in the first place.
- 34.5 In the event that an Option Holder dies before exercising the Option in full, such Option shall automatically lapse and become null and void at the date of his death, unless otherwise decided by the Board. If the Board, at its absolute discretion so permits, the Option may be exercised by the duly appointed personal representative of the Option Holder to its full extent within such period as may be determined by the Board.
- 34.6 If an Option lapses in accordance with the terms of its Option Certificate, any and all unexercised portion of that Option shall immediately become null and void and of no further effect as if the same had never been granted in the first place.
- 34.7 The number of Shares comprised in unexercised Options which becomes null and void under this Rule 34 will not form part of the Scheme Mandate Limit and continue to be available under the Scheme 2024.

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PART C: ESGS

35. GRANT OFFERS

- 35.1 A Member of the Group may at its absolute discretion at any time and from time to time as it shall deem fit make one or more Grant Offers to an Eligible Executive under or pursuant to the Scheme 2024. A Grant Offer may be made upon such terms and conditions as the Board may, at its absolute discretion, decide from time to time, and shall be in such form and substance as determined by the Board.
- 35.2 Subject to any adjustment which may be made under Rule 12, the Board may, from time to time, at its absolute discretion determine the number of Shares and the terms and conditions to be comprised in a Grant Offer made to an Eligible Executive under the ESGS.
- 35.3 The Board shall at its absolute discretion determine the performance targets, if any, attached to the Grant Offers. The performance targets may be based on financial, business and/or operational performances of the Group and the individual performance of the Eligible Executive. 17.03(7)
- 35.4 The Board may also at its absolute discretion determine:
- (a) the date which a Grant Offer is made to an Eligible Executive;
 - (b) the starting date and duration of the Performance Period;
 - (c) the number of Shares to be Vested pursuant to a Grant at the end of the Performance Period, based on the achievement of the prescribed financial and performance targets or criteria;
 - (d) any other terms and conditions as the Board may from time to time deem appropriate; and
 - (e) to make such changes as the Board may deem fit or appropriate.

36. ACCEPTANCE OF GRANT OFFERS

- 36.1 Unless otherwise specified in a Grant Offer, a Grant Offer must be accepted by the Eligible Executive within thirty (30) days from the Date of Offer (or such longer period of time as may be permitted by the Board at its absolute discretion) by way of a written notice of acceptance and in such manner as may be prescribed by the Board, and accompanied by a payment to the relevant Member of the Group of a sum of Hong Kong Dollar One (HK\$1.00) only as non-refundable consideration for the Grant. The date of receipt by the relevant Member of the Group of such written notice and payment shall constitute the date of acceptance. 17.03(8)
- 36.2 The relevant Member of the Group shall within thirty (30) days from the date of acceptance issue to the offeree a Grant Certificate in such form as may be determined by the Board.
- 36.3 If a Grant Offer is not accepted in the manner aforesaid, such Grant Offer shall upon the expiry of the period referred to in Rule 36.1 automatically lapse and be null and void and of no further effect.
- 36.4 The Grant Offer is personal to the offeree and cannot be assigned, transferred, encumbered or otherwise disposed of. A Grant Offer or any part thereof which has not been accepted shall automatically lapse and be null and void. 17.03(17)

37. VESTING OF SHARES

- 37.1 Except where it is otherwise specifically allowed under these Rules, the Shares to be Vested to a Grant Holder under the ESGS will be Vested to that Grant Holder only during his employment or directorship with the Group and subject to any other terms and conditions as may be contained in the Grant Certificate. The Vesting period for Grants shall not be less than 12 months from the Date of Offer, except for such circumstances the Board may consider appropriate and in alignment with the purposes of the Scheme 2024 to shorten the Vesting period, and such circumstances may include Grants:
- (a) to Eligible Executive who had ceased employment with any Member of the Group pursuant to Rules 40.2 or 40.5;
 - (b) with performance-based Vesting conditions in lieu of time-based Vesting criteria;
 - (c) that are made in batches during a year for administrative and compliance reasons, which include grants that should have been made earlier but had to wait for subsequent batch. In such case, the Vesting period may be shorter to reflect the time from which the Grants would have been granted;
 - (d) with a mixed or accelerated Vesting schedule such as where the Grants may Vest evenly over a period of 12 months; or
 - (e) with a total Vesting and Share holding period of more than 12 months.
- 37.2 The determination as to whether the performance targets have been fully and duly satisfied shall be made by the Board. In the event that the Board shall determine that the performance targets are not fully and duly satisfied, the Board may, at its absolute discretion, adjust the number of Shares (if any) which may Vest in the Grant Holder and take into account the shortfall in such manner as the Board may in its absolute discretion otherwise deem fit.
- 37.3 Where the Board has determined that the Grant Conditions have been fully and duly satisfied, the Board shall notify the Grant Holder of the Vesting Date and the number of Shares which will be Vested in him on the said Vesting Date (“Vesting Notice”).
- 37.4 No Grant Holder shall have any right to or interest in the Shares offered to him under a Grant until and unless the Shares are Vested to him.
- 37.5 Where the Vesting of Shares are to be satisfied by an issuance of new Shares, the relevant Member of the Group shall within ten (10) Market Days after the Grant Vesting Date (or such other period as may be prescribed or allowed by the Stock Exchange) issue and allot, or procure the issuance and allotment of, the relevant number of new Shares and despatch the notice of allotment to the Grant Holder accordingly.
- 37.6 Where the Vesting of Shares are to be satisfied by the transfer of Treasury Shares or other existing Shares, the relevant Member of the Group shall as soon as practicable after the Vesting Date transfer or procure the transfer of the relevant number of Shares and despatch the notice of transfer to the Grant Holder accordingly.

- 37.7 Notwithstanding anything to the contrary contained in these Rules, the Board shall have the absolute discretion, by notice in writing to a Grant Holder who is being subjected to any Disciplinary Proceeding to suspend the Vesting of Shares under the Grant pending the outcome of such Disciplinary Proceeding. In addition to this right of suspension, the Board may impose such terms and conditions as it shall deem appropriate, in its absolute discretion, on the right of Vesting of the Shares under the Grant having regard to the nature of the charges made or brought against such Grant Holder, provided always that:
- (a) in the event such Grant Holder is found not guilty of the charges which gave rise to such Disciplinary Proceeding at the end of its proceedings, the Board shall reinstate the rights of such Grant Holder to be Vested with the Shares as if such Disciplinary Proceeding had not been instituted in the first place;
 - (b) in the event the Disciplinary Proceeding resulted in a recommendation for the dismissal or termination of service of such Grant Holder, the Grant shall immediately lapse and be null and void and of no further force and effect upon pronouncement of the dismissal or termination of service of such Grant Holder notwithstanding that such recommendation may be subsequently challenged by the Grant Holder in any other forum; and
 - (c) in the event such Grant Holder is found guilty but no dismissal or termination of service is recommended, the Board shall have the right to determine at its absolute discretion whether or not the Grant Holder should be Vested with the Shares and if so, to impose such limits, terms and conditions as the Board deems appropriate, on such Grant.

38. TAKE-OVER

- 38.1 Notwithstanding Rule 37, in the event of a takeover offer being made for the Company by a general offer or otherwise and resulting in a change of control (as shall be notified by the Company or the Board) and upon such offer becoming or being declared unconditional, the Board may consider, at its absolute discretion, and to the extent permitted by law, whether or not to Vest any Shares pursuant to a Grant and the number of Shares to be Vested, if any, subject to such terms and conditions as may be prescribed and will take into account circumstances on a case-by-case basis.
- 38.2 Where Shares pursuant to Grants are Vested, the Board will, as soon as practicable after the Grants have been Vested, procure the allotment or transfer to each Grant Holder of the number of Shares so determined in accordance with Rule 37.

39. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC

Notwithstanding Rule 36, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme of arrangement or reconstruction of the Company or amalgamation with any other company or companies under the Companies Ordinance or pursuant to any other applicable laws, the Board may at its absolute discretion allow or disallow the Vesting of the Shares pursuant to a Grant to the Grant Holder.

40. TERMINATION OF GRANT

17.03(12)

- 40.1 Upon the cessation of employment of a Grant Holder with any Member of the Group for any reason whatsoever prior to the Vesting of the Shares or any part thereof, such Grant or the balance thereof shall forthwith cease to be valid without any claim against the Company, unless the Board decides otherwise.
- 40.2 Where the Grant Holder ceases his employment with any Member of the Group by reason of:
- (a) ill-health, injury or disability;
 - (b) transfer to a Related Corporation or an Associate Corporation; or
 - (c) other reasons or circumstances or occurrence of any out of control events which are acceptable to the Board,
- the Board may at its absolute discretion allow the Shares pursuant to a Grant or any part thereof to be Vested to the Grant Holder.
- 40.3 Where a Grant Holder retires and is immediately re-employed by any Member of the Group, upon his re-employment, the Board may at its absolute discretion allow the Grant Holder to either:
- (a) be Vested with the Shares allocated under Rule 37 in whole or in part within such period as the Board may allow; or
 - (b) continue with the Grant, subject to the Rules as if the Grant Holder has never ceased employment.
- 40.4 Upon the bankruptcy of a Grant Holder, any Grant shall immediately become null and void and of no further effect at the date of adjudication of bankruptcy.
- 40.5 In the event that a Grant Holder dies before Vesting of the Shares offered pursuant to the Grant, such Grant shall automatically lapse and become null and void at the date of his death, unless otherwise decided by the Board.
- 40.6 The number of Shares comprised in the Grant which becomes null and void under this Rule 40 will not form part of the Scheme Mandate Limit and continue to be available under the Scheme 2024.

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