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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in Pan Asia Environmental Protection Group Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser(s) or the transferee(s) or to the bank manager, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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泛亞環保集團有限公司
Pan Asia Environmental Protection Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 556)

**ADOPTION OF SHARE AWARD SCHEME;
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice for convening the EGM of Pan Asia Environmental Protection Group Limited to be held at 22/F, Euro Trade Centre, 13–14 Connaught Road Central, Central, Hong Kong on Wednesday, 13 May 2026 at 2:30 p.m. is set out on pages EGM-1 to EGM-3 of this circular. Whether you are able to attend the EGM or not, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. at or before 2:30 p.m. on Monday, 11 May 2026 (Hong Kong time) or any adjournment thereof (as the case may be)). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting (as the case may be) if you so wish and in such event, the form of proxy shall be deemed to be revoked.

References to time and dates in this circular are to Hong Kong time and dates.

23 April 2026

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Adoption Date”	the date on which the Share Award Scheme is adopted and approved by an ordinary resolution of the Shareholders
“Award”	an award granted by the Board or the Committee to a Grantee of a conditional right for such Grantee to receive such number of Award Shares, subject to the satisfaction of vesting conditions and such other terms and conditions, as the Board or the Committee may in its absolute discretion determine
“Award Shares”	in respect of a Grantee, such number of Share(s) underlying the Award(s) as determined by the Board or the Committee, and as may be issued as new Shares or acquired through on-market or off-market purchases of Shares, in accordance with the terms of the Share Award Scheme
“Board”	the board of Directors
“Committee”	the person(s) from time to time delegated by the Board with the power and authority to administer the Share Award Scheme in accordance with the rules of the Share Award Scheme and, unless otherwise notified by the Board, refers to the remuneration committee of the Company
“Company”	Pan Asia Environmental Protection Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at 22/F, Euro Trade Centre, 13–14 Connaught Road Central, Central, Hong Kong on Wednesday, 13 May 2026 at 2:30 p.m.
“EGM Notice”	the notice convening the EGM as set out on pages EGM-1 to EGM-3 of this circular

DEFINITIONS

“Eligible Participant”	has the meaning as defined in the Share Award Scheme in the Appendix to this circular
“Employee Participant”	has the meaning as defined in the Share Award Scheme in the Appendix to this circular
“Grantee”	any Selected Participant who has accepted the offer of the grant of an Award in accordance with the terms of the Share Award Scheme or, where the context so permits, any person entitled to any such Award in consequence of the death of the original Grantee or the legal personal representative of such person
“Group”	collectively, the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	16 April 2026, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China which for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Related Entity Participant”	has the meaning as defined in the Share Award Scheme in the Appendix to this circular
“Scheme Mandate Limit”	has the meaning as defined in the Share Award Scheme in the Appendix to this circular
“Selected Participants”	any Eligible Participant selected by the Board or the Committee in its absolute discretion to be offered with the grant of an Award pursuant to the terms of the Share Award Scheme
“Share(s)”	ordinary share(s) with par value of HK\$0.10 each in the share capital of the Company

DEFINITIONS

“Share Award Scheme”	the share award scheme proposed to be adopted by the Company at the EGM, which is set out in the Appendix to this circular
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Treasury Share(s)”	shall have the meaning ascribed to it under the Listing Rules. For the purposes of the Share Award Scheme, new Shares include Treasury Shares and the issue of new Shares includes the transfer of Treasury Shares
“Trust Deed”	the trust deed as may be entered into by the Company as settlor and the Trustee as trustee (as amended, restated, supplemented or otherwise modified from time to time) in respect of the appointment of the Trustee for the administration of the Share Award Scheme
“Trustee”	the trustee as may be appointed by the Company from time to time for the administration of the Share Award Scheme
“%”	per cent.

LETTER FROM THE BOARD



泛亞環保集團有限公司 Pan Asia Environmental Protection Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 556)

Executive Directors:

Mr. LIN Jun (*Chairman*)

Mr. GUO Jiannan (*Vice Chairman*)

Ms. PAN Chang (*Chief Executive Officer*)

Non-executive Director:

Ms. SONG Xiaojuan

Independent non-executive Directors:

Mr. CHEN Xuezheng

Mr. GAO Hongbin

Mr. LEUNG Shu Sun, Sunny

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal place of business

in the PRC:

Baihe Industrial Park

Xinjie Street

Yixing City

Jiangsu Province

The PRC

Principal place of business

in Hong Kong:

Unit 1506, 15/F

Lippo Sun Plaza

No. 28 Canton Road

Tsim Sha Tsui, Kowloon

Hong Kong

23 April 2026

To the Shareholders

Dear Sir or Madam,

ADOPTION OF SHARE AWARD SCHEME

INTRODUCTION

The purpose of this circular is to provide you with the EGM Notice and the information in respect of the adoption of the Share Award Scheme.

LETTER FROM THE BOARD

PROPOSED ADOPTION OF SHARE AWARD SCHEME

To enable the Company to grant share awards as part of its incentives and rewards to participants for the growth and development of the Group, the Board proposes to adopt the Share Award Scheme. The Directors consider that the adoption of the Share Award Scheme is in the interests of the Company and the Shareholders as a whole.

Condition of the Share Award Scheme

The Share Award Scheme is conditional upon the passing of an ordinary resolution by the Shareholders at a general meeting to approve the adoption of the Share Award Scheme.

An ordinary resolution will be proposed at the EGM for the Shareholders to consider, and if thought fit, to approve the adoption of the Share Award Scheme.

So far as the Directors are aware and having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder is required to abstain from voting on the resolution to be proposed at the EGM to approve the adoption of the Share Award Scheme. None of the Directors is a Trustee of the Share Award Scheme or has a direct or indirect interest in the Trustee, if any, of the Share Award Scheme.

Administration of the Share Award Scheme

The Share Award Scheme shall be subject to the administration of the Board. The Board may delegate the authority to administer the Share Award Scheme to the Committee and may also appoint any Trustee to assist with the administration and vesting of the Awards granted pursuant to the Share Award Scheme.

To satisfy the Awards after vesting, the Company may (a) allot and issue new Shares to the Grantee directly; and/or (b) allot and issue new Shares to the Trustee, and/or instruct the Trustee to acquire existing Shares through on-market or off-market purchases in accordance with the Company's instructions and subject to the terms and conditions of the Trust Deed (if any), such new and/or existing Shares to be held on trust for the Grantee and to be transferred to the Grantee after vesting.

As new Shares may be allotted and issued by the Company to satisfy the Awards after vesting under the Share Award Scheme, an application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be allotted and issued in respect of the Awards to be granted under the Share Award Scheme.

Duration of the Share Award Scheme

Subject to the satisfaction of the above condition and any early termination, the Share Award Scheme will be valid and effective for 10 years commencing on the Adoption Date.

LETTER FROM THE BOARD

Explanation of the terms of the Share Award Scheme

The Share Award Scheme is set out in the Appendix to this circular. A copy of the rules of the Share Award Scheme will be published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (<http://www.paep.com.cn>) for a period of not less than 14 days before the date of the EGM and will be made available for inspection at the EGM.

(a) Purpose

The purpose of the Share Award Scheme is to (i) recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group and to incentivise and motivate them to further contribute towards the growth and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company; and (ii) attract suitable personnel for further development of the Group.

(b) Eligible Participants and basis for determining eligibility of participants

The Eligible Participants under the Share Award Scheme include (a) the directors (excluding independent non-executive Directors) and employees of the Company or any of its subsidiaries, and any other person who is granted Awards as an inducement to enter into an employment or engagement contract with any of these companies (i.e. the Employee Participant); and (b) the directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company (i.e. the Related Entity Participant).

The criteria in determining the eligibility for the grant of an Award are based on, among other things, the Eligible Participants' contribution and/or future contribution to development and growth of the Group, further details of which are set out in the Appendix to this circular.

Under the Share Award Scheme, Eligible Participants include Related Entity Participants. Apart from the contributions from employees, the success of the Group might also come from the efforts and contributions from non-employees such as Related Entity Participants who may contribute to the Group in the future. The Related Entity Participants will have a sufficiently close relationship with the Group and would likely be in a position to influence the Group's business, reputation, operations and performance. The Board believe that the grant of Awards to Related Entity Participants would strengthen their loyalty to the Group and provide incentives for (i) a higher degree of their participation and involvement in promoting the business of the Group; (ii) maintaining a stable and long-term relationship with the Group; and (iii) enabling the Group to preserve its cash resources, and instead, use share incentives to attract talents outside of the Group, whilst also aligning their interests with that of the Group and Shareholders through them owning a proprietary interest in the Company and becoming future Shareholders. As the eligibility of any of the Related Entity Participants for the grant of Awards shall be determined by the Board as to his relationship with the Group and influence on the Group's business, reputation, operations and performance, the Company will only grant Awards to those Related Entity Participants that would align with the business needs and/or development of the

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Group. Given the above, the Board (including the independent non-executive Directors) is of the view that the Related Entity Participants, and the criteria in determining the eligibility of such Related Entity Participants were set in line with the Company's business need.

The Board considers that the inclusion of the Related Entity Participants to participate in the Share Award Scheme is consistent with the purpose of the Share Award Scheme, which enables the Company to grant Awards as incentives or rewards to attract personnel outside the Group to promote the sustainable development of the Group and align the mutual interests of each party, as the Company and the Related Entity Participants, by holding on to equity incentives, will benefit from the long term growth of the Group.

Given the above, the independent non-executive Directors are of the view that the Related Entity Participants and the criteria in determining the eligibility of the Related Entity Participants were set in line with the Company's business need and industry norm. As the eligibility of any of the Related Entity Participants for the grant of Awards shall be determined by the Board as to his contribution to the development and growth of the Group, the independent non-executive Directors are of the view that a grant of Awards would only be made by the Company to those Related Entity Participants that would align with the business needs and/or development of the Group.

The category of the Related Entity Participant and the criteria in determining the Related Entity Participant are in line with the Company's business need and industry norm. Given that the Board has the authority to select the appropriate participants of the Related Entity Participant that would align with the business needs and/or development of the Group and to specify the terms and conditions in respect of any Awards that may be granted, including performance targets and/or individual performance indicators relevant to the Related Entity Participant's roles and responsibilities, the Board (including the independent non-executive Directors) is of the view that such will serve to protect the value of the Company as well as achieve the purposes of motivating the Related Entity Participant to contribute to the development and growth of the Group for the benefit of the Shareholders. Accordingly, the Board (including the independent non-executive Directors) considers the inclusion of the Related Entity Participants in the Share Award Scheme aligns with the purpose of the scheme, is fair and reasonable and in the long-term interests of the Company and Shareholders as a whole.

In light of the scope of Eligible Participants and the eligibility criteria, the Board considers that the Awards that may be granted to the Eligible Participants would align their interest with the interest of the Group, promote the growth and development of the Group, and therefore enable the purpose of the Share Award Scheme to be achieved.

(c) Scheme Mandate Limit

After the resolution approving the adoption of the Share Award Scheme is passed at the EGM, and on the basis that no further Shares will be issued or repurchased between the Latest Practicable Date and the date of the EGM, the aggregate maximum number of Shares which may be allotted and issued in respect of the Awards to be granted under the Share Award Scheme and

LETTER FROM THE BOARD

share awards (if any) to be granted under other share scheme(s) of the Company involving the issue of new Shares will be 100,482,084 Shares (excluding Treasury Shares, if any), representing approximately 10% of the total number of Shares in issue as at the Latest Practicable Date. The Company does not intend to use Treasury Shares to satisfy the grants under the Share Award Scheme. This scheme mandate limit complies with the requirements of Chapter 17 of the Listing Rules.

(d) Vesting period

The vesting period for an Award under the Share Award Scheme is generally for a minimum period of 12 months in order to incentivise Selected Participants to remain with the Group, save for specific circumstances including (i) grants of “make whole” Awards to any Selected Participants who are new joiners to replace the share awards or options they forfeited when leaving the previous employer; (ii) grants of Awards with performance-based vesting conditions in lieu of time-based vesting criteria; (iii) grants of Awards to any Selected Participants whose employment or engagement is terminated due to death, disability or event of force majeure; (iv) grants of Awards in batches during a year for administrative or compliance reasons, including Awards that should have been granted earlier but had to wait for a subsequent batch if not for such administrative or compliance reasons, in which case the Vesting Period may be shorter to reflect the time from which the Awards would have been granted; (v) 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; or (vi) grants of Awards with a total vesting and holding period of more than twelve (12) months, in which the Board or the Committee may impose a shorter vesting period for Employee Participants to ensure the Share Award Scheme is effectively implemented in line with the purposes of the Share Award Scheme.

The Board considers that such circumstances is appropriate and allow flexibility for the Company to (i) provide competitive terms to attract and induce valuable talent to join the Group via grants of “make whole” Awards; (ii) serve as compassionate arrangements for Employee Participants whose employment or engagement is terminated due to death, disability or event of force majeure, which is in line with market practice; (iii) address instances where the 12-month vesting period requirement would not be practicable or fair due to administrative or technical reasons; (iv) reward exceptional performers with accelerated vesting which gives the Company more flexibility in providing incentives to the Employee Participants and is in line with market practice; and (v) motivate Employee Participants based on performance metrics rather than time-based vesting criteria, in which the Company wishes the Employee Participants to achieve their performance targets as soon as possible by offering immediate vesting of the relevant Awards upon fulfilment of the performance targets, and the Employee Participants could be incentivised to the largest extent.

The Board is of the view that the vesting period requirements (including the circumstances in which a shorter vesting period may apply) are appropriate because (i) such arrangement is in line with the requirements under the Listing Rules and market practice; (ii) such arrangement gives the Company flexibility to provide a competitive remuneration package to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified;

LETTER FROM THE BOARD

and (iii) the Company should be allowed discretion to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances. Such arrangement could motivate and provide incentives to the Employee Participants and to attract and retain the best available personnel for the Group, which align with the purpose of the Share Award Scheme.

(e) Purchase price

Unless otherwise determined by the Board or the Committee in its absolute discretion at the relevant time for each individual Award, a Selected 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 Selected Participant required to pay any subscription or purchase price for the vesting of the Awards or the receipt of the Award Shares. The Board considers that it is consistent with the purpose of the Share Award Scheme for the Company to retain discretion to consider the purchase price, if any, for an Award and the underlying Award Shares so that meaningful reward may be provided to Selected Participants in recognition of their contribution or potential contribution to the Group.

(f) Performance targets

The Share Award Scheme sets out the qualitative description of possible performance targets related to financial and non-financial parameters of the Group and/or individual performance indicators (as set out in the Appendix to this circular) and allows discretion for the Board or the Committee to determine whether any performance targets will be specified in respect of each Award on a case-by-case basis, for the purpose of motivating Selected Participants to strive for the future development and expansion of the Group. As each Selected Participant has a different position or role with respect to the Group and may contribute to the Group differently in terms of nature, duration or significance, it may not always be appropriate to impose a generic set of performance targets for each Award. Therefore, the Share Award Scheme does not prescribe the performance targets that must be met before each Award may vest. However, the Board or the Committee shall specify the conditions including any performance targets for each Award in the Grant Notice (as defined in the Share Award Scheme).

Given the nature of the Group's business, the Board considers it neither practicable nor appropriate to prescribe indicative qualitative parameters for the grant of Awards under the Share Award Scheme. Notwithstanding the foregoing, performance targets may include, without limitation, (i) financial parameters of the Group (such as the revenue, profits and general financial condition of the Group); (ii) non-financial parameters of the Group (such as the Group's strategic objectives, sales targets, operational performance indicators, future development plan and other short-term business objectives); (iii) the key performance indicators of the Selected Participant's departments and/or business units, and the Selected Participant's position key performance indicators relevant to his roles and responsibilities and/or its annual appraisal results (in respect of Employee Participants); and/or (iv) the Selected Participant's

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contribution to the Group's financial and operating results (such as period of engagement, increase in revenue or profits, reduction in costs, product/service advancement), that must be duly fulfilled before the Award may be vested in such Selected Participant in respect of all or a proportion of the Award Shares.

The Board considers that it is more beneficial for the Company to have flexibility to determine whether and to what extent any performance targets will be attached to each Award in light of the specific circumstances of each Selected Participant and it is not practicable to expressly set out a generic set of performance targets in the rules of the Share Award Scheme, as each Selected Participant will play different roles and contribute in different ways to the Group. The Board or the Committee shall have regard to the purpose of the Share Award Scheme in making such determinations, and ensure that appropriate specific performance targets will be set under particular circumstances of the relevant Selected Participant(s).

(g) Clawback mechanism

The Share Award Scheme provides for a clawback mechanism which sets out the circumstances in which the unvested Awards to a Grantee shall, among others, automatically lapse forthwith in the event that, (i) the Grantee commits any misconduct (details of which are set out in the Appendix to this circular); (ii) there is any material misstatement(s) in the consolidated financial statements of the Company that requires a restatement; or (iii) if an Award or the vesting of any Award is linked to any performance targets and the Board is of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner. The Board considers that such mechanism aligns with the purpose of the Share Award Scheme as it would not be beneficial to the Group for the Grantee to continue to benefit from the unvested Awards under the circumstances that would trigger the clawback mechanism.

EGM

The EGM Notice is set out on pages EGM-1 to EGM-3 of this circular. All the resolution(s) as set out in the EGM Notice will be proposed at the EGM.

A form of proxy for the EGM is enclosed with this circular. Whether you are able to attend the EGM or not, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. at or before 2:30 p.m. on Monday, 11 May 2026 (Hong Kong time) or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjourned meeting (as the case may be) should you so wish and in such event, the form of proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 8 May 2026 to Wednesday, 13 May 2026 (both days inclusive) for the purpose of determining the eligibility of the Shareholders to attend and vote at the EGM. During the closure of the register of members of the Company, no transfer of Shares will be effected. The record date will be Wednesday, 13 May 2026. In order to qualify for attending and voting at the EGM, all transfers of the Shares accompanied by the relevant certificates, must be lodged with the branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 7 May 2026.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairperson, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

The chairperson of the EGM will therefore demand a poll for every resolution put to the vote at the EGM pursuant to the Articles of Association and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATIONS

The Directors consider that the proposed resolution(s) as set out in the EGM Notice are in the best interests of the Company and the Shareholders as a whole, and accordingly, recommend the Shareholders to vote in favour of all the resolutions to be proposed at the EGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix to this circular.

The English text of this circular shall prevail over the Chinese text.

Yours faithfully,
By order of the Board
Pan Asia Environmental Protection Group Limited
Lin Jun
Chairman

1. DEFINITIONS AND INTERPRETATION

1.1 In this Scheme, except where the context otherwise requires, the following expressions have the following meanings:

“Adoption Date”	the date on which this Scheme is adopted and approved by the Shareholders in general meeting;
“Articles of Association”	the articles of association of the Company, as amended and/or restated from time to time;
“associate(s)”	shall have the meaning ascribed to it in the Listing Rules;
“Award”	an award granted by the Board or the Committee to a Grantee of a conditional right for such Grantee to receive such number of Award Shares, subject to the satisfaction of vesting conditions and such other terms and conditions, as the Board or the Committee may in its absolute discretion determine;
“Award Share(s)”	in respect of a Grantee, such number of Share(s) underlying the Award(s) as determined by the Board or the Committee, and as may be issued as new Shares or acquired through on-market or off-market purchases of Shares, in accordance with the terms of this Scheme;
“Board”	the board of Directors of the Company;
“Business Day”	a day on which the Stock Exchange is open for the business of dealing in securities;
“chief executive”	shall have the meaning ascribed to it in the Listing Rules;
“close associate(s)”	shall have the meaning ascribed to it in the Listing Rules;
“Committee”	the person(s) from time to time delegated by the Board with the power and authority to administer the Scheme in accordance with the rules herein and, unless otherwise notified by the Board, refers to the Remuneration Committee;

“Company”	Pan Asia Environmental Protection Group Limited (泛亞環保集團有限公司), a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 556);
“connected person”	shall have the meaning ascribed to it under the Listing Rules;
“core connected person”	shall have the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company for the time being;
“Disability”	a disability, whether temporary or permanent, partial or total as determined by the Board or the Committee in its absolute discretion;
“Eligible Participant”	<p>(i) any director or employee of the Company (excluding independent non-executive Directors) or of any Subsidiary, including any person who is granted Awards under this Scheme as an inducement to enter into an employment or engagement contract with the Company or any Subsidiary (“Employee Participant”); or</p> <p>(ii) any director or employee of the holding companies, fellow subsidiaries or associated companies of the Company (“Related Entity Participant”),</p> <p>provided that such Eligible Participant is not an Excluded Participant;</p>
“Excluded Participant”	any person who is resident in a place where the grant of the Award, the vesting of the Award and/or the transfer or subscription of Award Shares pursuant to the terms of the Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or the Committee or (where applicable) the Trustee, compliance with applicable laws and regulations in such place make it necessary or expedient to exclude such person;
“Grant Notice”	shall have the meaning as set out in paragraph 3.3;

“Grantee”	any Selected Participant who has accepted the offer of the grant of an Award in accordance with the terms of this Scheme or, where the context so permits, any person entitled to any such Award in consequence of the death of the original Grantee or the legal personal representative of such person;
“Group”	the Company and its Subsidiaries from time to time, and “ 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 of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time;
“Misconduct”	in respect of a Grantee, any of the following: <ul style="list-style-type: none">(i) an act of fraud or dishonesty or serious misconduct, whether or not in connection with his employment or contractual engagement with any member of the Group and whether or not it has resulted in his employment or contractual engagement being terminated by the relevant member of the Group;(ii) non-compliance with the terms of his employment contract or other contract with any member of the Group or disobedience of any orders or instructions given by any member of the Group, as the case may be;(iii) where the Grantee has been declared bankrupt or adjudged to be bankrupt by a competent court or governmental body or has failed to pay his debts as they fall due within the meaning of the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong) or any other applicable laws, rules or regulations;

- (iv) where the Grantee has become otherwise insolvent or has made any arrangements or compositions with his creditors generally or an administrator has taken possession of any of his assets;
 - (v) where the Grantee has been convicted of any criminal offence involving his integrity or honesty;
 - (vi) where the Grantee has been convicted of or is being held liable for any offence under or any breach of the SFO or other securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time; or
 - (vii) where the Grantee has, in the sole opinion of the Board or the Committee, conducted himself in any manner whatsoever to the detriment of or prejudicial to the interests of any member of the Group;
- “Other Distributions”** shall have the meaning ascribed to it in paragraph 8.1;
- “Partial Lapse”** shall have the meaning as set out in paragraph 5.2;
- “Remuneration Committee”** the remuneration committee of the Board from time to time;
- “Scheme”** this share award scheme constituted by the rules hereof, in its present form or as may be altered from time to time in accordance with paragraph 10;
- “Scheme Mandate Limit”** shall have the meaning ascribed to it in paragraph 7.1;
- “Selected Participant”** any Eligible Participant selected by the Board or the Committee in its absolute discretion to be offered with the grant of an Award pursuant to this Scheme;
- “Senior Management”** a senior management disclosed in the Company’s annual report as required under paragraph 12 of Appendix D2 to the Listing Rules (as may be amended from time to time);

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
“Share Schemes”	collectively, the share option scheme(s) and share award scheme(s) involving the issue of new Shares adopted or to be adopted by the Company from time to time;
“Shareholder(s)”	the holder(s) of Share(s);
“Shares”	ordinary shares with a nominal value of HK\$0.10 each in the share capital of the Company, or if there has been a sub-division, consolidation, re-classification or re-construction or reduction or reorganisation of the share capital of the Company, the shares forming part of the ordinary share capital of the Company of such nominal amount as shall result from any such sub-division, consolidation, re-classification or re-construction or reduction or reorganisation;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	any subsidiary (as such term is defined in the Listing Rules) of the Company;
“Total Lapse”	shall have the meaning as set out in paragraph 5.1;
“Treasury Shares”	shall have the meaning ascribed to it under the Listing Rules. For the purposes of the Scheme, new Shares include Treasury Shares and the issue of new Shares includes the transfer of Treasury Shares;
“Trust Deed”	the trust deed as may be entered into by the Company as settlor and the Trustee as trustee (as amended, restated, supplemented or otherwise modified from time to time) in respect of the appointment of the Trustee for the administration of this Scheme;
“Trustee”	the trustee as may be appointed by the Company from time to time for the administration of this Scheme pursuant to paragraph 2.4;

“Vesting Date”	in relation to an Award granted to a Grantee, the date or each such date, as determined by the Board or the Committee pursuant to paragraph 4.1, on which the Award is to be vested in such Grantee in respect of all or a proportion of the Award Shares, subject to and in accordance with the terms and conditions of the relevant Award and paragraph 4.3 and other rules of the Scheme;
“Vesting Notice”	shall have the meaning as set out in paragraph 4.2; and
“Vesting Period”	in relation to an Award granted to a Grantee, the period commencing on the date of the Grant Notice and ending on the Vesting Date (both dates inclusive).

1.2 In these rules:

- (A) the headings are for ease of reference only and shall be ignored in construing these rules of the Scheme;
- (B) references to paragraphs or sub-paragraphs are references to paragraphs or sub-paragraphs hereof;
- (C) words importing the singular include the plural and vice versa;
- (D) words importing one gender or the neuter include both genders and the neuter and vice versa;
- (E) references to persons include bodies corporate and unincorporated;
- (F) references to any statutory or regulatory provisions (including the Listing Rules) or rules prescribed by any statutory bodies shall include the same as from time to time amended, consolidated and re-enacted; and
- (G) references to any statutory body shall include the successor thereof and any body established to replace or assume the functions of the same.

2. PURPOSE, ADMINISTRATION AND DURATION

2.1 The purpose of the Scheme is to:

- (A) recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group and to incentivise and motivate them to further contribute towards the growth and expansion of the Group by providing them with the opportunity to acquire Shares; and
- (B) to attract suitable personnel for further development of the Group.

- 2.2 The Scheme shall be subject to the administration of the Board whose decisions on all matters (save for those specifically reserved for determination by Shareholders in accordance with the Listing Rules) arising in relation to the Scheme or its interpretation or effect shall be final, conclusive and binding on all persons who may be affected thereby; and for the avoidance of doubt, the Committee shall have powers on recommending and/or deciding (on and subject to the terms and conditions provided under this Scheme) the selection of the Employee Participant, the terms and conditions of the Awards to be granted to the Employee Participant under the Scheme from time to time (including but not limited to the number of Award Shares underlying the Awards, the consideration for the grant of the Awards, the Vesting Dates, vesting criteria, performance targets, and other terms and conditions), and other related matters as expressly provided under this Scheme or in accordance with the Listing Rules or other applicable laws, rules and regulations. In the event that a Selected Participant or Grantee is a member of the Board, such person may, notwithstanding his own interest but subject to the Articles of Association and the applicable laws, rules and regulations, vote on any resolution of the Board or the Committee concerning this Scheme (other than in respect of the grant or vesting of any Award to or in him under this Scheme).
- 2.3 The Board may delegate the authority to administer this Scheme to the Committee or appoint one or more persons, entities or contractors (including without limitation the Trustee) to assist in the administration of this Scheme and delegate such powers and/or functions relating to the administration of this Scheme as the Board thinks fit.
- 2.4 The Board may also, in its absolute discretion, appoint any Trustee to assist with the administration and vesting of the Awards granted pursuant to this Scheme. To satisfy the Awards after vesting, the Company may, as determined by the Board or the Committee in its absolute discretion:
- (A) allot and issue new Shares to the Grantee directly; and/or
 - (B) allot and issue new Shares to the Trustee, and/or instruct the Trustee to acquire existing Shares through on-market or off-market purchases in accordance with the Company's instructions and subject to the terms and conditions of the Trust Deed (if any), such new and/or existing Shares to be held by the Trustee on trust for the Grantee and to be transferred to the Grantee after vesting,

provided that (i) the Trustee holding unvested Shares under this Scheme, whether directly or indirectly, shall abstain from voting on matters that require Shareholders' approval under the Listing Rules, unless otherwise required by applicable laws to vote in accordance with the beneficial owner's direction and such a direction is given; and (ii) to the extent any new Shares will be allotted and issued by the Company to satisfy any Award after vesting, such allotment and issue shall be subject to and conditional upon the granting of approval by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, such number of new Shares which may fall to be allotted and issued.

- 2.5 A Selected Participant or Grantee shall ensure that the acceptance, vesting and holding of any Award, and the transfer, subscription or holding of Award Shares (as the case may be), under the Scheme and the exercise of all rights attaching thereto are valid and comply with all laws, rules and regulations including the Listing Rules and all applicable exchange control, fiscal and other laws to which he is subject. The Board or the Committee may, as a condition precedent of making an Award, require any Selected Participant or Grantee to produce such evidence as it may reasonably require for such purpose.
- 2.6 Subject to the fulfilment of the condition set out in paragraph 13 and the termination provisions under paragraph 11, the Scheme shall be valid and effective for a term of ten (10) years commencing on the Adoption Date and ending on the tenth (10th) anniversary of the Adoption Date.

3. GRANT OF AWARDS

- 3.1 The Board or the Committee shall, subject to and in accordance with these rules of the Scheme, be entitled (but shall not be bound) to, at any time during the term of the Scheme, make an offer of the grant of an Award to any of the Eligible Participants (excluding any Excluded Participant) as the Board or the Committee may in its absolute discretion select. For the avoidance of doubt, until so selected, no Eligible Participant shall be entitled to participate in the Scheme.
- 3.2 The eligibility of any of the Eligible Participants to an Award shall be determined by the Board or the Committee in its absolute discretion from time to time on the basis of the Board's or the Committee's opinion as to matters including but not limited to his contribution and/or future contribution to the development and growth of the Group. Generally:
- (A) in assessing the eligibility of an Employee Participant, the Board or the Committee will consider all relevant factors as appropriate, including, without limitation, the individual's (i) performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard; (ii) length of employment or engagement with the Group; and (iii) contribution or potential contribution to the development and growth of the Group; and
 - (B) in assessing the eligibility of a Related Entity Participant, the Board will consider all relevant factors as appropriate, including, without limitation, (i) the degree of his involvement in and/or cooperation with the Group; (ii) the length of collaborative relationship established with the Group; (iii) the amount of support, assistance, guidance, advice, efforts and contributions he has given or is likely to give towards the success of the Group; and (iv) his participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group.

3.3 After the Board or the Committee has decided to select an Eligible Participant to be offered with the grant of an Award under the Scheme, the Board or the Committee shall notify the Selected Participant of such offer by a written notice (the “**Grant Notice**”) and the Board or the Committee shall specify the following in the Grant Notice:

- (A) the name, address and identity card (or, as the case may be, passport) number of the relevant Selected Participant;
- (B) the number of Award Shares underlying the Award to be granted to the relevant Selected Participant;
- (C) the amount, if any, payable by the relevant Selected Participant on acceptance of the Award and, if applicable, the period within which any such payments must or may be made or any loans for such purposes must be repaid;
- (D) the Vesting Date as determined in accordance with paragraph 4.1 on which the Award may be vested in the relevant Selected Participant in respect of all or a proportion of the Award Shares;
- (E) the conditions, including any performance targets which may include without limitation (i) financial parameters of the Group (such as the revenue, profits and general financial condition of the Group); (ii) non-financial parameters of the Group (such as the Group’s strategic objectives, sales targets, operational performance indicators, future development plan and other short-term business objectives); (iii) the key performance indicators of the Selected Participant’s departments and/or business units, and the Selected Participant’s position key performance indicators relevant to his roles and responsibilities and/or its annual appraisal results (in respect of Employee Participants); and/or (iv) the Selected Participant’s contribution to the Group’s financial and operating results (such as period of engagement, increase in revenue or profits, reduction in costs, product/service advancement), that must be duly fulfilled before the Award may be vested in such Selected Participant in respect of all or a proportion of the Award Shares;
- (F) such lock-up periods or restrictions on disposal (if any) of the Award Shares as the Board or the Committee may, in its absolute discretion, determine; and
- (G) such other terms and conditions of the Award as may be imposed by the Board or the Committee which are not inconsistent with these rules of the Scheme before the Award may be vested in such Selected Participant in respect of all or a proportion of the Award Shares.

The Grant Notice will require the Selected Participant to undertake to hold the Award on the terms on which it is granted and to be bound by the provisions of this Scheme.

- 3.4 A Selected Participant may accept an offer of the grant of the Award made by way of the Grant Notice in the manner set out in the Grant Notice and within ten (10) Business Days from the date of the Grant Notice (unless otherwise specified in the Grant Notice). Unless otherwise determined by the Board or the Committee in its absolute discretion at the relevant time for each individual Award, a Selected 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 pursuant to the Grant Notice, nor is the Selected Participant required to pay any subscription or purchase price for the vesting of the Awards or the receipt of the Award Shares. Upon acceptance of an offer of the Award in accordance with the terms of the Award and this Scheme, the Selected Participant becomes a Grantee under this Scheme.
- 3.5 An Award shall be deemed to be unconditionally declined and rejected in its entirety by a Selected Participant unless such Selected Participant shall have notified the Company that he would accept such Award in accordance with paragraph 3.4 and the terms of the Grant Notice. Nothing contained in the Grant Notice shall be construed as conferring any rights, interests, benefits and title to and in the Award Shares on any Selected Participant before the acceptance of the relevant Award by, the vesting of the relevant Award in, and the allotment and issue or transfer (as the case may be) of the Award Shares to such Selected Participant, which shall in each case be subject to and in accordance with the terms and conditions of the relevant Award and these rules of the Scheme.
- 3.6 For so long as the Shares are listed on the Stock Exchange:
- (A) an Award may not be granted after inside information (as defined under Part XIVA of the SFO) has come to the knowledge of the Company until (and including) the trading day after such inside information has been announced in accordance with the Listing Rules and the SFO. In particular, no Award may be granted during the period commencing thirty (30) days immediately before the earlier of:
- (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approving the Company's results for any year, half-year or quarterly-year period or any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to announce its results for any year, half-year or quarter-year period or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement. The period during which no Award may be granted will cover any period of delay in publishing a results announcement;

- (B) the Board or the Committee may not grant any Award to any Director or other Selected Participant during the periods or times when such an Award is prohibited under the Listing Rules, any corresponding code or securities dealing restrictions adopted by the Company and all applicable laws from time to time. Without limiting the generality of the foregoing, when an Award is proposed to be made to a Director who, because of his office or employment in the Company or any Subsidiary, is likely to be in possession of unpublished inside information (as defined under Part XIVA of the SFO) in relation to the Company, no Award may be granted during the following periods or times:
- (a) sixty (60) days immediately preceding the publication date of the Company's 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) thirty (30) days immediately preceding the publication date of the Company's 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;
- (C) the grant of an Award to any connected person of the Company shall be subject to paragraph 7.2 and compliance with the applicable requirements under the Listing Rules, including where necessary the prior approval of the Shareholders.
- 3.7 An Award shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any security or adverse interest whatsoever in favour of any third party over or in relation to an Award or any interests or benefits pursuant to the Award, nor shall any Grantee enter or purport to enter into any agreement to do so.
- 3.8 Notwithstanding the terms and conditions of the Scheme, the Board or the Committee may provide in the Grant Notice that any Award prior to it being vested in such Grantee in respect of all or a proportion of the Award Shares may be subject to clawback or a longer Vesting Period if any of the Clawback Events stated in paragraph 3.9 shall occur.
- 3.9 In respect of any Award which is performance linked, if any of the following events ("**Clawback Event**") shall occur during a Vesting Period:
- (A) there being a material misstatement in the consolidated financial statements of the Company that requires a restatement; or
 - (B) the Grantee commits any Misconduct(s); or

- (C) if an Award or the vesting of any Award is linked to any performance targets and the Board is of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner,

the Board or the Committee may (but are not obliged to) by notice in writing to the Grantee concerned (aa) claw back such number of Awards (to the extent not being vested) granted as the Board or the Committee may consider appropriate; or (bb) extend the Vesting Period (regardless of whether the initial Vesting Date has occurred) in relation to all or any of the Awards (to the extent not being vested) to such longer period as the Board or the Committee may consider appropriate.

4. VESTING OF AWARDS

4.1 The Board or the Committee may from time to time, in its absolute discretion, determine the Vesting Date upon which the Award may be vested in that Grantee in respect of all or a proportion of the Award Shares. The Vesting Period in respect of any Award shall be not less than twelve (12) months (or such other period as the Listing Rules may prescribe or permit), provided that where the Eligible Participant is:

- (A) an Employee Participant who is a Director or a Senior Management specifically identified by the Company, the Remuneration Committee shall, or
- (B) an Employee Participant who is not a Director nor a Senior Management specifically identified by the Company, the Board shall,

have the authority to determine a shorter Vesting Period in its absolute discretion under the following specific circumstances:

- (i) grants of “make whole” Awards to any Selected Participants who are new joiners to replace the share awards or options they forfeited when leaving the previous employer;
- (ii) grants of Awards with performance-based vesting conditions in lieu of time-based vesting criteria;
- (iii) grants of Awards to any Selected Participants whose employment or engagement is terminated due to death, Disability or event of force majeure;
- (iv) grants of Awards in batches during a year for administrative or compliance reasons, including Awards that should have been granted earlier but had to wait for a subsequent batch if not for such administrative or compliance reasons, in which case the Vesting Period may be shorter to reflect the time from which the Awards would have been granted;

- (v) 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; or
- (vi) grants of Awards with a total vesting and holding period of more than twelve (12) months.

Any grant of Awards to any Director or Senior Management 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 Committee as to why the Vesting Period is appropriate and how the grant aligns with the purposes of the Scheme.

- 4.2 Within a reasonable time after the vesting conditions have been reached, fulfilled or satisfied and prior to the Vesting Date of an Award as set out in the related Grant Notice, the Board or the Committee shall notify the Grantee in writing by notice (the “**Vesting Notice**”) in respect of the intended vesting of such number of Award Shares underlying the Award as determined by the Board or the Committee in its absolute discretion, subject to the fulfilment of the requirements set out in paragraph 4.3 and the terms of the Vesting Notice. The Board or the Committee has the absolute discretion to determine whether and to what extent such vesting conditions or performance targets have been reached, fulfilled or satisfied and its decision shall, in the absence of manifest error, be final, conclusive and binding.
- 4.3 Upon the Grantee’s receipt of the Vesting Notice, the Grantee shall (i) duly execute and return the reply slip attached to the Vesting Notice and any transfer or subscription documents prescribed by the Board or the Committee for the relevant Award Shares; and (ii) pay the consideration (if any) for the transfer or subscription of the relevant Award Shares, in each case in the manner and within the period stipulated in the Vesting Notice (or such later date as may be determined by the Board or the Committee in its absolute discretion having regard to all relevant circumstances), failing which the corresponding portion of the Award Shares underlying the Awards shall automatically lapse forthwith in accordance with paragraph 5.2.
- 4.4 Subject to paragraph 4.5, Awards which have been vested in accordance with paragraph 4.3 shall be satisfied within twenty-one (21) Business Days (unless otherwise specified in the Vesting Notice) from the later of the date of receipt by the Company of (i) the reply slip attached to the Vesting Notice duly executed by the Grantee; (ii) the transfer or subscription documents as prescribed by the Board or the Committee for the relevant Award Shares and duly executed by the Grantee; and (iii) the payment of consideration, if any, for the transfer or subscription of the relevant Award Shares, in any of the following manner as determined by the Board or the Committee in its absolute discretion:
 - (A) the Company allotting and issuing the relevant number of new Shares, fully paid or credited as fully paid, to the Grantee; and/or

(B) the Company allotting and issuing the relevant number of new Shares, fully paid or credited as fully paid, to the Trustee, and/or instructing the Trustee to acquire the relevant number of existing Shares through on-market or off-market purchases in accordance with the Company's instructions and subject to the terms and conditions of the Trust Deed (if any), such new and/or existing Shares to be held by the Trustee on trust for the Grantee and to be transferred to the Grantee after vesting.

4.5 If the Board or the Committee in its absolute discretion determines that it is not practicable for the Grantee to receive the Award Shares underlying the Award or for the Company or (if applicable) the Trustee to satisfy the Award due to applicable legal or regulatory restrictions (including without limitation the Listing Rules, the SFO and the requirements prescribed by the Stock Exchange from time to time), the allotment and issue or transfer (as the case may be) of the Award Shares shall be postponed and shall take place as soon as possible after the date that the Board or the Committee subsequently determines that it will be practicable to proceed with the satisfaction of the Award. Without prejudice to the generality of the foregoing, if the Company, (if applicable) the Trustee or any Grantee would or might be prohibited from dealing in the Shares by the Listing Rules, the SFO or any other applicable laws, regulations or rules within the applicable prescribed period, the date on which the relevant Shares shall be allotted and issued or transferred (as the case may be) to the Grantee or (if applicable) the Trustee shall occur as soon as possible after the date when such dealing is permitted by the Listing Rules, the SFO or any other applicable laws, regulations or rules.

4.6 During the Vesting Period:

(A) in respect of any performance targets as may be specified by the Board or the Committee in the Grant Notice that must be fulfilled before the Award may be vested in the relevant Grantee in respect of the relevant Award Shares, the Board or the Committee will conduct assessment at the end of such performance period as prescribed by the Board or the Committee, including the comparison of the performance of the Group and/or the individual performance of the Grantee with the pre-agreed targets, in order to determine whether the targets have been fulfilled and the extent to which such targets have been fulfilled;

(B) if the Board or the Committee determines in its absolute discretion that any condition(s) and/or performance target(s) to be duly fulfilled by the Grantee as specified in the related Grant Notice has not been duly fulfilled, the Board or the Committee shall determine in its absolute discretion whether such Award shall vest and the period within which such Award shall vest, subject to the requirements of the Listing Rules;

- (C) if a general offer by way of takeover or otherwise (other than by way of scheme of arrangement pursuant to sub-paragraph (D) below) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) by any person and such offer becomes or is declared unconditional prior to the Vesting Date of any Award, the Board or the Committee shall, prior to the offer becoming or being declared unconditional, determine in its absolute discretion whether such Award shall vest and the period within which such Award shall vest;
- (D) if a general offer for the Shares by way of 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 Date of any Award, the Board or the Committee shall, prior to such meetings, determine in its absolute discretion whether such Award shall vest and the period within which such Award shall vest;
- (E) if a compromise or arrangement (other than a scheme of arrangement contemplated in sub-paragraph (D) above) between the Company and the Shareholders and/or the creditors of the Company is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies prior to the Vesting Date of any Award, the Board or the Committee shall determine in its absolute discretion whether such Award shall vest and the period within which such Award shall vest;
- (F) if a notice is given by the Company to the Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company prior to the Vesting Date of any Award, the Board or the Committee shall determine in its absolute discretion whether such Award shall vest and the period within which such Award shall vest;
- (G) where an Award is made to a Grantee of a Subsidiary and there is a change of ownership or control in such entity such that it is no longer a Subsidiary, the Board or the Committee shall determine in its absolute discretion whether such Award shall vest and the period within which such Award shall vest; and/or
- (H) if a Grantee's employment or engagement with the Company or any other member of the Group is terminated by reason of retirement, death or Disability, the Board or the Committee shall determine in its absolute discretion whether such Award shall vest and the period within which such Award shall vest.

5. LAPSE OF AWARDS

5.1 In the event that:

- (A) any Grantee is found to be an Excluded Participant or otherwise ceases to be an Eligible Participant (including the termination of his employment or contractual engagement with the Company or any other member of the Group for any reason, other than for reason as provided in paragraph 4.6(H));
- (B) any Grantee makes any attempt or takes any action to sell, transfer, assign, charge, mortgage, encumber or otherwise dispose of or create any security or adverse interest whatsoever in favour of any third party over or in relation to any Award or any interests or benefits pursuant to the Award;
- (C) any Grantee commits any Misconduct(s);
- (D) any Grantee is concerned, during the course of his employment or contractual engagement with any member of the Group, without prior written consent of the Company, with any business which competes or is likely to compete with the business of any member of the Group;
- (E) there is any material misstatement(s) in the consolidated financial statements of the Company; or
- (F) any Awards are clawed back pursuant to paragraph 3.9,

(each of these, an event of “**Total Lapse**”), all unvested Awards to such Grantee shall automatically lapse forthwith upon the determination by the Board or the Committee that such event has occurred, and such Grantee shall have no right or claim whatsoever against the Company, any other member of the Group, the Board or the Committee in respect of those unvested Awards, the Award Shares underlying such unvested Awards or any right thereto or interest therein in any way.

5.2 In the event that:

- (A) the vesting conditions are not, in the sole opinion of the Board or the Committee, satisfied in respect of the relevant part of the Award; or
- (B) a Grantee fails to, in the manner and within the period stipulated in the Vesting Notice (or such later date as may be determined by the Board or the Committee in its absolute discretion having regard to all relevant circumstances), (i) duly execute and return the reply slip attached to the Vesting Notice or any transfer or subscription documents prescribed by the Board or the Committee in respect of the relevant Award Shares; or (ii) pay the consideration (if any) for the transfer or subscription of the relevant Award Shares;

(each an event of “**Partial Lapse**”), the relevant part of the Award in respect of which any event of Partial Lapse has occurred shall automatically lapse forthwith upon the determination by the Board or the Committee that such event has occurred, and the relevant Award Shares shall not vest on the relevant Vesting Date, and such Grantee shall have no right or claim whatsoever against the Company, any other member of the Group, the Board or the Committee in respect of such Award, the relevant Award Shares underlying such Award or any right thereto or interest therein in any way.

- 5.3 The Awards lapsed in accordance with these rules of the Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. The Board or the Committee has the absolute discretion to determine whether, when and to what extent an event of Total Lapse or Partial Lapse has occurred, and its decision is final, conclusive and binding.

6. CANCELLATION OF AWARDS

- 6.1 Subject to Chapter 17 of the Listing Rules, the Board or the Committee may in its absolute discretion cancel all or such proportion of the Awards granted but unvested, provided that:
- (A) the Company or any other member of the Group pay to the Grantee an amount equal to the fair value of the Award at the date of the cancellation as determined by the Board or the Committee, after consultation with the auditors of the Company or an independent financial adviser appointed by the Board or the Committee;
 - (B) the Company or any other member of the Group provides to the Grantee a replacement Award (or a share option or share award under any other Share Scheme(s)) of equivalent value to the Award to be cancelled; or
 - (C) the Board or the Committee makes any arrangement as the Grantee may agree in order to compensate him for the cancellation of the Awards.
- 6.2 Where the Company cancels any Awards granted to a Grantee and makes a new grant (whether under this Scheme or any other Share Scheme(s)) to the same Grantee, such new grant may only be made within the available Scheme Mandate Limit approved by the Shareholders. The Awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

7. SCHEME MANDATE LIMIT AND MAXIMUM ENTITLEMENT OF EACH GRANTEE

- 7.1 The total number of Shares which may be issued by the Company in respect of all the Awards to be granted under this Scheme and all the share options and share awards to be granted under any other Share Scheme(s) (“**Scheme Mandate Limit**”) shall not in aggregate exceed 10% of the total number of issued Shares (excluding Treasury Shares, if any) as at the Adoption Date or the relevant date of approval of the refreshment of the Scheme Mandate Limit.
- 7.2 Any grant of Awards to any Director, chief executive or substantial Shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates, shall be subject to the prior approval of the independent non-executive Directors of the Company. In addition:
- (A) where any grant of Awards to any Director or chief executive of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all the Awards granted under this Scheme and (if any) the share awards granted under any other Share Scheme(s) (excluding any Awards and any other share awards lapsed in accordance with the terms of the Share Schemes) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as the Listing Rules may prescribe or permit) of the total number of issued Shares (excluding Treasury Shares, if any) as at the date of such grant; or
 - (B) where any grant of Awards to a substantial Shareholder (as defined in the Listing Rules) of the Company (or any of their respective associates) would result in the number of Shares issued and to be issued in respect of all the Awards granted under this Scheme and (if any) the share options and other share awards granted under any other Share Scheme(s) (excluding any Awards and any share options and other share awards lapsed in accordance with the terms of the Share Schemes) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as the Listing Rules may prescribe or permit) of the total number of issued Shares (excluding Treasury Shares, if any) as at the date of such grant,

such further grant of Awards must be approved by Shareholders in general meeting in the manner required, and subject to the requirements set out, in the Listing Rules. In particular, the Company must send a circular to the Shareholders. The Grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must comply with the relevant requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

- 7.3 No Award shall be granted to a Grantee if it would result in the total number of Shares issued and to be issued in respect of all the Awards granted under this Scheme and, if any, the share options and other share awards granted under any other Share Scheme(s) to such person (excluding any Awards and any share options and other share awards lapsed in accordance with the terms of the Share Schemes) in the 12-month period up to and including the date of such grant, in aggregate, exceeding 1% (or such other higher percentage as the Listing Rules may prescribe or permit) of the total number of issued Shares (excluding Treasury Shares, if any) as at the date of such grant, unless:
- (A) such grant has been separately approved by the Shareholders in general meeting, with such Grantee and his close associates (or associates if such Grantee is a connected person) abstaining from voting;
 - (B) the Company has despatched a circular to the Shareholders containing all relevant information required by the Listing Rules in relation to any such proposed grant to such Grantee; and
 - (C) the number and terms of the Awards to be granted to such Grantee are fixed before the Shareholders' approval.
- 7.4 Subject to paragraph 7.5, the Scheme Mandate Limit may be refreshed by the Company as follows:
- (A) the Company may refresh the Scheme Mandate Limit by ordinary resolution of the Shareholders in general meeting after three (3) years from the Adoption Date (or from the date of Shareholders' approval for the last refreshment) in accordance with the applicable Listing Rules; and
 - (B) any refreshment of the Scheme Mandate Limit within the three-year period from the Adoption Date (or from the date of Shareholders' approval for the last refreshment) must be approved by the Shareholders in general meeting subject to the following provisions:
 - (i) any controlling Shareholders (as defined in the Listing Rules) of the Company and their associates (or if there is no controlling Shareholder, Directors and chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
 - (ii) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules,

provided that paragraphs 7.4(B)(i) and (ii) above do not apply if the refreshment is made immediately after an issue of Shares by the Company to its Shareholders on a pro-rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the total number of issued Shares) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of Shares, rounded to the nearest whole Share.

- 7.5 The Scheme Mandate Limit so refreshed under paragraph 7.4 shall not exceed 10% of the total number of issued Shares (excluding Treasury Shares, if any) as at the date of Shareholders' approval of the refreshment of the Scheme Mandate Limit. A circular regarding the proposed refreshment of the Scheme Mandate Limit must be despatched to the Shareholders containing the number of Awards and any other share options and share awards that were already granted under the existing Scheme Mandate Limit and the reason for the refreshment.
- 7.6 Without prejudice to paragraphs 7.4 and 7.5, the Company may seek separate approval by the Shareholders in general meeting for granting Awards which will result in the Scheme Mandate Limit or, if applicable, the refreshed Scheme Mandate Limit under paragraph 7.4, being exceeded, provided that:
- (A) the Awards in excess of the limit are granted only to the Grantee(s) specifically identified by the Company before such approval is sought;
 - (B) the Company has despatched a circular to the Shareholders containing all relevant information required by the Listing Rules in relation to any such proposed grant to such Grantee(s); and
 - (C) the number and terms of the Awards to be granted to such Grantee(s) are fixed before the Shareholders' approval.
- 7.7 If the Company conducts any capitalisation issue, rights issue, share consolidation, share sub-division or capital reduction, corresponding adjustments (if any) shall be made to the maximum number of Shares that may be issued by the Company in respect of all the Awards and other share awards and share options to be granted pursuant to all the Share Schemes of the Company under the unutilised Scheme Mandate Limit referred to in paragraph 7.1 (or as increased in accordance with paragraph 7.4 or 7.6, as the case may be) with reference to the total number of issued Shares (excluding Treasury Shares, if any) as at the date immediately before and after such event and rounded to the nearest whole Share, such that each Grantee will be entitled to the same proportion of the Company's share capital as that to which such Grantee was previously entitled, provided that no such adjustment may be made to the extent that any Share would be issued at less than its nominal value, if applicable. In respect of any such adjustments, other than any made on a capitalisation issue, an independent financial adviser or the Company's auditors must confirm to the Directors in writing that the adjustments satisfy the requirements under the note to Rule 17.03(13) of the Listing Rules.

8. RIGHTS ATTACHED TO THE AWARDS AND THE AWARD SHARES

8.1 Unless otherwise approved and authorised by the Board or the Committee, the Grantee shall not exercise any of the voting rights in respect of any Award Shares and shall not have any right whatsoever in any dividends and other distributions declared and made in respect of any Award Shares or otherwise (“**Other Distributions**”) unless and until the relevant Award Shares have been allotted and issued or transferred (as the case may be) to the Grantee in accordance with these rules of the Scheme and the applicable laws, rules and regulations. For the avoidance of doubt:

(A) a Grantee does not have legal and beneficial ownership of any Award Shares unless and until such Award Shares have been allotted and issued or transferred (as the case may be) to the Grantee in accordance with these rules of the Scheme and the applicable laws, rules and regulations; and

(B) where a Trustee is appointed, no instruction may be given by a Grantee to the Trustee in respect of the Award Shares and/or the Other Distributions and/or such other properties or assets of the trust constituted by the Trust Deed.

8.2 Subject to paragraph 8.1, the Award Shares to be allotted and issued or transferred (as the case may be) to the Grantee after the vesting of the Award in the Grantee shall be subject to all the provisions of the Articles of Association for the time being in force and shall 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 existing fully paid Shares in issue on the date on which the Award Shares are allotted and issued or transferred (as the case may be) to the Grantee after the vesting of the Award and, without prejudice to the generality of the foregoing, shall entitle the holders of such Award Shares to participate in all Other Distributions paid or made on or after the date on which the Award Shares are so allotted and issued or transferred (as the case may be), other than any Other Distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be before the date on which the Award Shares are so allotted and issued or transferred (as the case may be).

9. DISPUTES

Any dispute arising under or in connection with the Scheme shall be referred to the decision of the Board or the Committee who shall act as experts and not as arbitrators and whose decisions shall, in the absence of manifest error, be final, conclusive and binding on all persons who may be affected thereby.

10. ALTERATION OF THE SCHEME AND THE AWARDS

- 10.1 Subject to paragraphs 10.3 and 10.4, these rules of the Scheme may be altered in any respect by a resolution of the Board, save and except that (i) any alteration to the terms and conditions of the Scheme which are of a material nature; or (ii) any alteration to the provisions of the Scheme relating to the matters set out in Rule 17.03 of the Listing Rules to the extent that such alteration operates to the advantage of the Selected Participants or Grantees must be approved by the Shareholders in general meeting, provided that no such alteration shall operate to affect adversely the terms of any Awards granted which have not vested or lapsed or been cancelled prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the holders of the Shares under the Articles of Association for a variation of the rights attached to the Shares.
- 10.2 Subject to paragraph 10.4, any change to the terms of the Awards granted to a Grantee shall be approved by the Board, the Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Awards was approved by the Board, the Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alteration takes effect automatically under the existing terms of the Scheme.
- 10.3 Any change to the authority of the Directors or administrators of this Scheme (including, where applicable, the Trustee) in relation to any alteration to these rules of the Scheme shall be approved by the Shareholders in general meeting.
- 10.4 The amended terms of the Scheme must comply with all applicable laws, rules and regulations (including Chapter 17 of the Listing Rules).

11. TERMINATION

- 11.1 The Scheme shall terminate on:
- (A) the tenth (10th) anniversary date of the Adoption Date; or
 - (B) such date of earlier termination as determined by the Board or the Committee.
- 11.2 Upon the termination of the Scheme, no further offer of Awards may be made and no Awards offered shall be open for acceptance, but these rules of the Scheme shall remain in full force and effect to the extent necessary to give effect to any Awards which are granted and remain unvested prior to the termination of the operation of the Scheme. The Company shall notify all Grantees and (if applicable) the Trustee of such termination and of how any property held by the Trustee on trust for the Grantees (including, but not limited to, any Shares held) and the outstanding Awards shall be dealt with.

11.3 For the avoidance of doubt, the temporary suspension of the granting of any Award shall not be construed as a decision to terminate the operation of the Scheme.

12. MISCELLANEOUS

12.1 The Scheme shall not form part of any contract of employment or engagement between any member of the Group and any Eligible Participant, and the rights and obligations of any Eligible Participant under the terms of his office, employment or engagement shall not be affected by his participation in the Scheme or any right which he may have to participate in it and the Scheme shall afford such Eligible Participant no additional rights to compensation or damages in consequence of the termination (howsoever caused) of his office or employment for any reason (whether lawful or unlawful).

12.2 The Company shall bear the costs and expenses of establishing, administering and implementing the Scheme (including, if any, the stamp duty, transfer tax or duty, transaction levy, brokerage fee and direct costs and expenses payable in respect of any vesting, transfer or allotment and issue of Shares to the Grantee(s) pursuant to the Scheme), but excluding any costs, expenses, levies and taxes which are determined by the Board or the Committee in its absolute discretion to be payable due to reasons, factors or circumstances which are personal or pertaining to the relevant Grantee(s) or otherwise unrelated to the grant of the relevant Award under the Scheme and which shall be payable by the relevant Grantee(s). Without prejudice to the generality of the foregoing, all costs and expenses in relation to all dealings with the Award Share after the vesting, transfer or allotment and issue of Shares to a Grantee (as the case may be) shall be borne by such Grantee, and the Company shall not be liable for any such costs and expenses thereafter.

12.3 Any notice or other communication between the Company, the Board or the Committee, any Selected Participant or Grantee and/or (where applicable) the Trustee may be given by sending the same by electronic means (including electronic mail, electronic system/platform provided by third-party vendor as selected by the Board or the Committee) or by prepaid post or personal delivery to:

(A) in the case of the Company, the Board or the Committee, the principal place of business of the Company in Hong Kong or such other address as the Board or the Committee may from time to time decide and notify to the Selected Participants or Grantee and/or (where applicable) the Trustee;

(B) in the case of the Trustee (if any), its registered office or principal place of business in Hong Kong or such other address as notified by the Trustee to the Company from time to time; and

- (C) in the case of any Selected Participant or Grantee, his last known address as notified by such Selected Participant or Grantee to the Company from time to time or, if none or incorrect or out of date, his last place of employment with the Group or such other address as the Company reasonably considers appropriate.

12.4 Any notice or other communication:

- (A) if sent by any Selected Participant or Grantee, shall be irrevocable and shall not be effective until actually received by the Company, the Board, the Committee or the Trustee (as the case may be);
- (B) if sent to any Selected Participant or Grantee, shall be deemed to be given or made (i) three (3) days after the date of posting, if sent by local postage prepaid registered mail to an address in Hong Kong; (ii) five (5) days after the date of posting, if sent by postage pre-paid registered airmail to an address outside Hong Kong; (iii) when delivered, if delivered by hand; and (iv) if sent by electronic means, on the same date as that on which it was sent; and
- (C) if sent to the Trustee (if any), shall be irrevocable and shall not be effective until actually received by the Trustee.

12.5 Save as specifically provided in these rules, the Scheme shall not confer on any person any legal or equitable rights against the Company, any Subsidiary and (where applicable) the Trustee, or any of them, directly or indirectly or give rise to any cause of action at law or in equity against the Company, any Subsidiary and (where applicable) the Trustee, or any of them.

12.6 A Grantee shall, before accepting an Award granted to him, the vesting of an Award in him, and the allotment and issue or transfer (as the case may be) of the related Award Shares to him, obtain all necessary governmental, regulatory or other official consents that may be required by any country or jurisdiction to enable him to accept such Award and for such Award to be vested in him and for the related Award Shares to be allotted and issued or transferred to him, as the case may be, in accordance with these rules of the Scheme. By accepting an Award, the Grantee is deemed to have represented, warranted and undertaken to the Company and (where applicable) the Trustee that he has complied with, and will continue to comply with, all local laws and regulations in connection with the acceptance of the Award and the satisfaction of the Award, including the obtaining of any governmental, regulatory or other official consents, the payment of any taxes and duties required to be paid in the relevant country or jurisdiction, and all registration and filing requirements with the relevant authorities required in the relevant country or jurisdiction, and the Grantee further undertakes to the Company and (where applicable) the Trustee that he shall promptly notify each of them in writing if he becomes aware of any event, matter, circumstance, act or omission which has rendered or will render such representation and warranty untrue, incorrect or misleading in any respect. Compliance with this paragraph 12.6

shall be a condition precedent to the acceptance of an Award by a Grantee. A Grantee shall, on demand, indemnify the Company and (where applicable) the Trustee, as the case may be, fully against all claims, demands, liabilities, actions, proceedings, fees, costs and expenses which the Company or the Trustee, as the case may be, may suffer or incur (whether alone or jointly with other party or parties) for or in respect of or in connection with any failure on the part of such Grantee to obtain any necessary consent or to pay tax or other liabilities in relation to or in connection with his acceptance of the Award, the vesting of the Award in him and the allotment and issue or transfer (as the case may be) of the related Award Shares to him as referred to in this paragraph 12.6.

12.7 A Grantee shall pay all taxes and discharge all liabilities to which he may become subject or liable as a result of or in connection with his participation in the Scheme, acceptance of any Award made hereunder, the vesting of the Award in him, and the allotment and issue or transfer (as the case may be) of the related Award Shares to him, or any of the foregoing.

12.8 A Grantee shall indemnify the Company, any Subsidiary and/or (where applicable) the Trustee against any liability each of them may have to pay or account for any taxes, including any withholding liability in connection with any taxes. To give effect to this, the Company or (where applicable) the Trustee may, notwithstanding anything else herein contained (but subject to applicable law):

- (A) reduce or withhold the number of the Grantee's Award Shares underlying the Award (the number of Award Shares underlying the Award that may be reduced or withheld shall be limited to the number of Award Shares that have a fair market value on the date of withholding that, in the reasonable opinion of the Board or the Committee, is sufficient to cover such liability);
- (B) sell, on the Grantee's behalf, such number of Award Shares to which the Grantee becomes entitled under the Scheme and retain the proceeds and/or pay them to the relevant authorities or government agency;
- (C) deduct or withhold, without notice to the Grantee, the amount of any such liability from any payment to the Grantee made under the Scheme or from any payments due from any member of the Group to the Grantee; and/or
- (D) require the Grantee to remit to any member of the Group in the form of cash or a certified or bank cashier's check, an amount sufficient to satisfy any taxes or other amounts required by any governmental authority to be withheld and paid over to such authority by any member of the Group on account of the Grantee or to otherwise make alternative arrangements satisfactory to the Company for the payment of such amounts.

For the avoidance of doubt, the Company or (if applicable) the Trustee shall not be obliged to vest any Award in a Grantee, or allot and issue or transfer (as the case may be) any Award Shares to a Grantee, unless and until the Grantee satisfies the Company or (if applicable) the Trustee that such Grantee's obligations under this paragraph 12.8 have been met.

- 12.9 Subject to paragraph 12.2, the Company and (if applicable) the Trustee shall not be liable for any tax or other liability to which a Grantee may become subject as a result of his participation in the Scheme.
- 12.10 The Board or the Committee may from time to time adopt such operational rules or establish such arrangements as it may deem fit for the purpose of giving effect to or implementing the Scheme, provided that such rules do not conflict with these rules of the Scheme or contravene any of the applicable laws, rules or regulations, including without limitation the Listing Rules.
- 12.11 In respect of the administration of the Scheme, the Company shall comply with all applicable disclosure requirements including without limitation those imposed by the Listing Rules from time to time. In the case where an announcement, circular or any other document is required to be published or despatched by the Company pursuant to any such applicable disclosure requirements, each Grantee consents to the disclosure of the identity of such Grantee, the number of Award Shares underlying each Award, the terms of any Award granted and/or to be granted and all other information as required under such applicable disclosure requirements.
- 12.12 Each provision of these rules of the Scheme shall be treated as a separate provision and shall be severally enforceable as such in the event of any provision(s) being or becoming unenforceable in whole or in part. To the extent that any provision(s) hereof are unenforceable they shall be deemed to be deleted from these rules of the Scheme, and any such deletion do not affect the enforceability of these rules of the Scheme as remain not so deleted.
- 12.13 By accepting an Award and participating in the Scheme, each Grantee consents to the holding, processing, storage and use of personal data or information concerning the Grantee by any member of the Group or any other third party contractors or personnel (including without limitation the Trustee), in Hong Kong or elsewhere, for the purpose of the administration, management and operation of the Scheme.

13. CONDITION

13.1 This Scheme is conditional upon the passing of an ordinary resolution by the Shareholders at a general meeting to approve the adoption of this Scheme.

13.2 If the condition referred to in paragraph 13.1 is not satisfied, the Scheme shall forthwith determine and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of this Scheme.

13.3 A certificate of a Director that the condition set out in paragraph 13.1 has been satisfied and the date on which such condition was satisfied or that such condition has not been satisfied as of any particular date and the exact date of the Adoption Date shall be conclusive evidence of the matters certified.

14. GOVERNING LAW

14.1 The Scheme shall operate subject to the Articles of Association and any applicable laws, rules and regulations to which the Company is subject.

14.2 The Scheme and all Awards granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.

NOTICE OF EGM



泛亞環保集團有限公司 Pan Asia Environmental Protection Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 556)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of Pan Asia Environmental Protection Group Limited (the “Company”) will be held at 22/F, Euro Trade Centre, 13–14 Connaught Road Central, Central, Hong Kong on 2:30 p.m. on Wednesday, 13 May 2026 for the following purposes:

ORDINARY RESOLUTION

“**THAT:**

the proposed share award scheme of the Company (the “**Share Award Scheme**”), a copy of which is tabled at the meeting and marked “A” and signed by the chairman of the EGM for the purpose of identification, with the Scheme Mandate Limit (as defined in the Share Award Scheme) on the total number of Shares which may be issued by the Company in respect of all the Awards (as defined in the Share Award Scheme) to be granted under the Share Award Scheme and share awards to be granted under any other Share Scheme(s) (as defined in the Share Award Scheme) of not more than 10% of the total number of Shares in issue as at the date of this resolution (excluding treasury shares, if any), be and is hereby approved and adopted; and the Directors be and are hereby authorised to do all such acts, to enter into all such transactions, arrangements and agreements and to take all actions as may be necessary or desirable to implement and give full effect to the Share Award Scheme, including but without limitation:

- (i) to administer the Share Award Scheme under which the Awards (as defined in the Share Award Scheme) may be granted to Eligible Participants (as defined in the Share Award Scheme);
- (ii) to modify and/or amend the Share Award Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Share Award Scheme relating to modification and/or amendment and subject to the requirements of the Listing Rules;

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- (iii) to grant the Awards to Eligible Participants under the Share Award Scheme and, subject to and conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares to be allotted and issued, to allot and issue from time to time such number of the shares of the Company as may be required to be allotted and issued in respect of the Awards to be granted under the Share Award Scheme and subject to the Listing Rules;
- (iv) to make application at the appropriate time or times to the Stock Exchange, and any other stock exchanges upon which the issued shares of the Company may for the time being be listed, for the listing of, and permission to deal in, any new Shares that may hereafter from time to time be allotted and issued in respect of the Awards to be granted under the Share Award Scheme and subject to the Listing Rules; and
- (v) to consent, if any Director deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the Share Award Scheme.”

Yours faithfully,

By order of the Board

Pan Asia Environmental Protection Group Limited

Lin Jun

Chairman

Hong Kong, 23 April 2026

Notes:

1. All resolutions at the meeting will be taken by poll except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy or, if holding two or more shares, more than one proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the EGM (i.e. not later than 2:30 p.m. on Monday, 11 May 2026) or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Friday, 8 May 2026 to Wednesday, 13 May 2026, both days inclusive, during which period no transfer of shares will be registered. The record date will be Wednesday, 13 May 2026. In order to be eligible to attend and vote at the EGM, unregistered holders of shares of the Company shall ensure that all transfer

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documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 7 May 2026.

5. (a) Subject to paragraph (b) below, if a tropical cyclone typhoon signal no. 8 or above is hoisted or a black rainstorm warning signal is expected to be in force at any time between 7:00 a.m. and 5:00 p.m. on the date of the EGM, the EGM will be postponed and the shareholders will be informed of the date, time and venue of the postponed EGM by an announcement posted on the respective websites of the Company and the Stock Exchange.
- (b) If a black rainstorm warning signal is cancelled at or before three hours before the time fixed for holding the EGM and where conditions permit, the EGM will be held as scheduled.
- (c) The EGM will be held as scheduled when an amber or red rainstorm warning signal is in force.
- (d) After considering their own situations, the shareholders should decide on their own as to whether they will attend the EGM under any bad weather condition and if they do so, they are advised to exercise care and caution.
6. References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this notice, the Directors of the Company are:

Executive Directors:

Mr. LIN Jun (*Chairman*)
Mr. GUO Jiannan (*Vice Chairman*)
Ms. PAN Chang (*Chief Executive Officer*)

Independent non-executive Directors:

Mr. CHEN Xuezheng
Mr. GAO Hongbin
Mr. LEUNG Shu Sun, Sunny

Non-executive Director:

Ms. SONG Xiaojuan