ALLIED SUSTAINABILITY AND ENVIRONMENTAL CONSULTANTS GROUP LIMITED
沛然環保顧問有限公司

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8320)

SHARE AWARD SCHEME

Adopted at the annual general meeting held on [14 September 2026]

ALLIED SUSTAINABILITY AND ENVIRONMENTAL CONSULTANTS GROUP LIMITED
沛然環保顧問有限公司
(incorporated in the Cayman Islands with limited liability)

1. DEFINITIONS AND INTERPRETATION

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

"Acceptance Notice"	has the meaning ascribed to such term in Clause 3.2;
"Adoption Date"	the date on which this Scheme is adopted upon fulfilment of the conditions of this Scheme;
"Articles"	the memorandum of association and articles of association of the Company, as amended from time to time;
"associate"	shall have the meaning ascribed to it in the GEM Listing Rules;
"Award"	an award granted under this Scheme in the form of an RSU;
"Award Grantee(s)"	the grantee(s) of any Award or (where the context so permits) any person who is entitled to such Award in consequence of the death or disability of the original Award Grantee, or the legal personal representative of such grantee;
"Board"	the board of Directors;
"Business Day"	a day on which the Stock Exchange is open for the business of dealing in securities;
"Company"	Allied Sustainability and Environmental Consultants Group Limited 沛然環保顧問有限公司, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM of the Stock Exchange;
"Connected Person"	has the meaning ascribed to it in the GEM Listing Rules;
"Core Connected Person"	has the meaning ascribed to it in the GEM Listing Rules;
"Directors"	the directors of the Company; and the expression "**Director**" means any one of them;
"Eligible Employees"	full time employee or staff of the Company or any

subsidiary;

"Eligible Participants"	(i) a Director (including executive Director, non-executive Director and INED) or Eligible Employee (including persons who are granted Awards under this Scheme as an inducement to enter into employment contracts with these companies) and (ii) a director or employee of the Related Entities;
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM of the Stock Exchange;
"General Scheme Limit"	has the meaning ascribed to such term in Clause 5.1;
"Grant Letter"	has the meaning ascribed to such term in Clause 3.1;
"Group"	the Company and the Subsidiaries from time to time and the expression "**member of the Group**" shall be construed accordingly;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region in the PRC;
"INED"	independent non-executive Directors;
"Offer"	the offer of an Award to the Participants under this Scheme;
"Offer Date"	in respect of an Award, the date of which an Offer is made to a Participant, which must be a Business Day;
"Other Schemes"	means, other than this Scheme:

(a) share schemes of the Company involving the grant by the Company (i) new Shares; or (ii) options over new Shares, to, or for the benefit of, specified participants under such schemes (which includes a grant of any such Shares or options to a trust or similar arrangement for the benefit of a specified participant);

(b) share schemes of the Company that are funded by existing Shares;

(c) share schemes of a principal subsidiary of the Company; or

(d) any arrangement involving the grant of shares or other securities of the Company or a principal subsidiary of the Company (including options over any such shares or securities) which, in the opinion of the Stock Exchange, is analogous to a share scheme as described in Rule 23.01 of the GEM Listing Rules;

"Performance Targets"	any one or more performance measures, or derivations of such performance measures that may be related to the individual Award Grantee or the Group as a whole or to a subsidiary, division, department, region, function or business unit of the Company, and assessed either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group, in each case as specified by the Directors (or, as the case may be, the Remuneration Committee) in their sole discretion, including, without limitation, one or more of the criteria as specified in this Scheme;
"PRC"	the People's Republic of China;
"Related Entities"	the holding companies, fellow subsidiaries or associated companies of the Company;
"Remuneration Committee"	the remuneration committee of the Company;
"RSU"	a restricted share unit, being a contingent right to receive the underlying Shares which is awarded under this Scheme;
"Scheme"	this restricted share award scheme in its present or any amended form;
"Scheme Period"	has the meaning ascribed to such term in Clause 2.3;
"Share(s)"	share(s) with a par value of HK$0.02 each in the capital of the Company (or such other nominal amount as shall result from a sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company from time to time);
"Shareholder(s)"	holder(s) of the Share(s);
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Subsidiary"	a subsidiary (within the meaning of the GEM Listing Rules, whether incorporated in Hong Kong or elsewhere) of the Company; and "**Subsidiaries**" shall be construed accordingly;

“substantial shareholder”	has the meaning ascribed to it in the GEM Listing Rules;
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs of Hong Kong for the time being in force;
“Treasury Shares”	has the meaning ascribed to it under the GEM Listing Rules which came into effect on 11 June 2024, as amended and supplemented from time to time;
“vest”	in respect of Shares underlying an RSU, the Award Grantee becoming entitled to receive such Shares; and “**vesting**” shall be construed accordingly;
“Vesting Date”	in respect of an Award, the date to be determined by the Board and notified to the Award Grantee in the Offer Letter on which the Shares underlying the Award shall vest;
“Vesting Notice”	has the meaning ascribed to such term in Clause 3.7.1(c); and
“Vesting Period”	the period commencing on the Offer Date and ending on the Vesting Date.

1.2 In this Scheme, any references, express or implied, to statutes, statutory provisions or the GEM Listing Rules shall be construed as references to those statutes, provisions or rules as respectively amended, consolidated or re-enacted or as their application is modified from time to time by other provisions (whether before or after the date hereof) and shall include any statutes, provisions and rules of which they are re-enacted (whether with or without modification) and shall include any subsidiary legislation enacted under the relevant statute, provision or rule.

1.3 Except insofar as the context otherwise requires:

(a) words denoting the singular shall include the plural and *vice versa*;

(b) words denoting the masculine gender shall include the feminine gender;

(c) a reference to any enactment shall be construed as a reference to that enactment as from time to time amended, extended or re-enacted; and

(d) paragraph headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Scheme. References to Clauses, paragraphs or sub-paragraphs are to clauses, paragraphs or sub-paragraphs of this Scheme.

1.4 In construing this Scheme:

(a) the rule known as the ejusdem generis rule shall not apply and, accordingly, general words introduced by the word “other” shall not be given a restrictive meaning by reason of the fact that they are preceded by works indicating a particular class of acts, matters or things; and

(b) general words shall 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.

1.5 Any reference to allotment and issue of Shares in this Scheme shall include the sale or transfer of Treasury Shares to the extent permitted by, and subject to the provisions of, the GEM Listing Rules and applicable laws and regulations.

2. PURPOSES, CONDITIONS, DURATION AND ADMINISTRATION

2.1 Purposes

The purpose of this Scheme is to provide Eligible Participants with the opportunity to acquire proprietary interests in the Company and to encourage Eligible Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole, as well as to motivate Eligible Participants to contribute to the success of the Group's operations. This Scheme will provide the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to Eligible Participants.

2.2 Conditions

This Scheme shall take effect subject to and is conditional upon:

(a) the passing of the necessary resolutions by the Shareholders in a general meeting of the Company to approve and adopt this Scheme and to authorise the Board to grant Awards under this Scheme and to allot, issue and deal with Shares and to transfer Treasury Shares pursuant to any Awards granted under this Scheme; and

(b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares to be issued and the Treasury Shares to be transferred pursuant to the Awards which may be granted under this Scheme.

2.3 Duration

Subject to any early termination of this Scheme in accordance with Clause 8.2, this Scheme shall be valid and effective for a period of **ten (10) years** commencing from the Adoption Date (the "**Scheme Period**"), after which period, no further Awards shall be offered or granted but the provisions of this Scheme shall remain in full force and effect in all other respects. Awards granted during the Scheme Period shall continue to be valid in accordance with their terms of grant after the end of the Scheme Period.

2.4 Administration

2.4.1 This Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to this Scheme or its interpretation or effect shall (save as otherwise provided herein) be final and binding on all parties. The Board shall have the right to:-

(c) interpret and construe the provisions of this Scheme;

(d) determine the persons (if any) who shall be offered the Awards under this Scheme;

(e) determine the terms on which the Awards are granted;

(f) determine the number of Shares underlying the Awards;

(g) subject to other provision herein, make such adjustments to the terms of this Scheme and of the Awards granted under this Scheme as the Board deems necessary and shall notify the relevant Award Grantee(s) of such adjustment(s) by written notice;

(h) allot and issue the Shares (including transfer of Treasury Shares) underlying the Awards granted pursuant to this Scheme as and when they vest;

(i) transfer such existing Shares underlying the Awards pursuant to this Scheme as and when they vest;

(j) appoint a trustee to assist with the administration, exercise and vesting of the Awards granted under this Scheme;

(k) appoint any of the Directors or a committee of the Board comprising the members of the Remuneration Committee and senior management of the Company delegated with the power and authority by the Board to administer this Scheme; and

(l) make such other decisions or determination as it shall deem appropriate provided that the same are not inconsistent with the provisions of this Scheme and the GEM Listing Rules.

2.4.2 The Board shall have the power from time to time to make or vary regulations for the administration and operation of this Scheme, provided that the same are not inconsistent with the other provisions of this Scheme.

3. <u>OPERATION OF THIS SCHEME</u>

3.1 <u>Making an Offer to Participants</u>

Subject to provisions of the rules of this Scheme, including but not limited to the General Scheme Limit, the Board may, from time to time at its absolute discretion, select any Eligible Participant and offer to grant to such Eligible Participant an Award by a letter, in such form as the Board may determine (the "**Grant Letter**"). The Grant

Letter will specify (i) the value and the number of Shares underlying the Award (or if the value and/or number of Shares is not available, the methodology by which that is calculated), (ii) the vesting criteria and conditions, (iii) the Performance Targets (if any), (iv) the vesting schedule, and (v) such other terms which may be imposed or not imposed either on a specific Award or generally, provided such terms shall not be inconsistent with any other terms and conditions of this Scheme.

Unless otherwise determined by the Board in its absolute discretion at the relevant time for each Award, an Eligible Participant is not required to pay any grant or purchase price or make any other payment to the Company for accepting an offer of the Award granted, nor is the Eligible Participant required to pay any subscription or purchase price for the vesting of the Awards or the receipt of the Shares underlying the Awards granted.

3.2 <u>Accepting an Offer by Participants</u>

An Eligible Participant shall accept the grant of an Award by sending a notice of acceptance (the "**Award Acceptance Notice**") within the prescribed time (which shall not be later than fourteen (14) days from the date of offer) and in such manner set out in the Grant Letter. Once accepted, the Award is granted from the Offer Date on which it was offered to the Eligible Participants. Where an Award Grantee does not return the Award Acceptance Notice within the time and in the manner prescribed, the Award will lapse.

3.3 <u>Restriction on Awards</u>

No offer of an Award shall be made and no Award shall be granted to any Eligible Participant in any of the following circumstances:

(a) after inside information has come to the knowledge of the Company until (and including) the trading day after it is announced the information in accordance with the relevant requirements of the GEM Listing Rules;

(b) during any period of time which is prohibited from any such offer and/ or grant under the GEM Listing Rules or any applicable law. In particular, during the period commencing 30 days immediately preceding the earlier of:

    (i) the date of the Board meeting (such date as first notified to the Stock Exchange in accordance with the GEM Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the GEM Listing Rules); and

    (ii) the deadline for the Company to announce its results for any year, half-year, quarterly or any other interim period (whether or not required under the GEM Listing Rules);

    and ending on the date of results announcement. The period during which no Award may be granted will cover any period of delay in the publication of a results announcement;

(c) where granting of any Award would result in a breach by the Company, its Subsidiaries or any of their respective directors of any applicable securities laws, rules or regulations (including the GEM Listing Rules and the related guidances);

(d) where such grant of any Award would result in a breach of the limits of the General Scheme Limit; or

(e) in any circumstances which are prohibited under the GEM Listing Rules or where the requisite approval from any applicable regulatory authorities has not been obtained.

3.4 Grants to Directors

Without prejudice to Clause 3.3, where any Award is proposed to be granted to a Director, it shall not be granted on any day on which the Company's financial results are published and during the period of:

(a) 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

(b) 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

3.5 Grants to Connected Persons

(a) Any grant of Award to an Eligible Participant who is a Director, chief executive or substantial Shareholder of the Company, or any of their respective associates under this Scheme must be approved by the INEDs of the relevant Awards (excluding the INED who is the proposed Award Grantee of the relevant Awards);

(b) Any grant of Awards to a Director (other than an INED) or chief executive of the Company, or any of their associates would result in the Shares issued and to be issued in respect of all Awards granted (excluding any Awards lapsed in accordance with the terms of this Scheme) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the relevant class of Shares in issue (excluding Treasury Shares), such further grant of Awards must be approved by Shareholders in general meeting, with the Award Grantee, his/ her associates and all Core Connected Persons shall abstain from voting in favour at such general meeting;

(c) Any grant of Awards to an INED or a substantial Shareholder, or any of their respective associates, would result in the Shares issued and to be issued in respect of all Awards granted and the options, awards or securities granted under the Other Schemes (excluding any options and Awards lapsed in accordance with the terms of this Scheme and Other Schemes) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of Shares in issue (excluding Treasury Shares), such further grant of Awards must be approved by Shareholders in general meeting, with the Award Grantee, his/ her associates and all Core Connected Persons shall abstain from voting in favour at such general meeting; and

(d) Without limiting the aforesaid, any grant of Awards to Connected Persons shall be in compliance with the requirements of the GEM Listing Rules, including but not limited to where necessary the prior approval of the Shareholders.

3.6 Grants to Employees

3.6.1 Where the contract of employment of an Eligible Employee provides for part of the remuneration is being satisfied by the issue and allotment of Shares under this Scheme, such Eligible Employees are entitled to participate in this Scheme and the Board shall determine the number of Shares or the methodology by which the number of Shares is calculated by reference to:

(a) the monthly salary of the Eligible Employee;

(b) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five (5) trading days immediately preceding the relevant Offer Date (or such longer period as the Board may consider appropriate); and

(c) the duration of employment of the Eligible Employee between the relevant Offer Date and the previous Offer Date.

3.6.2 The Board may decide in its absolute discretion to pay the Eligible Employees in cash an amount which is equivalent to the value of the Shares as at the Offer Date.

3.7 Vesting

3.7.1 Vesting of Shares

(a) Subject to the requirements under the GEM Listing Rules, the Board may determine other specific Performance Target, Vesting Period, vesting criteria and conditions on which the Awards shall vest.

(b) Save for the circumstances prescribed below, the vesting period an Award shall not be shorter than twelve (12) months from the date of acceptance of the grant of the Awards before the Awards can be vested. A shorter vesting period may be granted to the Eligible Employees at the discretion of the Board or the Remuneration Committee in any of the following circumstances:

(i) grants of "make-whole" Awards to new joiners to replace the share awards they forfeited when leaving the previous employer;

(ii) grants with performance-based vesting conditions in lieu of time-based vesting criteria;

(iii) grants that are made in batches during a year for administrative and compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Awards would have been granted; and

(iv) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of twelve (12) months;

and each of which are considered appropriate to provide flexibility to grant Awards and cater for special circumstances.

Any grant of Awards to any Director or senior manager of the Company which is made on terms with a Vesting Period of less than 12 months or without a performance target or without a clawback mechanism shall be reviewed by the Remuneration Committee as to why the Vesting Period is appropriate and how the grant aligns with the purposes of this Scheme.

(c) The Board shall send to each Award Grantee a vesting notice (the "**Vesting Notice**") not less than one (1) day prior to each date of vesting. Upon receipt of the Vesting Notice, which will confirm the extent to which the vesting criteria and conditions have been fulfilled, satisfied and waived, and the number of Shares will each Award Grantee will receive.

(d) Notwithstanding any other provisions of this Scheme (but subject to any applicable laws), the Board shall be at liberty to waive the vesting condition set out on the Offer Letter.

3.7.2 <u>Rights on a Takeover</u>

If, in consequence of any general offer is made to all Shareholders (other than the offeror and/ or any person controlled by the offeror and/ or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the vesting of any Award, the Company shall as soon as practicable give notice to each Award Grantee of such general offer and the Awards (to the extent not already vested) will lapse automatically on the date on which such offer (or, as the case may be, the revised offer) closes.

3.7.3 <u>Rights on a Scheme of Arrangement</u>

If a scheme of arrangement is made by any person to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings prior to the vesting of any Award, the Company shall as soon as practicable give notice to each Award Grantee of such approval and the Award (to the extent not already vested) shall vest in accordance with paragraph 3.7.1 above, at any time after the meetings whereby the scheme is approved and up to the record date for determining entitlements under such scheme of arrangement. Subject to the scheme of arrangement becoming effective, the Awards (to the extend not already vested) will lapse automatically on the record date for determining entitlements under such scheme of arrangement.

3.7.4 Rights on a Voluntary Winding-up

If notice is given of a general meeting of the Company at which a resolution will be proposed for the voluntary winding-up of the Company, the Company shall give notice thereof to all the Award Grantee on the same day as it despatches to the Shareholders the notice convening the meeting. Notwithstanding any other terms on which the Award was granted, the Shares underlying the Award (to the extent not already vested) shall vest in accordance with the paragraph 6 above. The Company shall as soon as possible and in any event at least two (2) Business Days before the date of the proposed general meeting, allot and issue such number of Shares to the Award Grantee which falls to be issued or transferred on such vesting of the Award, credited as fully paid and shall register such Shares in the Award Grantee's name and issue to the Award Grantee (or his custodian agent) share certificates in respect of such Shares. For the avoidance of doubt, those Awards which are still within the vesting period (regardless of whether such vesting period is 12 months or not) any not yet become vested in the Award Grantees, shall lapse and determine. Subject to thereto, all unvested Awards shall lapse and determine on the commencement of winding-up.

3.7.5 Upon the occurrence of any of the events referred to in Clauses 3.7.2 to 3.7.4 above, the number of underlying Shares (if any) which shall vest and the date on which any such vesting will occur shall be determined by the Board in its absolute discretion by reference to factors which may include (a) the extent to which any performance or other conditions to vesting have been satisfied and (b) the proportion of the Vesting Period that has expired, in each case as at the relevant event, and the Company shall notify an Award Grantee of the date on which and the extent to which his Award will vest. If the Board determines that any Award shall vest in part only, the balance of the Award shall lapse.

3.8 Rights on a ceasing employment, death/ disability or dismissal

If the Award Grantee's employment or service with the Company or any of its subsidiaries is terminated for any reason prior to the vesting of any Award, then all Awards which have not yet vested shall lapse automatically with effect from the date on which the Award Grantee's employment or service is terminated. Notwithstanding any other terms on which the Award was granted, the Board may determine at its absolute discretion any monetary compensation should be provided to the relevant Award Grantee, taking into account various factors, including but not limited to (a) the extent to which any performance target or other conditions to vesting have been satisfied and (b) the proportion of the vesting period that has expired, in each case as at the date of termination.

3.8.1 Clawback mechanism

Unless otherwise determined by the Directors, an Award Grantee is not required to achieve any performance targets before an Award is vested. In the event of:

(a) An Award Grantee is involved in (i) falsification of performance results, (ii) acceptance or solicitation of bribery, (iii) corruption, (iv) theft, (v) international leakage of trade and technical secrets, (vi) material misstatement in the Company's financial statements, (vii) other unlawful acts or misconducts which prejudiced the interest or reputation of the Company, or result in the sanction by the Stock Exchange and/ or other regulatory authorities or conviction by any court of competent jurisdictions of any criminal offence against the Group and/ or the Award Grantee; or;

(b) the failure of the Award Grantee to comply with the Company's internal policy and/ or his employment agreement which result in serious loss in the assets or business of the Company and other serious and adverse consequence,

the Board and Remuneration Committee may resolve to clawback or withhold the unvested Awards granted to the Award Grantee, provided that the Award Grantee should be offered an opportunity to be heard by the Board and the Remuneration Committee before the decision to clawback the unvested Awards are made. The Company may also recover or withhold other remuneration to the relevant Award Grantee, provided the same is feasible and permitted under the applicable laws.

3.8.2 For the purpose of Clause 3.8, the rights of a Grantee shall not be affected notwithstanding that he ceases to hold a position of employment or office with the Company or a Subsidiary, if at the same time he takes up a different position of employment and/or office with another Subsidiary.

3.9 Lapse of Awards

Awards granted during the Scheme Period shall continue to be valid in accordance with their terms of grant after the end of the Scheme Period. Expiry of the Scheme Period alone will not result in the lapse of the Awards. An Award or any part thereof which has not yet vested shall lapse automatically on the earliest of:-

(a) the expiry of the periods referred to in paragraphs 3.7.2, 3.7.3, 3.7.4 and 3.8;

(b) the date on which the Award Grantee ceases to be an Eligible Participant by reason of the termination of his relationship with the Group; and

(c) the occurrence of such event or expiry of such period as may have been specifically provided for in the grant document of the Award, such as the failure of the Award Grantees to achieve the specific performance targets.

The Awards lapsed will not be regarded as utilised for the purpose of calculating the General Scheme Limit.

3.10 Rights and Restrictions

3.10.1 Rights Attached to Awards

An Award Grantee does not have any contingent interest in any Shares underlying an Award unless and until such Shares are actually issued and allotted to the Award Grantee. Further, an Award Grantee may not exercise voting rights in respect of the Shares underlying his Award, nor an Award Grantee has any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Shares underlying an Award.

3.10.2 Rights Attached to Shares

An Award Grantee shall not have any right to voting, dividend or other rights arising on liquidation of the Company as attached to the fully paid Shares in issue.

The Shares to be allotted or the Treasury Shares to be transferred upon vesting of an Award will be subject to all the provisions of the Articles of Association and will rank pari passu in all respects with and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the fully paid Shares in issue on the date of issue and rights in respect of any dividend or other distributions paid or made on or after the date of issue. Shares issued on the vesting of an Award shall not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment.

3.10.3 Transferability of Awards

Any Award shall be personal to the Award Grantee to whom it is made and shall not be transferrable or assignable and no Award Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Award, unless a waiver is granted by the Stock Exchange, provided that where (i) the Directors give their express consent in writing (which consent may or may not be given by the Directors at their absolute discretion), and (ii) the Stock Exchange gives any express waiver, the Award held by an Award Grantee may be allowed to be transferred to a vehicle for the benefit of the Award Grantee and any family members of such Award Grantee (for the purposes of estate planning or tax planning or such other reasons as the Directors and the Stock Exchange consider to be justifiable) that would continue to meet the purpose of this Scheme and comply with the requirements of Chapter 23 of the GEM Listing Rules. Any breach of the foregoing shall entitle the Company to cancel any unvested Awards or part thereof granted to such Award Grantee. The Awards cancelled will be regarded as utilised for the purpose of calculating the General Scheme Limit.

4. CANCELLATION

Award granted but unvested may not be cancelled without the consent of the relevant Award Grantee thereof. The Board may cancel any Award or any part thereof that has not vested or lapsed, provided that:-

(a) the relevant Award Grantee consents to such cancellation;

(b) the Company or the relevant Subsidiary provides to the Award Grantee a replacement Award (or a grant or option under any other restricted share unit scheme, share option scheme or share-related incentive scheme) of equivalent value to the Award to be cancelled; or

(c) the Board makes any arrangement the relevant Award Grantee may agree.

Where the Company cancels any Awards granted to an Award Grantee and makes a new grant (whether under this Scheme or any other share scheme(s)) to the same Award Grantee, such new grant may only be made within the available General Scheme Limit approved by the Shareholders. The Awards cancelled will be regarded as utilised for the purpose of calculating the General Scheme Limit. Any new Awards granted in replacement of Awards cancelled may only be issued under this Scheme (or the Other Schemes) with available General Scheme Limit approved by the Shareholders

5. GENERAL SCHEME LIMITS

5.1 The total number of Shares and Treasury Shares which maybe issued/ transferred upon the vesting of all Awards to be granted under this Scheme, and all options, awards or securities to be granted under Other Schemes shall not in aggregate exceed 10% of the total number of Shares in issue on the Adoption Date (excluding any Treasury Shares), i.e. the General Scheme Limit, unless the Company obtains an approval from the Shareholders. Options, awards or securities lapsed in accordance with the terms of this Scheme or Other Schemes shall not be counted for the purposes of calculating whether the General Scheme Limit have been exceeded.

5.2 No account shall be taken into the calculation of the General Scheme Limit of any Shares where the right to acquire such Shares has been lapsed or cancelled in accordance with the relevant provisions herein.

5.3 Subject to paragraph 3.5, the total number of Shares and Treasury Shares issued/ transferred and to be issued/transferred upon vesting of the Awards granted under this Scheme, and the options, awards or securities granted under Other Schemes to each Eligible Participant (including exercised and outstanding options, awards or securities but excluding any options, awards or securities lapsed in accordance with the terms of such schemes) in any twelve (12)-month period up to the date of offer shall not exceed 1% of the number of the total issued Shares as at the date of offer (excluding Treasury Shares) (the ''**Individual Limit**''). For the avoidance of doubt, unless expressly stated otherwise, the date (which must be a Business Day) on which the Company formally makes an offer in writing to the Eligible Participant, but not the date on which the date of the meetings of the Board or the Remuneration Committee approving such grant, shall be taken as the date of offer. Where it is proposed that any offer is to be made to an Eligible Participant (or where appropriate, an existing Award Grantee) which would result in the Shares and Treasury Shares issued/ transferred and to be issued/transferred upon exercise of all options, awards or securities granted and to be granted to such person (including exercised, cancelled and outstanding options, awards or securities) in the twelve (12)-month period up to and including the relevant date of offer to exceed his, her or its Individual Limit, such offer and any acceptance thereof must be conditional upon approval by the Shareholders in the general meeting with such Eligible Participant (or where appropriate, an existing Award Grantee) and his, her or its close associates (or associates of the Eligible Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders in accordance with the GEM Listing Rules. The circular must disclose the identity of the participant, the number and terms of the Awards to be granted (and those previously granted to such participant in the 12-month period), the purpose of granting Awards to the participant and an explanation as to how the terms of the Awards serve such purpose. The number and terms of the Awards to be granted to such participant must be fixed before shareholders' approval.

6. REORGANISATION OF CAPITAL STRUCTURE

In the event of an alteration in the capital structure of the Company which arises or may arise immediately following the commencement of the Scheme Period from any capitalization issue, rights issue, sub-division or consolidation of shares or reduction of capital which the Board considers an adjustment necessary under this paragraph 6, (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company or any of its subsidiaries is a party or in connection with any share award schemes of the Company) such corresponding adjustments (if any) shall be made to:

(a) the number of Shares underlying any Award or part thereof which has not yet vested and/or been satisfied;

(b) the purchase price (if any) of any Award or part thereof which has not yet vested and/or been satisfied; or

(c) any combination thereof, provided that:

  (A) any such adjustments shall give an Award Grantee the same proportion of the share capital of the Company, rounded to the nearest whole share, as that to which that Award Grantee was previously entitled;

  (B) no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value;

  (C) the issue of securities of the Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and

  (D) in respect of any such adjustments, other than any made on a capitalisation issue, an independent financial adviser or the auditors of the Company must confirm to the Board in writing that the adjustments satisfy the requirements set out in the above, the requirements of Rule 23.03(13) of the GEM Listing Rules, Appendix 1 to FAQ13 - No.16 issued by the Stock Exchange, any relevant provisions of the GEM Listing Rules and any guidance/interpretation of the GEM Listing Rules issued by the Stock Exchange and the note thereto from time to time.

in such manner as the Directors (having received a statement in writing from the independent financial adviser of the Company, that in their opinion the adjustments proposed are appropriate, fair and reasonable and at the same time satisfy the requirements of the GEM Listing Rules) may deem appropriate, provided that any such adjustment shall give the Award Grantee the same proportion of the issued Shares, rounded to the nearest whole share, for which the Award Grantee would have been entitled had such Awards been vested immediately prior to the event giving rise to the adjustment and shall be in compliance with the GEM Listing Rules but no such adjustment may be made to the extent that a Share would be issued at less than its nominal value.

7. WITHHOLDING

7.1 The Company or any Subsidiary shall be entitled to withhold, and any Award Grantee shall 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 or the allotment of the underlying Shares.

7.2 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.

7.3 The Company or any Subsidiary may, by notice to the Award Grantee and subject to any rules as the Board may adopt, require that the Award Grantee pay at the time 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 or the allotment of the underlying Shares.

8. AMENDMENT AND TERMINATION

8.1 Amendment

8.1.1 Subject to Clauses 8.1.3 and 8.1.4 below, the Directors may from time to time alter such provisions of this Scheme as they deem appropriate, so far it is not inconsistent with this Scheme and the GEM Listing Rules provided that, except with the prior sanction of the Shareholders in the general meeting, no alteration shall be made to this Scheme altering to the advantage of Award Grantees (present or future) any of the provisions of this Scheme as to the definitions of ‘‘Eligible Participants’’ and ‘‘Scheme Period’’ of this Scheme, the terms and conditions of this Scheme which are of a material nature and all such other matters set out in Rule 23.03 of the GEM Listing Rules.

No alteration of this Scheme shall be made which would have the effect of adversely affect any of the terms of grant of any Award granted prior to such alteration except with such consent of the majority of the Award Grantees as if the Awards constituted a separate class of share capital and as if such provisions applied mutatis mutandis thereto.

8.1.2 Alteration to the terms of the Awards granted to an Eligible Participant must be approved by the Board, the Remuneration Committee, the INEDs and/or Shareholders (as the case may be) if the initial grant of the Awards was approved by the Board, the Remuneration Committee, the INEDs and/or the Shareholders (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of this Scheme.

Save as otherwise provided in the terms of this Scheme, an amendment of a material nature to this Scheme may not be made by the Directors, without the prior approval of the Shareholders in the general meeting.

8.1.3 The amended terms of this Scheme or the Awards must still comply with the relevant requirements of the GEM Listing Rules.

8.1.4 Any change of the authority of the Directors or scheme administrators (including, where applicable, the trustee) to alter the terms of this Scheme must be approved by the Shareholders in the general meeting.

8.1.5 Written notice of any amendment to this Scheme shall be given to all Award Grantees.

8.2 Termination

8.2.1 This Scheme shall commence on the Adoption Date and shall terminate upon the expiry of the Scheme Period. Notwithstanding the aforesaid, the Company by ordinary resolution in general meeting or the Board may at any time terminate the operation of this Scheme before the expiry of the Scheme Period. Any termination shall be without prejudice to any subsisting rights of any Award Grantee.

8.2.2 Upon termination (whether due to early termination or upon expiry of the Scheme Period), no further offer to grant an Award shall be made but in all other respects the provisions of this Scheme shall remain in force. All Awards granted and unvested prior to such termination shall continue to be valid and exercisable in accordance with their terms and the terms of this Scheme.

9. MISCELLANEOUS

9.1 The Company shall be responsible for the costs of establishing and administering this Scheme. All other expenses including but not limited to transaction levy, brokerage, tax or expenses of whatsoever nature payable on the part of any Award Grantee in respect of any sale, purchase, vesting or transfer of Shares pursuant to this Scheme ("**excluded expenses**") shall be borne by the Award Grantees.

9.2 This Scheme shall not form part of any contract of employment or contract for service (as the case may be) between the Company or any Subsidiary and any Participant, and the rights and obligations of any Participant under the terms of his or her office or employment shall not be affected by his or her participation in this Scheme or any right which he or she may have to participate in it and this Scheme shall afford such Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.

9.3 The Company may disclose, whether by way of announcement, circular, annual or interim reports or otherwise, the details of this Scheme, the Award Grantees, the Awards, and other information as may be required under the GEM Listing Rules.

9.4 Save as specifically provided herein, this Scheme shall not confer on any person any legal or equitable rights (other than those constituting and attaching to the RSU themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.

9.5 Any notice to be given to the Company shall be sent to the Company by hand, registered post or facsimile to the Company at its principal office in Hong Kong for the attention of the Company Secretary and shall be effected upon receipt.

9.6 Any notice or other communication:

(i) served by the Company by:

(aa) hand shall be deemed to have been served upon actual delivery;

(bb) registered post shall be deemed to have been served 48 hours after the same was despatched; and

(cc) facsimile shall be deemed to have been served upon issue of confirmation of successful transmission by the facsimile machine;

(ii) served by hand, registered post or facsimile by a Participant or Award Grantee shall not be deemed to have been received until the same shall have been actually received by the Company.

9.6 The Company shall not be responsible for any failure by any Award Grantee to obtain any consent or approval required for such Award Grantee to participate in this Scheme or for any tax, duty, expenses, fees or any other liability to which he/she may become subject as a result of his or her participation in this Scheme.

9.7 All grant of Awards and allotment and issue of Shares pursuant to this Scheme shall be subject to all applicable laws, regulations and rules (including but not limited to the GEM Listing Rules) for the time being to which the Company is subject. In the event that this Scheme contravenes any applicable laws, regulations or rules, the applicable laws, regulations or rules shall prevail and the Board shall arrange this Scheme to be amended in order to comply with the relevant legal or regulatory requirements.

10. GOVERNING LAW

10.1 This Scheme, the Awards or any RSU granted under this Scheme shall be governed by and construed in accordance with the laws of Hong Kong.