

**THE UNITED LABORATORIES INTERNATIONAL HOLDINGS LIMITED**

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**2023 SHARE AWARD SCHEME**

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# 1 Definitions and Interpretation

1.1 In the Rules, unless the context otherwise requires, the following words and expressions have the meaning shown opposite to them below:

“Account”	the bank account opened in the name of the Trust, managed by the Trustee, and operated solely for the purposes of operating this Share Award Scheme, which is held on trust for the benefit of Selected Participants and can be funded by the Company or any of its Subsidiaries;
“Additional Shares”	has the meaning ascribed to such term in Clause 5.7(a)(ii);
“Adoption Date”	the date on which this Share Award Scheme is approved by shareholders of the Company at a general meeting and adopted by the Company;
“Applicable Jurisdiction”	the jurisdiction(s) of which the Selected Participants are subject to its laws and regulations;
“Articles”	the articles of association of the Company as amended from time to time;
“Award”	an award of Grant Shares by the Board pursuant to Clause 5 to a Selected Participant and will not include any options to purchase Shares;
“Awarded Amount”	in respect of a Selected Participant, the closing price of the Shares as quoted on the Hong Kong Stock Exchange as at the Grant Date (or any other date as may be determined by the Board) multiplied by the number of the Restricted Shares comprised in the Award;
“Board”	the board of directors of the Company;
“Business Day”	a day (excluding Saturdays, Sundays and public holidays) on which the Hong Kong Stock Exchange is open for trading and on which banks are open for normal banking business in Hong Kong;
“Committee”	the remuneration committee of the Company from time to time;
“Company”	The United Laboratories International Holdings Limited, a limited liability company organised and existing under the laws of the Cayman Islands and whose Shares are listed on the Hong Kong Stock Exchange;
“connected person”	as defined under the Listing Rules;
“Eligible Participant(s)”	any director and employee of the Company or any of its subsidiaries (including persons with an Award granted under the Share Award Scheme as an inducement to enter into employment contracts with the Group) who, in the sole opinion of the Board, will contribute or have contributed to the Company and/or any of the subsidiaries

“Excluded Person”	any Eligible Participant who is resident in a place where the grant of an Award and/or the vesting and transfer of the Restricted Shares pursuant to the terms of this Share Award Scheme is not permitted under the laws and regulations of such place or where in the view of the Board or the Committee or the Trustee (as the case may be), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such Eligible Participant;
“Grant Date”	in relation to any Restricted Share, the date on which the Restricted Share is, was or is to be granted;
“Grant Letter”	has the meaning ascribed to such term in Clause 5.3(b);
“Grant Shares”	has the meaning ascribed to such term in Clause 5.2(a);
“Group”	the Company and its Subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Inside Information”	means price sensitive event in relation to the Shares or event which constitutes inside information (as defined in Part XIVA of the SFO);
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange as supplemented and amended from time to time;
“Purchase Amount”	has the meaning ascribed to such term in Clause 5.3(a);
“Reference Amount”	has the meaning ascribed to such term in Clause 5.3(c);
“Residual Cash”	in respect of a Selected Participant, being cash remaining in the Account managed by the Trustee in respect of his/her Award (including interest income derived from deposits maintained with licensed banks in Hong Kong) which has not been applied in the acquisition or subscription of his/her Restricted Shares; and in respect of an acquisition or subscription of Trustee Shares, being cash remaining in the Account managed by the Trustee in respect of the Trustee Shares (including interest income derived from deposits maintained with licensed banks in Hong Kong) which has not been applied in the acquisition or subscription of the Trustee Shares;
“Restricted Share(s)”	in respect of a Selected Participant, such number of Shares as determined by the Board held by the Trustee on behalf of the Selected Participants to satisfy an Award granted to such Selected Participant pursuant to this Share Award Scheme;
“Rules”	the Rules of Share Award Scheme adopted by the Board on the Adoption Date;

“Scheme Mandate Limit”	has the meaning ascribed to such term in Clause 7.1;
“Share Schemes Limit”	has the meaning ascribed to such term in Clause 7.3;
“Selected Participant(s)”	any Eligible Participant(s) selected by the Board in accordance with the terms of this Share Award Scheme;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company (or of such other nominal amount as results from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time);
“Share Award Scheme”	the scheme constituted by the Rules as amended from time to time;
“Subscription Amount”	in respect of a Selected Participant, the par value of one Share multiplied by the number of the Restricted Shares comprised in the relevant Award granted to such Selected Participant;
“Subsidiary”	a company which is a subsidiary (within the meaning given under Section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere and “Subsidiaries” are construed accordingly;
“Total Lapse”	has the meaning ascribed to such term in Clause 5.4(a)(iii);
“Trust”	the trust(s) constituted under the Trust Deed or other trust(s) from which Awards may be granted to a Selected Participant pursuant to this Share Award Scheme;
“Trust Deed(s)”	the trust deed(s) to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of the appointment of the Trustee for the administration of this Share Award Scheme;
“Trust Period”	has the meaning ascribed to such term in the Trust Deed(s);
“Trustee”	means professional trustee(s) (which is independent of and not connected with the Company and its connected persons) appointed or to be appointed to administer the Share Award Scheme, or such other person(s) who for the time being is duly appointed to be the trustee (or trustees) of the Trust;
“Trustee Shares”	has the meaning ascribed to such term in Clause 5.3(a);

“Unaccepted Shares”	such Shares pursuant to a grant which are not accepted by the Selected Participant;
“Unvested Shares”	such Shares which do not vest in Selected Participants and have been or will be forfeited;
“Vesting Date”	has the meaning ascribed to such term in Clause 5.4(b)(i) or otherwise agreed by the Board pursuant to the Rules; and
“Vesting Period”	the period between the Grant Date and the Vesting Date (both dates inclusive).

1.2 In the Rules, unless where the context otherwise requires:

- (a) the headings are inserted for convenience only and do not limit, vary, extend or otherwise affect the construction of any provision of the Rules;
- (b) references to Clauses are references to clauses of the Rules;
- (c) references, express or implied, to any statute or statutory provision or the Listing Rules are construed as references to such statute, statutory provision or rules as respectively amended, consolidated or re-enacted, or as its operation is modified from time to time by any other statute or statutory provision (whether with or without modification and whether before or after the date hereof), and includes any subsidiary legislation enacted under the relevant statute, provision or rule;
- (d) expressions in the singular include the plural and vice versa;
- (e) expressions in any gender include other genders;
- (f) a reference to any enactment is construed as a reference to that enactment as from time to time amended, extended or re-enacted; and
- (g) references to persons include bodies corporate, corporations, partnerships, sole proprietorships, organisations, associations, enterprises, branches and entities of any other kind.

1.3 In construing the Rules:

- (a) the rule known as the ejusdem generis rule does not apply and, accordingly, general words introduced by the word “other” should not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things; and
- (b) general words should not be given a restrictive meaning by reason of that fact that they are followed by particular examples intended to be embraced by the general words.

1.4 If the context so permits, the Board referred to in the Rules shall be given the meaning to include the Committee or person(s) as from time to time delegated with the power and authority by the Board and/or the Committee to administer this Share Award Scheme.

## **2 Purposes and Objectives**

2.1 The specific objectives of this Share Award Scheme are to:

- (a) recognise the contributions by certain Selected Participants with an opportunity to acquire a proprietary interest in the Company;

- (b) encourage and retain such individuals for the continual operation and development of the Group;
- (c) provide additional incentives for them to achieve performance goals;
- (d) attract suitable personnel for further development of the Group; and
- (e) motivate the Selected Participants to maximise the value of the Company for the benefits of both the Selected Participants and the Company,

with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Selected Participants directly to the shareholders of the Company through ownership of Shares.

- 2.2 This Share Award Scheme sets out the terms and conditions upon which the incentive arrangement for the Selected Participants operates.

### **3 Duration**

Without prejudicing the subsisting rights of any Selected Participant, subject to any early termination as may be determined by the Board pursuant to Clause 12, this Share Award Scheme remains valid and effective from the Adoption Date until the tenth (10th) anniversary of the Adoption Date, after which period no further Awards will be granted, but the provisions of this Share Award Scheme will in all other respects remain in full force and effect and Awards that are granted from the Adoption Date until the tenth (10th) anniversary of the Adoption Date may continue to be vested in accordance with their terms of issue.

### **4 Administration**

- 4.1 This Share Award Scheme shall be subject to the administration of the Board and the Trustee in accordance with the terms of this Share Award Scheme and the Trust Deed. Unless otherwise specified herein, the decision of the Board and the Trustee regarding the administration and operation of this Share Award Scheme shall be final and binding on all parties.
- 4.2 The Board has the power to administer this Share Award Scheme, including the power to construe and interpret the Rules, and the terms of the Award granted under this Share Award Scheme. To the extent permitted under the Listing Rules, the Board may delegate the authority to administer this Share Award Scheme to the Committee, a member of the Committee or other person(s) as deemed appropriate at its sole discretion.
- 4.3 Without prejudice to Clause 11.1, the Board has the power from time to time to make or vary regulations for the administration and operation of this Share Award Scheme, provided that they are not inconsistent with the provisions of this Share Award Scheme.

### **5 Operation of Share Award Scheme**

- 5.1 Grant Of Awards To Selected Participants
- (a) Subject to provisions of the Rules, the Board may, from time to time, at its absolute discretion select any Eligible Participant (other than any Excluded Person) to be a Selected Participant and grant to such Selected Participant any Award as the Board may determine at its absolute discretion. Participation in this Share Award Scheme is limited to Eligible Participants only.
  - (b) The Board is entitled to impose any conditions (including without limitation, a period of continued service within the Group after the Grant Date), as it deems appropriate with respect to the entitlement of the Selected Participant to the Award and the Board will inform such Selected Participant by way of the Grant Letter which sets out, among other things, the number of the Grant Shares, the terms, conditions (e.g. performance conditions) (if

any), restrictions (if any) and vesting schedule of such Award. The Board may, at its absolute discretion, include in the Grant Letter to the Selected Participants an option, upon vesting, to choose either to receive the Award in the form of Shares or cash. In the event that the Selected Participant chooses to receive the Award in the form of cash, the Board may, at its absolute discretion, decide whether the cash is to be funded by disposal of existing Shares or Shares newly issued by the Company for the purpose of satisfying the Award.

- (c) Any grant of Award of Shares to a director, chief executive or substantial shareholder (all with the meaning as ascribed under the Listing Rules) of the Company or any of their respective associates (also with the meaning as ascribed under the Listing Rules) must be approved by the independent non-executive directors of the Company (excluding independent non-executive director who is a prospective Selected Participant, if any).
- (d) Where Awards of new Shares are proposed to be granted to a Selected Participant who is a director (other than an independent non-executive director) or chief executive (all with the meaning as ascribed under the Listing Rules) of the Company or any of their respective associates (also with the meaning as ascribed under the Listing Rules), and the proposed grant of Awards would result in the Shares issued and to be issued upon exercise of all awards involving issue of new Shares (regardless whether such awards are granted under this Share Award Scheme or any other share scheme(s) of the Company but excluding any awards lapsed in accordance with the terms of this Share Award Scheme) already granted to such person in the 12-month period up to and including the date of such grant of such Awards representing in aggregate over 0.1 percent of the total number of Shares in issue, the proposed grant of Awards must be approved by the shareholders of the Company in general meeting. In such a case, the Company shall send a circular to the shareholders of the Company containing all those terms as required under the Listing Rules. The Selected Participant, his/her associates and all core connected persons (with the meaning ascribed under the Listing Rules) of the Company must abstain from voting in favour of the resolution at such general meeting. Any vote taken at the meeting to approve the grant of such Awards must be taken on a poll. In calculating the aforesaid limit of 0.1 percent, any options and awards lapsed in accordance with the terms of the corresponding scheme shall not be counted.
- (e) Where Awards of new Shares are proposed to be granted to a substantial shareholder of the Company (with the meaning as ascribed under the Listing Rules) or an independent non-executive director of the Company, or any of their respective associates, and the proposed grant of Awards would result in the Shares issued and to be issued upon exercise of all (i) options; and (ii) awards involving issue of new Shares (regardless whether such awards are granted under this Share Award Scheme or any other share scheme(s) of the Company), already granted to such person in the 12-month period up to and including the date of such grant of such Awards representing in aggregate over 0.1 percent of the total number of Shares in issue; the proposed grant of Awards must be approved by the shareholders of the Company in general meeting. In such a case, the Company shall send a circular to the shareholders of the Company containing all those terms as required under the Listing Rules. The Selected Participant, his/her associates and all core connected persons (with the meaning ascribed under the Listing Rules) of the Company must abstain from voting in favour of the resolution at such general meeting. Any vote taken at the meeting to approve the grant of such Awards must be taken on a poll. In calculating the aforesaid limit of 0.1 percent, any options and awards lapsed in accordance with the terms of the corresponding scheme shall not be counted.

## 5.2 Criteria for Determining Selected Participants

- (a) Subject to Clauses 5.8(g), 5.8(h) and 7, the Board may, in its absolute discretion, select the Selected Participants and determine the number of Shares to be granted (the “**Grant Shares**”) to any Selected Participant (excluding any Excluded Person).
- (b) In determining the number of Shares to be granted, the Board may take into consideration matters including, but without limitation to,



- (i) the present contribution and expected contribution of the relevant Selected Participant to the profits of the Group;
- (ii) the performance of the relevant Selected Participants;
- (iii) the general financial condition of the Group;
- (iv) the Group's overall business objectives and future development plan; and
- (v) any other matter which the Board considers relevant.

### 5.3 Purchase and subscription of Shares

- (a) The Board may, at its sole and absolute discretion, notify the Trustee, from time to time, to purchase existing Shares before any Selected Participants are selected in respect of those existing Shares and to hold the same for any Award for future Selected Participants to be selected by the Board (together with such existing Shares made available to the trust from time to time, the "**Trustee Shares**"). The Board may, at its discretion, at any time after taking into account the Trustee Shares held by the Trustee, cause to be paid the Purchase Amount from the Company's resources or any Subsidiary's resources into the Account to enable the Trustee to purchase Trustee Shares for the purpose of granting Award under this Share Award Scheme. The Purchase Amount is the sum of (X) the amount used to purchase the Trustee Shares on the Hong Kong Stock Exchange and (Y) the related purchase expenses (including for the time being, if any, the brokerage fee, stamp duty, SFC transaction levy, and Hong Kong Stock Exchange trading fee) and such other necessary expenses required for the completion of the purchase of all the Trustee Shares.
- (b) After the Board has selected the Eligible Participants and determined the number Shares to be granted, it will notify the Selected Participants about the details of the Award in writing by way of a grant letter (the "**Grant Letter**"). Upon receipt of the Grant Letter, the Selected Participants are required to confirm their acceptance of the Award by returning to the Company a notice of acceptance duly executed by them within 28 days after the Grant Date (the "**Acceptance Period**"). If any Selected Participant fails to return the notice of acceptance before the expiration of the Acceptance Period to the Company, the Award will be deemed not to have taken effect and automatically lapses forthwith on the day following the last day of the Acceptance Period and the Shares pursuant to the relevant Award will become Unaccepted Shares which will be dealt with in accordance with Clause 6.
- (c) The Board may at its discretion at any time after the Grant Date, in respect of the relevant Awards and after having regard to the requirement under Clauses 5.8(g) and 5.8(h), cause to be paid the Reference Amount from the Group's resources into the Account for the purchase and/or subscription of the Grant Shares in respect of such Awards. The Reference Amount is the sum of (X) the Awarded Amount or the Subscription Amount (as the case may be) and (Y) the related purchase or subscription expenses (including for the time being, if any, the brokerage fee, stamp duty, SFC transaction levy, and Hong Kong Stock Exchange trading fee) and such other necessary expenses required for the completion of the purchase or the subscription of all the Grant Shares.
- (d) In respect of the purchase of the Grant Shares or Trustee Shares (as applicable), at any time after the Grant Date or as instructed by the Company (as applicable), the Trustee will apply the Reference Amount or the Purchase Amount (as applicable) towards the purchase of Grant Shares or Trustee Shares (as applicable) at the prevailing market price, subject to Clause 5.3(f) below.
- (e) In respect of the subscription of the Grant Shares, at any time after the Grant Date, the Trustee will apply the Reference Amount towards the subscription of Shares, the number of which shall not exceed the total number of Awards granted, at par value of the Shares.
- (f) For purchase of Shares, within 14 Business Days (or such longer period as the Trustee and the Board may agree from time to time) of receiving the Reference Amount or the

Purchase Amount (as applicable), the Trustee will apply the same towards the purchase of Shares on the Hong Kong Stock Exchange. If the Reference Amount or the Purchase Amount (as applicable) paid or caused to be paid to the Trustee is not sufficient to purchase all the necessary Shares to cover the Grant Shares or the Trustee Shares (as applicable), the Trustee will purchase the maximum number of board lots of Shares that can be purchased with that Reference Amount or Purchase Amount (as applicable) and seek further funds from the Board until all Shares covering the Grant Shares or the Trustee Shares (as applicable) are purchased.

- (g) Upon instruction of the Board, any Residual Cash will be returned to the Company forthwith after completion of the purchase and/or subscription of all the Grant Shares or the Trustee Shares (as applicable) comprised in the Award. The Trustee will hold any Restricted Shares so subscribed in accordance with the terms of the Rules and the provisions of the Trust Deed.
- (h) The Restricted Shares so purchased and/or subscribed for will, subject to the receipt by the Trustee of the relevant documents as may be prescribed by the Board and a confirmation from the Company that all vesting conditions have been fulfilled, be transferred to the Selected Participant.
- (i) The Restricted Shares transferred and/or issued pursuant to this Share Award Scheme will be subject to all the provisions of the Articles for the time being in force and will rank *pari passu* in all respects with other Shares in issue on the date the relevant Shares are transferred to the Selected Participant and accordingly will entitle the holders to the same voting, dividend, transfer and other rights as the existing fully paid Shares in issue on the date on which the Restricted Shares granted are issued and/or transferred upon vesting of an Award and without prejudice to the generality of the foregoing, shall entitle the holders to participate in all dividends or other distributions paid or made on or after the date on which Grant Shares are transferred to the Selected Participant except in respect of any dividends or other distributions previously declared or recommended or resolved to be paid or made if the record date therefor will be before the date on which the Grant Shares are transferred to the Selected Participant.
- (j) For the avoidance of doubt, the Trustee shall be regarded as having discharged all its obligations after the Restricted Shares as described in preceding Clauses 5.3(h) and 5.3(i) respectively are transferred to the Selected Participants.

#### 5.4 Vesting

- (a) Vesting Condition
  - (i) Subject to Clause 5.4(c), the vesting of the Awards is subject to the Selected Participant remaining at all times after the Grant Date and on the Vesting Date as an Eligible Participant. For the purpose of this Clause, a Selected Participant is regarded as remaining as a Selected Participant notwithstanding that he or she ceases to hold a position of key employment or directorship with a member of the Group, if at the same time he or she takes up a different position of key employment and/or directorship with another member of the Group as requested or instructed by the Company.
  - (ii) A Selected Participant ceases to be an Eligible Participant for the purpose of Clause 5.4(a)(i) if:
    - (A) the Selected Participant's service or employment with the Group has been terminated by any member of the Group for cause. For the purposes of this Clause and all other relevant provisions under the Rules (if any) relating to termination for cause, "cause" means:
      - (1) dishonesty or serious misconduct, whether or not in connection with his/her employment; wilful disobedience or non-compliance with the

terms of his/her employment or service contract with any member of the Group; or any lawful orders or instructions given by any member of the Group, as the case may be;

- (2) incompetence or negligence in the performance of his/her duties; or
    - (3) doing anything in the conclusive opinion of the Board adversely affects his/her ability to perform his/her duties properly or bring the Company or the Group into disrepute;
  - (B) the Selected Participant has been summarily dismissed by any member of the Group, or;
  - (C) the Selected Participant's service or employment is terminated for any other reasons (including by reason of retirement, resignation, agreement, expiration of the employment or service agreement or his/her permanent physical or mental disablement); or
  - (D) the Selected Participant has been convicted for any criminal offence involving his/her integrity or honesty; or
  - (E) the Selected Participant has been charged, convicted or held liable for any offence under the relevant securities laws in Hong Kong or any other applicable laws or regulations in force from time to time.
- (iii) Subject to Clause 5.4(c), in the event that prior to or on the Vesting Date in respect of a Selected Participant, (i) the relevant Selected Participant ceases to be an Eligible Participant, or (ii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company), or (iii) there occurs an event of change in control of the Company, whether by way of offer, merger, scheme of arrangement or otherwise is made to all the holders of Shares (or all such holders other than the offeror, any person controlled by the offeror and any person acting in association or concert with the offeror) (each of these, an event of "**Total Lapse**"), the Award will automatically lapse forthwith and the Restricted Shares will not vest on the relevant Vesting Date and the Shares to satisfy such Award will not be counted for the purpose of the Share Scheme Limit in Clause 7. "Change in control" means any person becoming the direct or indirect beneficial owner of more than 51 per cent of the total voting rights in the entire Shares issued by the Company at any time.
- (iv) Notwithstanding any other provisions of this Share Award Scheme (but subject to any applicable laws), the Board is at liberty to waive the vesting condition referred to in this Clause 5.4(a).
- (v) In the event the Company undertakes a consolidation of the Shares, all fractional shares arising out of such consolidation in respect of the Grant Shares of a Selected Participant will not be vested for the purposes of this Share Award Scheme and will not be transferred to the relevant Selected Participant on the relevant Vesting Date.
- (b) Vesting of Restricted Shares
- (i) Subject to Clauses 5.4(a) and 5.4(c), any Restricted Share held by the Trustee on behalf of a Selected Participant pursuant to the provisions of the Rules vests in such Selected Participant in accordance with the vesting schedule (if any) as set out in the Grant Letter (for this purpose, the date or each such date on which the Grant Shares are to vest is referred to as a "**Vesting Date**").

(ii) The Trustee will transfer the relevant Restricted Shares to the relevant Selected Participants as soon as practicable after the Vesting Date.

(c) Lapse upon Death

In respect of a Selected Participant who dies at any time prior to or on the Vesting Date, all the unvested Awards of the relevant Selected Participant shall be automatically lapsed with effect from the date immediately following the date on which the Selected Participant dies.

(d) Vesting of Awards shall be subject to Performance Targets

Vesting of Awards shall be subject to performance targets, if any, to be satisfied by the Selected Participants as determined by the Board from time to time, provided that such performance targets shall be set out in the Grant Letter to the Selected Participants. The performance targets will be subject to (i) the performance assessment of the Company and (ii) the performance assessment of the individual Selected Participants, both of which may comprise a mixture of attaining satisfactory key performance indicators components which may vary among the Selected Participants, having considered their role, length of employment, duties and responsibilities of the Selected Participants within the Group and the time of the grant. For the avoidance of doubt, the performance targets are not applicable to independent non-executive directors of the Company.

For the performance assessment of the Company, the assessment shall be determined and approved by the Directors annually, which shall take into account factors as appropriate including but not limited to, the revenue, profits, cash flows, earnings, earnings per share and Share price of the Company. As for the performance assessment of the individual Selected Participants, the performance assessments shall be subject to the assessment criteria determined by the Company, which shall take into account factors as appropriate including but not limited to, the role within the Group, the skill, knowledge, experience and expertise related to the business of the Group, the length of employment within the Group, the actual and potential contributions to the development, growth and reputation of the Group. The results of the annual performance assessments of each of the Selected Participants shall be approved by the Board. The vesting ratio of the Selected Participants for each vesting period will be determined against the performance assessment of the Company and the performance assessment of the individual Selected Participants. The performance targets and the formula of calculating the number of Shares to be vested shall be set out in the Grant Letter to the Selected Participants.

(e) Vesting Period

(i) Save for the circumstances prescribed in Clause 5.4(e)(ii), the Vesting Period in respect of an Award held by the Selected Participant must be at least 12 months and is subject to the vesting schedule set out as follows:

<b>Vesting arrangement</b>	<b>Timing of the vesting</b>	<b>Upper limit of the vesting ratio</b>
Lock-up period	Commencing on the first trading day after Grant Date and ending on the last trading day of the 12-month period from the Grant Date	-
First vesting period	Commencing on the first trading day after the 12-month period from the Grant Date and ending on the last trading day of the 24-month period from the Grant Date	1/3

Second vesting period	Commencing on the first trading day after the 24-month period from the Grant Date and ending on the last trading day of the 36-month period from the Grant Date	1/3
Third vesting period	Commencing on the first trading day after the 36-month period from the Grant Date and ending on the last trading day of the 48-month period from the Grant Date	1/3

The vesting ratio set out above is the upper limit only. The actual vesting ratio shall be subject to the performance targets as set out in Clause 5.4(d) and calculated based on the formula which will be included in the Grant Letter to the Selected Participants.

- (ii) A shorter vesting period may be granted to a Selected Participant at the Board's sole and absolute discretion in the following circumstances:
- (A) grants with performance-based vesting conditions provided in this Share Award Scheme or as specified in the Grant Letter in lieu of time-based vesting criteria;
  - (B) grants of Awards that are made in batches during a year due to administrative or compliance requirements which may be subject to any changes made to the applicable laws, regulations and rules in the jurisdictions which the Selected Participants and the Group are subject to and not connected with the performance of the relevant Selected Participant, which include Awards that should have been granted earlier if not for such administrative or compliance requirements but had to wait for subsequent batch, in which case the vesting period may be shortened to reflect the time from which the Awards would have been granted if not for such administrative or compliance requirements, which allows flexibility for the Company to reward Selected Participants in case of delays due to administrative or compliance requirements;
  - (C) grants with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of 12 months, or where the Awards may vest by several batches with the first batch to vest within 12 months of the Grant Date and the last batch to vest 12 months after the Grant Date; and
  - (D) grants with a total vesting and holding period of more than 12 months.

## 5.5 Clawback

- (a) Upon the occurrence of any of the following event (and whether an event is to be regarded as having occurred for the purpose of this paragraph is subject to the sole determination of the Board) in relation to a Selected Participant, no further Awards shall be granted to such Selected Participants and the Awards granted to such Selected Participants shall be clawed back and such Awards shall lapse accordingly on the date as determined by the Board (if such Awards are unvested):
- (i) the Selected Participant has failed to perform duties effectively or is involved in serious misconduct or malfeasance;

- (ii) the Selected Participant has contravened the relevant laws and regulations of any Applicable Jurisdiction or the provisions of the articles of association of any member of the Group;
  - (iii) the Selected Participant has, during his/her tenure of office, been involved in acceptance or solicitation of bribery, corruption, theft, leakage of trade and technical secrets, conducted other unlawful acts and misconducts, which prejudiced the interest and reputation of and caused significant negative impact to the image of any member of the Group;
  - (iv) the Selected Participant has failed to discharge, or failed to discharge properly, his/her duties and thereby resulting in serious loss in assets to any member of the Group and other serious and adverse consequences;
  - (v) the Selected Participant has violated the Company's high voltage lines (or similar standards) applicable to the Selected Participant pursuant to any internal guideline(s) adopted by the Company (as amended, supplemented or modified from time to time); or
  - (vi) the Selected Participant has failed to comply with any non-compete covenants or restrictive covenants or any terms and conditions of a similar effect applicable to the Selected Participant pursuant to any internal guideline(s) adopted by the Company (as amended, supplemented or modified from time to time).
- (b) Where an Award (or any part thereof) granted to a Selected Participant has already been vested at the time when such Award is clawed back pursuant to Clause 5.5(a) above, the Selected Participant shall return, by the Board's determination at its sole and absolute discretion, either (i) the exact number of vested and clawed back Share(s), (ii) the monetary amount equivalent to the Value of the relevant Share(s) on the Grant Date, (iii) the monetary amount equivalent to the Value of the relevant Share(s) on the Vesting Date or (iv) the monetary amount equivalent to the Value of the relevant Share(s) on the date of such clawback.
- (c) Where an Award (or any part thereof) granted to a Selected Participant is unvested at the time when such Award is clawed back pursuant to Clause 5.5(a) above, such Award (or any part thereof) subject to clawback will lapse on the date as determined by the Board and the relevant Shares will not vest on the relevant Vesting Date and become Unvested Shares, and the relevant Shares will not be counted for the purpose of the Share Scheme Limit in Clause 7.
- (d) For the purpose of Clause 5.5(b), "Value" of the relevant Share(s) is the average closing price of the Share(s) as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the relevant date of determination (being the Grant Date, the Vesting Date or the date of clawback, as applicable).

## 5.6 Cash and Non Cash Income

All cash, non-cash income, cash/non-cash distributions or dividends, or sale proceeds of non-cash and non-scrip distributions declared in respect of a Share (whether held as Grant Share, Unaccepted Share, Additional Share or Unvested Share) form part of the trust fund of the Trust.

## 5.7 Trust Fund and Additional Shares

- (a) The Trustee may apply the trust fund in Clause 5.6:
  - (i) initially to pay the fees, costs and expenses of the Trust, including without limitation all of the Trustee's fees incurred immediately prior to the Purchase Date (as defined below); and

- (ii) its remainder (if any) to purchase the maximum number of board lots of Shares (the “**Additional Shares**”) on the Purchase Date.
- (b) The Trustee holds such Additional Shares for the benefit of all or one or more of the Selected Participants, as the Trustee may in its discretion, but subject to prior consultation with and decision of the Board, use such Additional Shares as Grant Shares to settle any other Award which has been vested.
- (c) The Additional Shares (if used by the Trustee in a manner specified in Clause 5.7(b) above) are subject to the vesting condition and vesting schedule as may be determined by the Board.
- (d) For the purpose of this Clause 5.7, “Purchase Date” means any Business Day on which the Trustee purchases any Additional Shares subject to prior consultation with and decision of the Board.

## 5.8 Restrictions and Limitations

- (a) An Award shall be personal to the Selected Participant to whom it is made and shall not be assignable and no Selected Participant may in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any other person over or in relation to either the Awarded Amount, Subscription Amount, Reference Amount or the Restricted Shares referable to him pursuant to such Award or the Unaccepted Shares, Additional Shares or any of the Unvested Shares under this Share Award Scheme, subject to a waiver which the Hong Kong Stock Exchange may consider granting to allow a transfer of the Award from a Selected Participant to a vehicle (such as a trust or a private company) for the benefit of such Selected Participant and any family members of such Selected Participant (e.g. for estate planning or tax planning purpose) that would continue to meet the purpose of this Share Award Scheme and comply with the requirements of Chapter 17 of the Listing Rules.
- (b) A Selected Participant shall not have any interest or rights (including the right to receive dividend) in the Restricted Shares which are referable to him until such Restricted Shares have been vested and transferred to the relevant Selected Participant as Shares in accordance with the provisions set out in Clause 5.4(b).
- (c) A Selected Participant has no rights in the Residual Cash.
- (d) The Trustee holding Unvested Shares of this Share Award Scheme, whether directly or indirectly, shall abstain from voting on matters that require shareholders’ approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner’s direction and such a direction is given.
- (e) No instructions may be given by a Selected Participant to the Trustee in respect of the Restricted Shares that have not vested, and such other properties of the Account managed by the Trustee.
- (f) The Trustee may not subscribe for any new Shares pertaining to either (a) an open offer of new securities; or (b) any rights issue or bonus warrants issued in respect of any Shares held by the Trustee. In the event of a rights issue, the Trustee will sell any nil- paid rights allotted to it. In the event of the issue of a bonus warrant, the Trustee will sell the bonus warrants granted to it. The net proceeds from the sale of such rights are held as cash income of the trust fund of the Trust and are first applied to fees, costs and expenses incurred by the Trustee in the administration of the Trust and then to the any Selected Participant subject to Board’s discretion.
- (g) No Award may be granted by the Board to any Selected Participant, no Shares may be issued or allotted under this Share Award Scheme and no instructions to acquire any Shares may be given to the Trustee where dealings in the Shares are prohibited under the Listing Rules and all applicable laws from time to time. Without limiting the generality of the foregoing, no such instruction is to be given and no such grant is to be made:

- (i) where the Company has information that must be disclosed under Rule 13.09 of the Listing Rules or where the Company reasonably believes there is Inside Information which must be disclosed under part XIVA of the SFO, until (and including) the trading date after such Inside Information has been published on the websites of the Hong Kong Stock Exchange and the Company;
  - (ii) after any Inside Information in relation to the securities of the Company has occurred or has become the subject of a decision, until such Inside Information has been published;
  - (iii) within the period commencing 60 days (in the case of yearly results), or 30 days (in the case of results for half-year, quarterly or other interim period) immediately preceding the earlier of (i) the date of a meeting of the Board (as such date is first notified to the Hong Kong Stock Exchange) for the approval of the Company's results for any year, half-year, quarterly or other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to publish its quarterly, interim or annual results announcement for any such period, and ending on the date of such announcement; or
  - (iv) in any other circumstances where dealings by Selected Participant (including directors of the Company) are prohibited under the Listing Rules, the SFO or any other applicable laws or regulations or where the requisite approval from any applicable regulatory authorities has not been granted.
- (h) No Award of new Shares may be made or announced, and no issue or allotment of Shares pursuant to this Share Award Scheme may be made for a period of 30 days after any purchase by the Company of Shares, whether on the Hong Kong Stock Exchange or otherwise, unless with the prior approval of the Hong Kong Stock Exchange.

## 5.9 Compliance

In respect of the administration of this Share Award Scheme, the Company complies with all applicable disclosure regulations including without limitation those imposed by the Listing Rules from time to time.

## 6 Unaccepted and Unvested Shares

Where Shares, referable to a Selected Participant,

- (a) are not accepted by such Selected Participant within the stipulated time in accordance with Clause 5.3(b) and become Unaccepted Shares in accordance with Clause 5.3(b); or
- (b) do not vest in accordance with the relevant provisions of the Rules and become Unvested Shares,

provided that the Trustee has subscribed for the relevant shares from the Company, the Trustee may hold such Unaccepted Shares or Unvested Shares and all income derived from them for the benefit of all or one or more of the Eligible Participants, to the extent that the Trustee may, subject to prior consultation with and decision of the Board, use such Unaccepted Shares or Unvested Shares as Grant Shares to settle any other Award which has been vested.

## 7 Scheme Limits

- 7.1 The number of Shares to be subscribed for and/or purchased which may be awarded by the Board under this Share Award Scheme shall not exceed 10 percent of the issued Shares as at the Adoption Date ("**Share Scheme Limit**").
- 7.2 No Award may be granted to any one Eligible Participant such that the total number of Shares issued and to be issued in respect of all options and awards granted to such person (excluding



any options and awards lapsed in accordance with the terms of the scheme) in any twelve (12) month period up to the date of the latest grant exceeds one (1) percent of the issued share capital of the Company from time to time, unless such grant is separately approved by shareholders of the Company in general meeting with such grantee and his/her close associates (with the meaning ascribed thereto under the Listing Rules) (or his/her associates if the grantee is a connected person) abstaining from voting in accordance with Rule 17.03D(1) of the Listing Rules.

- 7.3 The total number of new Shares which may be issued in respect of all options and awards to be granted under all of the share schemes of the Company which are funded by issue of new Shares of the Company (including this Share Award Scheme, and each a “**Share Scheme**”) must not exceed 10 percent of the relevant class of Shares in issue as at the date of approval by the Company’s shareholders of a Share Scheme or a refreshment of scheme mandate under a Share Scheme, whichever is the latest (“**Scheme Mandate Limit**”).

## **8 Withholding**

- 8.1 The Company or any of its Subsidiary may be entitled to withhold, and any Selected Participant may be obliged to pay, the amount of any tax and/or social security contributions attributable to or payable in connection with the grant of the Award and any excluded expenses pursuant to Clause 15.2. In particular, in the event that the Company is obliged to pay for and on behalf of the relevant Selected Participant any taxes according to the relevant rules and regulation, instead of asking the Selected Participant to indemnify or reimburse the Company in cash for such amount of taxes, the Company is entitled, at its sole discretion, to forfeit by way of deducting from the total number of Grant Shares entitled to be vested in the Selected Participant (i.e. to be transferred to the Selected Participant) on the Vesting Date such number of the Restricted Shares representing the relevant amount of taxes. The value of the Grant Shares so deducted and forfeited shall be conclusively determined by the Company at its sole discretion with reference to the closing price of the Shares as quoted on the Hong Kong Stock Exchange on the Vesting Date (or the Business Day immediately after the Vesting Date, if the Vesting Date is not a Business Day) and the deduction and the forfeiture will be done on the date immediately after the Vesting Date and before the Grant Shares are transferred to the relevant Selected Participants. Such number of Restricted Shares so deducted and forfeited will become Unvested Shares. The Trustee shall hold Unvested Shares and all income derived therefrom upon trust exclusively for the benefit of all or one or more of the Eligible Participants (other than any Excluded Person). Such Unvested Shares may be awarded as Grant Shares pursuant to this Share Award Scheme. The beneficial interests of these Unvested Shares are with the Eligible Participants as a whole prior to the grant of an Award and will only go to a particular Selected Participant after the making of the relevant Award.
- 8.2 The Board may establish appropriate procedures to provide for any such payment so as to ensure that the Company or any Subsidiary receive advice concerning the occurrence of any event which may create, or affect the timing or amount of, any obligation to pay or withhold any such taxes or social security contributions or which may make available to the Company or such Subsidiary any tax deduction resulting from the occurrence of such event.
- 8.3 The Company or any Subsidiary may, by notice to the Selected Participant and subject to any rules as the Board may adopt, require that the Selected Participant pay at the time of acceptance and/or vesting of the Award an amount estimated by the Company or any Subsidiary to cover all or a portion of the tax and/or social security contributions attributable to or payable in connection with the Award.

## **9 Reorganisation of Capital Structure**

In the event of any alteration in the capital structure of the Company whilst any Award remains unvested, such as capitalisation issue, rights issue or sub-division or consolidation of Shares or reduction of share capital of the Company, the Board shall determine (if appropriate) and make alterations (if any) to the number of Shares to be granted subject to the Award so far as unvested.

Any such alteration shall be subject to a written confirmation from an independent financial adviser or the Company’s auditors to the Directors, either generally or as regard any particular Selected

Participant, to have given the Selected Participants the same proportion (or rights in respect of the same proportion) of the equity capital value as that to which that person was previously entitled, provided that no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value. The capacity of the independent financial adviser or the Company's auditors (as the case may be) in this paragraph is that of experts and not of arbitrators and their confirmation shall, in the absence of manifest error, be final and binding on the Company and the Selected Participant.

## **10 Disputes**

Any dispute arising in connection with this Share Award Scheme is referred to the decision of the Board who acts as experts and not as arbitrators and whose decision is final and binding.

## **11 Amendment**

11.1 Except for the provisions the amendment of which require shareholders' approval pursuant to the Listing Rules, this Share Award Scheme may be amended in any respect by a resolution of the Board provided that no such amendment may operate to affect adversely any subsisting rights of any Selected Participant under this Share Award Scheme unless:

- (a) the written consent of the relevant Selected Participants is obtained; or
- (b) with the sanction of a special resolution passed at a meeting of the Selected Participants.

The amended terms of this Share Award Scheme shall remain in compliance with the relevant requirements of Chapter 17 of the Listing Rules.

11.2 For any such meeting of Selected Participants referred to in Clause 11.1, all the provisions of the Articles as to general meetings of the Company apply mutatis mutandis except that:

- (a) not less than five (5) Business Days' notice of such meeting is given;
- (b) a quorum at any such meeting is two Selected Participants present in person or by proxy;
- (c) every Selected Participant present in person or by proxy at any such meeting is entitled on a show of hands to one vote, and on a poll, to one vote for each Share proposed to be awarded to him;
- (d) any Selected Participant present in person or by proxy may demand a poll; and
- (e) if any such meeting is adjourned for want of a quorum, such adjournment will be to such date and time, not being less than five (5) or more than ten (10) Business Days, and to such place as may be appointed by the chairman of the meeting. At any adjourned meeting those Selected Participants who are then present in person or by proxy form a quorum and at least five (5) Business Days' notice of any adjourned meeting is given in the same manner as for an original meeting and such notice states that those Selected Participants who are then present in person or by proxy forms a quorum.

11.3 Any (i) alterations to the terms and conditions of this Share Award Scheme which are of a material nature, (ii) alterations to the provisions relating to the matters contained in Rule 17.03 of the Listing Rules to the advantage of Selected Participants or prospective Selected Participants, or (iii) change to the authority of the Directors or scheme administrators to alter the terms of this 2023 Share Award Scheme must be approved by shareholders of the Company in general meeting.

11.4 In respect of any proposed amendment in relation to the terms of Awards granted to a Selected Participant, it must be approved by the Board, the Committee, the independent non-executive directors of the Company and/or the shareholders of the Company (as the case may be) if the initial grant of the Awards was approved by the Board, the Committee, the independent non-

executive directors of the Company and/or the shareholders of the Company (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of this Share Award Scheme.

## **12 Termination**

- 12.1 This Share Award Scheme commences on the Adoption Date and remains valid and effective unless and until being terminated on the earlier of :
- (a) the tenth anniversary date of the Adoption Date; and
  - (b) such date of early termination as determined by the Board provided that such termination does not affect any subsisting rights of any Selected Participant.
- 12.2 Upon early termination, no further Awards may be granted. The Board will notify the Trustee of such early termination.
- 12.3 Upon receipt of the notification of termination from the Committee in writing, the Trustee will, within 21 Business Days of receiving such notice of termination, or such longer time as the Trustee and the Committee may agree from time to time, vest all Restricted Shares which, as of the date of such notice are unvested and have not previously lapsed pursuant to Clause 5.4(a)(ii) or (iii), and transfer such vested Restricted Shares to the relevant Selected Participants.
- 12.4 In the event of termination of this Share Award Scheme, after all Awards granted under this Share Award Scheme have either previously lapsed or all Restricted Shares have vested and been transferred to the relevant Selected Participants, the Residual Cash and such other funds remaining in the Account (after making appropriate deductions in respect of all disposal costs, liabilities and expenses) will be remitted to the Company forthwith.
- 12.5 For the avoidance of doubt, the temporary suspension of the granting of any Award is not construed as a decision to terminate the operation of this Share Award Scheme.

## **13 Treatment of Shares held by the Trustee**

The Board may at any time during the Trust Period instruct the Trustee in writing to deal with the Shares which, as of the date of such instruction (a) are unvested and have not previously lapsed pursuant to any provisions herein, or (b) remain in the account maintained by the Company with the Trustee for any other reason, in a manner determined by the Board at its absolute discretion (which may include, among others, (i) transferring all relevant Shares to other accounts maintained by the Trustee for the purposes of operating other share schemes of the Company; (ii) disposing such Shares and remitting the proceeds to the Company; and/or (iii) accelerating vesting of such Shares and transferring such shares to the relevant Selected Participants).

## **14 Cancellation**

An Award that has not been vested may be cancelled by the Board with the consent of the relevant Selected Participant. For the avoidance of doubt, where the Company cancels Awards granted to a Selected Participant and makes a new grant to the same Selected Participant, such new grant may only be made with available Share Scheme Limit and (and in the case where the new grant will be satisfied by way of issue and allotment of new Shares by the Company) the Scheme Mandate Limit, and that Awards cancelled will be regarded as utilised for the purpose of calculating the Share Scheme Limit and (and in the case where the Awards cancelled were to be satisfied by way of issue and allotment of new Shares by the Company) the Scheme Mandate Limit.

## **15 Miscellaneous**

- 15.1 This Share Award Scheme does not form part of any contract of employment or contract for services (as the case may be) between the Company or any Subsidiary and any Eligible

Participant, and the rights and obligations of any Eligible Participant under the terms of his/her office or employment are not affected by his/her participation in this Share Award Scheme or any right which he or she may have to participate in it and this Share Award Scheme affords such Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.

- 15.2 The Company bears the costs of establishing and administering this Share Award Scheme, including, for the avoidance of doubt, costs arising from communication as referred to in Clause 15.4, expenses incurred in the purchase or subscription of Restricted Shares and stamp duty and normal registration fees in respect of the transfer of Restricted Shares to Selected Participants on the relevant Vesting Date. For the avoidance of doubt, the Company is not liable for any tax or expenses of such other nature payable on the part of any Eligible Participant, the Board or the Trustee in respect of any sale, purchase, vesting or transfer of Shares.
- 15.3 Save as specifically provided in the Rules, this Share Award Scheme does not confer on any person any legal or equitable rights (other than those constituting and attaching to the Restricted Shares themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.
- 15.4 Any notice or other communication between the Company and any Eligible Participant may be given by sending the same by electronic communication, in the case of the Company, its head office and principal place of business in Hong Kong or such other address as notified to the Eligible Participant from time to time and in the case of an Eligible Participant, his/her address in Hong Kong as notified to the Company from time to time.
- 15.5 Any notice or other communication served by post is deemed to have been served 24 hours after the same was put in the post.
- 15.6 The Company is not responsible for any failure by any Eligible Participant to obtain any consent or approval required for such Eligible Participant to participate in this Share Award Scheme as a Selected Participant or for any tax, duty, expenses, fees or any other liability to which he or she may become subject as a result of his/her participation in this Share Award Scheme.
- 15.7 Each provision of the Rules is a separate provision and is severally enforceable as such and in the event of any provision or provisions being or becoming unenforceable in whole or in part. To the extent that any provision or provisions are unenforceable they are deemed to be deleted from the Rules, and any such deletion do not affect the enforceability of the Rules as remain not so deleted.
- 15.8 The Company discloses details of the Award under this Share Award Scheme to the extent appropriate.
- 15.9 In the case where the Shares underlying an Award which are not to be satisfied by way of issue and allotment of new Shares by the Company, to the extent permissible under Chapter 17 of the Listing Rules and other applicable laws and regulations, the Board may make a determination to waive, modify and/or vary the application of any terms or provisions of the Rules to the Award and/or the Selected Participants as the Board may at its discretion consider appropriate.

## **16 Governing Law**

- 16.1 This Share Award Scheme operates subject to the Articles and any applicable law to which the Company is subject.
- 16.2 This Share Award Scheme is governed by and is construed in accordance with the laws of Hong Kong.