

Adopted on [▪], 2025

**RULES RELATING TO THE
2025 H SHARE OPTION SCHEME
OF
SHANGHAI HENLIUS BIOTECH, INC.
(上海復宏漢霖生物技術股份有限公司)**

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1. DEFINITIONS AND INTERPRETATION

1.1 In these Rules, unless the context otherwise requires, each of the following words and expressions shall have the meaning respectively shown opposite to it:

“1% Individual Limit”	shall have the meaning as set out in Rule 15.5;
“Actual Selling Price”	an amount that is equal to the actual price at which the H Shares are sold (net of brokerage, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy and any other applicable costs) on exercise of an Option pursuant to the Scheme;
“Adoption Date”	the date on which the proposed adoption of the Scheme is approved by the Shareholders in general meeting or, if applicable, the date on which any other requisite approval(s) for the adoption of the Scheme as required under the Listing Rules is obtained, whichever is later;
“Articles”	the articles of association of the Company, as amended from time to time;
“Applicable Laws”	all applicable laws, regulations, ordinances or requirements of the relevant regulatory authorities including without limitation the Company Law of the PRC, the Securities Law of the PRC, the SFO, the Listing Rules and the relevant provisions of the Articles;
“AFRC”	the Accounting and Financial Reporting Council;
“associate”	has the meaning ascribed to this term in the Listing Rules;
“Auditors”	the auditors for the time being of the Company;
“Board”	the board of directors of the Company (please also refer to Rule 1.2(f)), from time to time;
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities, and excluding Saturdays, Sundays and any other days when banks in the PRC and Hong Kong are closed for business;
“Cause Event”	shall have the meaning as set out in Rule 11.1(b);
“Company”	Shanghai Henlius Biotech, Inc. (上海復宏漢霖生物技術股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H Shares of which are listed and traded on the Stock Exchange (Stock Code: 02696);
“connected person”	has the meaning ascribed to this term in the Listing Rules;
“Costs”	shall have the meaning as set out in Rule 10.5;
“Disability”	permanent and total disability, determined by the Board or the Scheme Administrator in accordance with non-discriminatory standards as adopted by the Board from time to time;

“Eligible Person”	(a) an Employee Participant, (b) a Related Entity Participant, or (c) a Service Provider Participant who has contributed or may contribute to the development and growth of the Group, subject to the eligibility criteria in Rule 6.2; however, no individual who is resident in a place where the grant, acceptance, vesting or exercise of an Option pursuant to the Scheme is not permitted under the laws and regulations in such place or where (in the sole opinion of Board or the Scheme Administrator without the need to assign a reason therefor) compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual shall be entitled to participate in the Scheme and such individual shall therefore be excluded therefrom;
“Employee Participant”	any PRC or non-PRC director (including executive, non-executive and independent non-executive director) and employee (whether full-time or part-time) of the Company or any of its subsidiaries, and including any person who is granted Options as an inducement to enter into employment contracts with the Company or any of its subsidiaries;
“Exercise Price”	the price per H Share, determined by the Board or the Scheme Administrator, at which a Grantee may subscribe for H Shares on the exercise of an Option as described in Rule 8.3(a);
“Exercise Notice”	shall have the meaning as set out in Rule 10.1;
“Grant Date”	the date on which the Board or the Scheme Administrator resolves to grant an Option to a Participant by way of a Board meeting or Board resolutions or any other committee meeting or such date as otherwise determined by the Board or the Scheme Administrator, which must be a Business Day;
“Grant Price”	the consideration payable by the Grantee on acceptance of an Offer as determined by the Board or the Scheme Administrator in its sole and absolute discretion, which can be nil;
“Grantee”	any Eligible Person who accepts an Offer in accordance with the terms of the Scheme;
“Group”	the Company and its subsidiaries from time to time, and the expression “member of the Group” shall be construed accordingly;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“H Share(s)”	the overseas listed foreign shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Stock Exchange and subscribed for and traded in HK\$;

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Lapse Event”	shall have the meaning as set out in Rule 11.1;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Offer”	shall have the meaning as set out in Rule 8.1;
“Offer Letter”	shall have the meaning as set out in Rule 8.1;
“Option”	a right to subscribe for such number of H Shares pursuant to the Scheme;
“Option Period”	the period within which a Grantee may exercise an Option, to be determined and notified by the Board or the Scheme Administrator to a Grantee, which shall in any event not be longer than 10 years from the Grant Date;
“Participant”	any Eligible Person who is approved for participation in the Scheme and who has been granted any Option pursuant to Rule 6.1;
“PRC”	the People’s Republic of China (for the purpose of this Scheme only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan);
“Related Entity”	the holding companies, fellow subsidiaries or associated companies of the Company, and a member of the Related Entity means any of the aforementioned entities;
“Related Entity Participant”	any director or employee (whether full-time or part-time employees) of any member of the Related Entity;
“Scheme”	the 2025 H Share Option Scheme adopted by the Company of which these Rules apply;
“Scheme Administrator”	the committee of the Board or person(s) to which the Board has delegated its authority (as applicable) to administer the Scheme;
“Scheme Mandate Limit”	shall have the meaning set out in Rule 15.1, as increased, refreshed or renewed from time to time in accordance with these Rules;
“Scheme Rule(s)” or “these Rules”	the rules set out herein relating to the Scheme as amended from time to time;
“Scheme Period”	a period of ten (10) years commencing from (and including) the Adoption Date, unless terminated earlier in accordance with these Rules;
“Service Provider Participant”	means persons providing services to the Group on a continuing or recurring basis akin to those of the employees of the Group in the Group’s ordinary and usual course of business which are in the interests of the long term growth of the Group as determined by the Board or the Scheme Administrator, including

	consultants, advisors and/or contractors who provide advisory services, consultancy services, and/or other professional services to any member of the Group in connection with the R&D, manufacturing, product commercialization, or in areas relating to the Group's principal business activities that are being carried out by the Group from time to time, or on areas that are desirable and necessary from a commercial or strategic perspective and help maintain or enhance the competitiveness of the Group by way of introducing new business opportunities and/or applying their specialized skills and/or knowledge in the abovementioned fields, but excluding placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, and professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity;
“Service Provider Sublimit”	shall have the meaning set out in Rule 15.2, as increased, refreshed or renewed from time to time in accordance with these Rules;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong);
“Shareholder(s)”	holder(s) of the Share(s);
“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to this term in the Listing Rules;
“substantial shareholder(s)”	has the meaning ascribed to this term in the Listing Rules;
“Taxes”	shall have the meaning set out in Rule 10.6;
“treasury shares”	has the meaning ascribed to this term in the Listing Rules;
“Vesting Date”	shall have the meaning set out in Rule 9.2;
“Vesting Notice”	shall have the meaning set out in Rule 9.3;
“%”	per cent.

1.2 In these Rules, except where the context otherwise requires:

- (a) references to Rules are to rules of this Scheme;
- (b) references to times of the day are to Hong Kong time;

- (c) if a period of time is specified as from a given day, or from the day of an act or event, it shall be calculated inclusive of that day;
- (d) a reference to “**dollars**” or to “**\$**” shall be construed as a reference to the lawful currency for the time being of Hong Kong, and to “**RMB**” shall be construed as a reference to the lawful currency of the PRC;
- (e) a reference, express or implied, to statutes, statutory provisions or the Listing Rules shall be construed as references to those statutes, provisions or rules as respectively amended or re-enacted or as their application is modified from time to time by other provisions (whether before or after the date hereof) and shall include any statutes, provisions or rules of which are re-enacted (whether with or without modification) and shall include any orders, regulations, instruments, subsidiary legislation, other subordinate legislation or practice notes under the relevant statute, provision or rule;
- (f) unless otherwise indicated, the Board can make determinations in its absolute discretion and if the Board delegates its authority to administer the Scheme to a committee of the Board, the committee of the Board shall enjoy the same absolute discretion;
- (g) a reference to “**include**”, “**includes**” and “**including**” shall be deemed to be followed by the words “**without limitation**”;
- (h) a reference to “**allot**” to a person shall include, where the context permits, a transfer of treasury share(s) to such person;
- (i) words importing the singular include the plural and vice versa, and words importing a gender include every gender;
- (j) headings are included in these Rules for convenience only and do not affect its interpretation;
- (k) references to any statutory body shall include the successor thereof and anybody established to replace or assume the functions of the same; and
- (l) references to new shares or new securities include treasury shares, and references to the issue of shares or securities include the transfer of treasury shares.

2. PURPOSES OF THE SCHEME

2.1 The purposes of the Scheme are:

- (a) to attract, motivate and retain skilled and experienced personnel who are Eligible Persons to strive for the long-term development goals of the Group and maximize the value of the Company for the benefits of both the Participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Participants directly with the Shareholders through ownership of Shares;
- (b) to recognize and acknowledge the contributions that Eligible Persons have or may have made or may make to the Group and to encourage the Eligible Persons to work towards enhancing the value of the Group and the Shares for the benefit of the Group and the Shareholders as a whole; and
- (c) to provide the Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to Eligible Persons.

3. CONDITIONS

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

- (a) the passing of the necessary resolution(s) by the Shareholders in general meeting and the obtaining of any other requisite approval(s) (or waiver(s), as the case may be) as required under the Listing Rules; and
- (b) the Stock Exchange has granted its approval for the listing of, and permission to deal in, the H Shares which may fall to be allotted and issued pursuant to the exercise of any Options which may be granted under this Scheme.

3.2 The conditions set out in Rule 3.1 above cannot be waived.

4. DURATION

4.1 Subject to Rules 18 and 19, the Scheme shall be valid and effective for the Scheme Period, after which no further Options may be granted under this Scheme, but the provisions of this Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect as to the administration of Options granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme. Subject always to the terms of the relevant grant, Options granted prior to the end of the Scheme Period but not yet exercised shall continue to be valid and exercisable in accordance with this Scheme.

5. ADMINISTRATION

5.1 The Scheme shall be subject to the administration of the Board or the Scheme Administrator in accordance with these Rules. A decision of the Board or the Scheme Administrator shall be final and binding on all persons affected thereby.

5.2 The authority to administer the Scheme (whether in whole or in part) may be delegated by the Board to the Scheme Administrator at the sole discretion of the Board, provided that nothing in this Rule shall prejudice the Board's power to revoke (in whole or in part) such delegation, at any time or derogate from the discretion rested with the Board as contemplated in Rule 5.1.

5.3 Unless explicitly contrary to these Rules, the Board can make determinations in its administration of this Scheme, and where such authority is delegated to a Scheme Administrator, the Scheme Administrator shall enjoy the same absolute discretion. Neither the Board nor the Scheme Administrator shall be bound to give any reason therefor in connection with their exercise of such discretion.

5.4 Without limiting the generality of Rule 5.3, the Board or the Scheme Administrator with delegated authority may:

- (a) construe and interpret these Rules and the terms of the Options granted under the Scheme;
- (b) make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the Scheme, provided that they are not inconsistent with these Rules;
- (c) grant Options to those Eligible Persons whom it shall select from time to time;
- (d) determine the number of Options to be granted;

- (e) determine the terms and conditions of the Options and make any such appropriate adjustments to the terms of the Options granted as it deems necessary or appropriate;
- (f) determine how the Exercise Price will be settled and whether and to what extent, and circumstances pursuant to which an Option may be lapsed, cancelled, forfeited and/or surrendered;
- (g) determine the commencement and/or termination date of an Eligible Person's employment with any member of the Group for the purpose of determining the eligibility of the Eligible Person;
- (h) where applicable, establish and administer performance targets in respect of the Scheme;
- (i) approve the form of an Offer Letter (which does not need to be identical for every Participant);
- (j) decide any other matters that need to be determined in connection with an Offer and make any other determination and take any other actions as it deems necessary or desirable for the administration of the Scheme;
- (k) exercise any clawback rights as may be specified in these Rules and/or the Offer Letter; and
- (l) take such other steps or actions to give effect to the terms and intent of these Rules and/or the Options.

5.5 None of the directors of the Company or any Scheme Administrator shall be personally liable by reason of any contract or other instrument executed by him/her, or on his/her behalf or for any mistake of judgment made in good faith, for the purposes of the Scheme, and the Company shall, to the extent not prohibited by any Applicable Laws, indemnify and hold harmless each member of the Board and any Scheme Administrator to whom the Board has delegated its authority in relation to the administration or interpretation of the Scheme, against any cost or expense (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with the Scheme unless arising out of such person's own willful default, fraud or bad faith.

6. OPERATION OF THE SCHEME

6.1 The Board or the Scheme Administrator may, from time to time, select any Eligible Person to be a Participant and, subject to Rule 6.4, grant Options to such Participant during the Scheme Period. The nature, amount, terms and conditions of any such Options so granted shall be determined by the Board or the Scheme Administrator in its sole and absolute discretion, subject to these Rules.

6.2 The basis of eligibility of any Eligible Person shall be determined by the Board or the Scheme Administrator in its sole and absolute discretion from time to time on the basis of the Eligible Person's contribution or potential contribution to the development and growth of the Group. In determining the basis of eligibility of Eligible Persons, the Board would take into account, on a case-by-case basis, among other things, the following factors:

- (a) with respect to Employee Participants, (i) their general working performance; (ii) their time commitment; (iii) their length of service within the Group; (iv) their work experience and responsibilities; and (v) the employment conditions with reference to the prevailing market practice and industry standards;

- (b) with respect to Related Entity Participants, (i) their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group, which may include the degree of their involvement in and/or cooperation with the Group; (ii) the length of their collaborative relationship established with the Group; (iii) the extent of positive impact provided by or expected from business development activities in terms of actual or expected change in the Group's revenue or profits attributable to them; (iv) whether they have provided measurable assistance to improve any aspect of the Group's operations including but not limited to assisting the Group to tap into new markets or increase its existing market share; and (v) the amount of actual or potential support, assistance, guidance, advice, effort and contribution that they are likely to be able to give or contribute towards the success of the Group; and
- (c) with respect to Service Provider Participants, (i) their experience and network in the relevant industry; (ii) the frequency of their collaboration and the length, materiality and nature of their business relationship with the Group; (iii) their background, track record and reputation in the industry; (iv) their potential and/or actual contribution to the business affairs of the Group including any positive impacts to the Group's business attributable to them; and (v) the synergy between them and the Group.

6.3 The Participants shall be determined in accordance with the Applicable Laws and regulatory documents and the relevant provisions of the Articles, together with the actual circumstances and matters of the Company including the present and expected contribution of the relevant Participant to the Group. No person shall be considered as a Participant if such person:

- (a) has been publicly reprimanded or deemed as an inappropriate candidate for similar share schemes or share incentive plans of a listed company by any securities regulatory bodies with authority in the last twelve (12) months;
- (b) has been imposed with penalties or is banned from trading securities by securities regulatory bodies due to material non-compliance with laws or regulations in the last twelve (12) months;
- (c) is prohibited from serving as a director or the senior management of the Company under the Company Law of the PRC;
- (d) is prohibited by any Applicable Laws to participate in share schemes or share incentive plans of a listed company; or
- (e) has been declared bankrupt or has entered into any arrangement or compromise with his creditors generally.

The Participants shall undertake that if any of the above provisions occur during implementation of the Scheme which would prevent them from being considered as a Participant, they shall give up their rights to participate in the Scheme and no compensation shall be due to the Participants. The Company shall not be liable for any failure by an Eligible Person to obtain any required consent or approval necessary for their participation in the Scheme.

6.4 Notwithstanding the provision in Rule 6.1, no grant of any Options to or for the benefit of any Participant may be made:

- (a) in any circumstances where the requisite approval from any applicable regulatory authorities has not been granted, provided that to the extent permissible under

Applicable Laws, a grant of Option may be made conditional upon such approval being obtained;

- (b) in any circumstances that any member of the Group will be required under Applicable Laws to issue a prospectus or other offer documents in respect of such grant or the Scheme;
- (c) where such grant would result in a breach by any member of the Group or its directors of any Applicable Laws in any jurisdiction;
- (d) (save where relevant waiver(s) from the Stock Exchange and/or the required approval(s) (including the approval of the Shareholders) under the Listing Rules have been obtained) where such grant of Option would result in a breach of the Scheme Mandate Limit or the 1% Individual Limit as set out in Rule 15, or the minimum public float requirement as required under the Listing Rules (or the minimum percentage of public float as prescribed by the Stock Exchange), or would otherwise cause the Company to issue H Shares in excess of the permitted amount in the mandate approved by the Shareholders; and/or
- (e) where an Option is granted to, or for the benefit of, a connected person of the Company and will require specific approval(s) (including approval of the Shareholders) under the Listing Rules, until such approval(s) is obtained, provided that to the extent permissible under Applicable Laws, such grant may be made conditional upon such approval(s) being obtained,

and any such grant so made (or made without the necessary conditions as contemplated above) shall be null and void to the extent (and only to the extent) that it falls within any of the circumstances described above.

7. TIMING OF OFFER

7.1 No Option shall be granted to a Participant under the Scheme:

- (a) where the Company has come to knowledge of any inside information (as defined in the SFO), until (and including) the trading day after the Company has announced the information in accordance with the requirements of the Listing Rules and the SFO;
- (b) in circumstances prohibited by the Listing Rules or where dealings by the Participant will be prohibited under any code or requirement of the Listing Rules or any Applicable Laws; and/or
- (c) during the period commencing 30 days immediately before the earlier of:
 - (i) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the results of the Company for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement for such year, half year, quarterly or interim period (as the case may be), provided that such period will also cover any period of delay in the publication of any results announcement.

- 7.2 In addition to the restrictions set out in Rule 7.1, no Option shall be granted to (i) any director of the Company, (ii) any trusts of which any director is a sole-trustee (other than a bare trust where none of such director or any of his close associates is a beneficiary of the trust); (iii) the spouse or any minor child of such director under 18 years of age; and/or (iv) any employee of the Company or director or employee of a subsidiary of the Company who, because of his office or employment in the Company or its subsidiary, is likely to possess inside information in relation to the securities of the Company:
- (a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to and including the publication date of the results; and
 - (b) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and the half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to and including the publication date of the results.
- 7.3 In respect of the administration and implementation of the Scheme, the Company shall comply with all applicable disclosure regulations including those imposed by the Listing Rules.

8. OFFER LETTER AND NOTIFICATION OF GRANT

- 8.1 The Company shall, in respect of the offer of each Option (the “**Offer**”), on the Grant Date (or, in the case of the initial grant of Options prior to the adoption of this Scheme, as soon as reasonably practicable after the Adoption Date) issue a letter to each Participant in such form as the Board or the Scheme Administrator may from time to time determine, which may specify the number of Options, the Grant Price (if any), the Exercise Price, the Option Period, the vesting period, any vesting criteria and conditions (where applicable), the date by which the grant must be accepted, any circumstances where the Company may exercise its right to clawback the Options granted and such other details as the Board or the Scheme Administrator may consider necessary, and requiring the Participant to undertake to be bound by the terms and provisions of these Rules and irrevocably give the undertakings deemed to be given by the Participant under these Rules (an “**Offer Letter**”).
- 8.2 The Board or the Scheme Administrator may determine the Grant Price (if any) on acceptance of an Offer, the method of payment and the period(s) within which any such payments must be made. For the avoidance of doubt, the Board or the Scheme Administrator may, in its sole and absolute discretion, determine that no amount is payable on acceptance of an Offer.
- 8.3 The Board or the Scheme Administrator shall determine and notify the Participant in the Offer Letter:
- (a) the Exercise Price in respect of such Options, provided that such Exercise Price must be at least the highest of:
 - (i) the official closing price of the H Shares as stated in the daily quotations sheet of the Stock Exchange on the Grant Date;
 - (ii) the average of the official closing price of the H Shares as stated in the daily quotations sheets of the Stock Exchange for the five (5) Business Days immediately preceding the Grant Date; and
 - (iii) the nominal value of an H Share,

provided that in the event of fractional prices, the Exercise Price per Share shall be rounded upwards to the nearest whole cent; and

- (b) the Option Period for such Options, provided that the Option Period shall in any event not be longer than 10 years from the Grant Date. An Option shall lapse automatically and shall not be exercisable on the expiry of the Option Period.
- 8.4 An Offer shall be deemed to have been accepted by the Grantee (i) when the duplicate Offer Letter constituting acceptance of the Option duly signed by the Grantee, together with a remittance or payment in favour of the Company of the Grant Price (if any), is received by the Company within the time period as set out in the Offer Letter; or (ii) upon acceptance by the Grantee in any other manner prescribed by the Company from time to time as specified in the Offer Letter. Such remittance or payment of the Grant Price (if any) shall in no circumstances be refundable.
- 8.5 The Board or the Scheme Administrator may, in respect of each Option and subject to Applicable Laws, determine any performance targets having regard to the key performance indicators, at corporate, subsidiary, division, operating unit, business line, project, geographic or individual level or otherwise, commonly adopted by businesses operating in the industries and markets in which the Group operates or other criteria as condition(s) to the vesting of Options. If any of the vesting conditions (including any performance targets as referred to in this Rule) for the Options are not satisfied on or prior to the relevant Vesting Date, the relevant Options shall lapse automatically and shall not be exercisable by the Participant, unless otherwise stipulated in the Offer Letter or determined by the Board or the Scheme Administrator in its sole and absolute discretion. For the avoidance of doubt, and unless the Listing Rules require otherwise, an Option shall not be subject to any performance targets, criteria or conditions if none are set out in the relevant Offer Letter.
- 8.6 To the extent that an Offer is not accepted within the time period and in the manner specified in the Offer Letter, the Offer will be deemed to have been irrevocably declined and will lapse unless the Board or the Scheme Administrator determines otherwise.
- 8.7 By accepting an Offer, a Grantee shall be deemed to be bound by the terms of these Rules and the terms of the Offer Letter.

9. VESTING OF OPTIONS

- 9.1 An Option must be held for at least twelve (12) months from the Grant Date before such Option can be exercised, except that at the sole and absolute discretion of the Board or the Scheme Administrator, a shorter vesting period may be granted to an Employee Participant in any of the following circumstances:
- (a) grants of “make whole” Options to new Employee Participants to replace options and/or awards that such Employee Participants forfeited when leaving their previous employers;
 - (b) grants to an Employee Participant whose employment is terminated due to death or Disability or event of force majeure;
 - (c) grants of Options which are subject to fulfillment of performance targets (as opposed to time-based conditions);
 - (d) grants of Options the timing of which is determined by administrative or compliance requirements not connected with the performance of the relevant Participant, in which case the Vesting Date may be adjusted to take account of the time from which the Options would have been granted if not for such administrative

or compliance requirements;

- (e) grants of Options with a mixed or accelerated vesting schedule such that the Options may vest evenly over a period of twelve (12) months; or
- (f) grants of Options with a total vesting period of more than twelve (12) months, such as where the Options may vest by several batches with the first batch to vest within twelve (12) months of the Grant Date and the last batch to vest at least twelve (12) months after the Grant Date.

9.2 The Board or the Scheme Administrator may, subject to the Applicable Laws, determine in its sole discretion any vesting criteria and conditions or periods for the Options to be vested hereunder. Vesting of the Options granted under the Scheme is subject to such vesting criteria and conditions as set out in the Offer Letter. Any Option granted to a Grantee vests in such Grantee in accordance with the vesting schedule(s) (if any) and the performance target(s) (if any) as set out in the Offer Letter (for this purpose, the date or each such date on which the Options are to vest is referred to as a “**Vesting Date**”).

9.3 Within a reasonable period (as determined by the Board or the Scheme Administrator) after (i) the relevant vesting conditions have been satisfied in accordance with these Rules and the relevant Offer Letter subject to the Board’s or the Scheme Administrator’s determination of satisfaction; or (ii) in the case where the vesting of Options is not subject to any vesting conditions, the Vesting Date as specified in the relevant Offer Letter, the Company shall send to the relevant Grantee a vesting notice (the “**Vesting Notice**”).

10. EXERCISE OF OPTIONS

10.1 An Option may be exercised in whole or in part by the Grantee (or his or her personal representatives) giving notice to the Company stating that the Option is thereby exercised, the number of H Shares in respect of which it is exercised and the manner by which the Grantee intends to pay the Exercise Price (the “**Exercise Notice**”). Subject to compliance with the Applicable Laws, within the time period as agreed between the Company and the Grantee after receipt of the Exercise Notice, the Company shall satisfy the Option by either one (or a combination) of the following ways, subject to the choice of the Grantee:

- (a) allot, and shall instruct the relevant share registrar to issue, the relevant H Shares, or transfer treasury shares out of treasury to the Grantee (or his personal representative(s) / nominee to hold on trust or in custody for the benefit of the Grantee) credited as fully paid (provided that the full amount of the Exercise Price multiplied by the number of H Shares in respect of which the Option is so exercised is paid to the Company by the Grantee). In the case of a Grantee who is a national or a resident of such other country or jurisdiction as the Board or the Scheme Administrator shall determine from time to time and notify to the Grantee, the Grantee shall acknowledge and confirm that the funds representing the Exercise Price payable upon exercise of the Option were obtained in accordance with the Applicable Laws;
- (b) arrange to sell the relevant H Shares on-market at prevailing market prices and remit the Actual Selling Price to the Grantee (or his personal representative(s) / nominee to hold on trust or in custody for the benefit of the Grantee) (less the Exercise Price multiplied by the number of H Shares in respect of which the Option is so exercised and any other amount as specified in Rules 10.5 and 10.6); or
- (c) a combination thereof,

provided that the Company shall not be liable for any delay or failure in making any payment to

the Grantee under this Rule due to foreign exchange controls, cross-border fund transfer restrictions, any other restrictions under Applicable Laws, or force majeure events beyond the Company's reasonable control, in which case the Grantee waives any claim against the Company arising from such delay or non-payment. Under such circumstances, the Board or the Scheme Administrator may in its sole discretion adjust the timing, method or terms of payment, or to terminate its payment obligation (subject to refund of the Exercise Price already paid by the Grantee).

10.2 The Grantee may choose to settle the Exercise Price in one or more of the following ways:

- (a) by remitting to the Company (or any member of the Group as designated by the Board or the Scheme Administrator) the corresponding amount in the form of cash or a certified or bank cashier's check; and/or
- (b) by authorizing the Company to deduct the corresponding amount from the Actual Selling Price payable to the Grantee; and/or
- (c) by taking any combination of the actions set out in (a) and/or (b) above; and/or
- (d) by making such alternative arrangements as mutually agreed by the Company and the Grantee for the payment of such amount,

provided that if the Grantee fails to settle the Exercise Price in full or fails to notify the Company of the chosen payment method within the period specified by the Board or the Scheme Administrator, the Company may, notwithstanding anything else in these Rules (but subject to Applicable Laws):

- (a) deduct, without notice to the Grantee, the outstanding Exercise Price from the Actual Selling Price payable to the Grantee or from any payments due from any member of the Group to the Grantee, including from the salary payable to the Grantee by any member of the Group; and/or
- (b) take any other action permitted under Applicable Laws as the Board or the Scheme Administrator deems fit,

as necessary to cover any outstanding Exercise Price payable to the Company by the Grantee.

10.3 The H Shares to be allotted and issued, or treasury shares to be transferred out of treasury upon the exercise of an Option shall be identical to all existing issued H Shares and shall be allotted and issued, or transferred out of treasury subject to all the provisions of the Articles for the time being in force and will rank *pari passu* with the other fully paid H Shares in issue and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the fully paid H Shares in issue and rights in respect of any dividend or other distributions, on the date the name of the Grantee (or his personal representative(s) / nominee to hold on trust or in custody for the benefit of the Grantee) is registered on the register of members of the Company or if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, save that the Grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the Shareholders on the register on a date prior to such registration.

10.4 In satisfying the issuance of H Shares or transfer of treasury shares pursuant to Rule 10.1(a), to the extent, at the determination of the Board or the Scheme Administrator, it may not be practicable for a Grantee to receive H Shares due to any legal and/or regulatory restrictions,

the Board or the Scheme Administrator may arrange to sell on-market at prevailing market prices such number of H Shares underlying the Options so exercised by the Grantee and pay the Actual Selling Price arising from such sale of H Shares to the Grantee pursuant to Rule 10.1(b).

10.5 Any stamp duty, levies, fees or other costs and expenses arising on the sale of the H Shares due to the exercise of Options and payment in accordance with Rule 10.1 (the “**Costs**”) shall be borne by the Grantee. To this effect, the Company may, notwithstanding anything else in these Rules (but subject to Applicable Laws):

- (a) 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 the Costs; and/or
- (b) deduct or withhold, without notice to the Grantee, the amount of Costs from the Actual Selling Price payable to the Grantee or from any payments due from any member of the Group to the Grantee, including from the salary payable to the Grantee by any member of the Group; and/or
- (c) take any combination of the actions set out in (a) and/or (b) above; and/or
- (d) make such alternative arrangements as mutually agreed by the Company and the Grantee for the payment of such amount,

as necessary to cover any outstanding Costs payable by the Grantee.

10.6 All taxes (including personal income taxes, professional taxes, salary taxes, property transfer taxes and similar taxes, as applicable), duties, social security contributions, impositions, charges (including but not limited to penalties for late payment of taxes) and other levies arising out of or in connection with the Grantee’s participation in the Scheme or in relation to the H Shares, Actual Selling Price, related income or cash amount of equivalent value of the H Shares (the “**Taxes**”) received by a Grantee shall be borne by the Grantee, and the Company shall not be liable for any Taxes, unless otherwise required by Applicable Laws. The Grantee shall indemnify the Company against any liability the Company may have to pay or account for such Taxes, including any withholding liability in connection with any Taxes. The Grantee shall use best efforts and take all necessary actions to assist the Company in fulfilling any obligation to pay Taxes.

10.7 Where the Company has a tax withholding obligation in respect of any of the Taxes or is permitted by Applicable Laws to withhold Taxes on behalf of the Grantee, the Grantee may choose to satisfy such obligation to pay Taxes by one or more of the following ways:

- (a) by remitting to the Company (or any member of the Group as designated by the Board or the Scheme Administrator) the corresponding amount of Taxes in the form of cash or a certified or bank cashier’s check; and/or
- (b) by authorizing the Company to deduct or withhold the corresponding amount of Taxes from the Actual Selling Price payable to the Grantee; and/or
- (c) by taking any combination of the actions set out in (a) and/or (b) above; and/or
- (d) by making such alternative arrangements as mutually agreed by the Company and the Grantee for the payment of such amount of Taxes.

10.8 If the Grantee fails to satisfy any of his obligation to pay Taxes under Rule 10.6 or fails to notify the Company of the chosen payment method as referred to in Rule 10.7 within the period specified by the Board or the Scheme Administrator (as the case may be), to give

effect to Rules 10.6 and 10.7, the Company may, notwithstanding anything else in these Rules (but subject to Applicable Laws):

- (a) deduct or withhold, without notice to the Grantee, the amount of any outstanding Taxes and/or any such liability from the Actual Selling Price payable to the Grantee or from any payments due from any member of the Group to the Grantee, including from the salary payable to the Grantee by any member of the Group; and/or
- (b) take any other action permitted under Applicable Laws as the Board or the Scheme Administrator deems fit,

as necessary to cover any outstanding Taxes payable by the Grantee and/or any liability the Company may have to pay or account for or has paid or accounted for such Taxes.

11. LAPSE AND CANCELLATION OF OPTIONS

11.1 Without prejudice to other circumstances where an Option may lapse (including without limitation in accordance with the terms in an Offer Letter, or as otherwise determined by the Board or the Scheme Administrator in accordance with these Rules), any unvested Option shall lapse automatically upon the occurrence of any of the following events (hereinafter a “**Lapse Event**”):

- (a) a Grantee ceases to be an Eligible Person by reason of the termination of the labor contract, employment or contractual engagement or service relationship between the Grantee and any member of the Group or Related Entity (as the case may be) by reason of (i) resignation, (ii) retirement (where no new service contract has been entered into with the Group or Related Entity (as the case may be)), (iii) death, (iv) Disability, (v) non-renewal of employment or service contract upon its expiration, (vi) termination of employment or service contract in advance through consensus negotiation (regardless of the reasons), or (vii) dismissal due to unsatisfactory performance or incompetence of the Grantee;
- (b) the commission of any of the following act(s) or omission(s) by the Grantee (hereinafter a “**Cause Event**”) (in which case the Company reserves the right to take legal actions, including but not limited to bringing a claim against the relevant Grantee for the loss and damages suffered by the Group as a result of act(s) and/or omission(s)):
 - (i) a dereliction of duty or serious misconduct; or
 - (ii) any decision made by the Grantee (whether individually or jointly with others), which had caused loss and damages to any member of the Group or Related Entity (as the case may be) which, individually or in aggregate, has a material negative effect on the business interests of the Group; or
 - (iii) a breach of any of the undertakings contained in Rule 13; or
 - (iv) in the case of termination of employment, any failure to comply with the relevant employment termination procedures in accordance with the relevant regulations of the employer; or
 - (v) the commission and conviction of a criminal offence under any Applicable Laws / PRC laws as determined by a court of competent jurisdiction; or
 - (vi) a breach of any contracts with any member of the Group or Related Entity (as the case may be).

- 11.2 In the case of death of the Grantee, the lawful successor of the Grantee shall inherit the legitimate rights and interests of the vested but unexercised Options pursuant to the terms of these Rules.
- 11.3 Notwithstanding Rule 11.1, if the employment relationship between a Grantee and any member of the Group or Related Entity (as the case may be) is terminated by reason of:
- (a) re-employment after retirement by the Company upon the execution of a re-employment agreement;
 - (b) change of position within the Group (other than by reason of a Cause Event),
- and subject to the Grantee continuing to be an Eligible Person, any unvested Option shall continue to vest in accordance with the Vesting Dates and vesting criteria and conditions set out in the Offer Letter and any vested but unexercised Option shall remain valid and exercisable, unless the Board or the Scheme Administrator determines otherwise in its sole and absolute discretion. In the case where the employment relationship between a Grantee and any member of the Group or Related Entity (as the case may be) is terminated by reason of change of position to a Related Entity (other than by reason of a Cause Event), the treatment of any unvested Option shall be determined by the Board or the Scheme Administrator in its sole discretion.
- 11.4 Without prejudice to other circumstances where an Option shall lapse pursuant to the terms in an Offer Letter as determined by the Board or the Scheme Administrator at its discretion, an Option (regardless of whether vested or not) shall lapse automatically upon the earliest of:
- (a) the expiry of the Option Period;
 - (b) the date on which the Grantee ceases to be a Participant by reason of any of the grounds referred to in Rule 6.3;
 - (c) any actual or purported breach of any of the undertakings in Rule 13;
 - (d) the non-fulfillment of any vesting condition or criteria as determined by the Board or the Scheme Administrator and set out in the relevant Offer Letter on or before the Vesting Dates stated therein;
 - (e) in the case of a voluntary winding-up of the Company as referred to in Rule 16.1, general offers as referred to in Rule 16.2 and/or any compromise or arrangement referred to in Rule 16.3, such date of lapse or the expiry of such deadline as determined by the Board or the Scheme Administrator; or
 - (f) the occurrence of such event or expiry of such period as may have been specifically provided for in the Offer Letter, if any.
- 11.5 A determination of the Board or the Scheme Administrator to the effect that the Options shall lapse on one or more of the grounds as specified in this Rule 11 shall be conclusive and binding on the Grantee and that in each case above the Board or the Scheme Administrator in its absolute discretion may decide that such Options or any part thereof shall not so lapse or determine that such Options are subject to such conditions or limitations as it may decide; and that any of such decision shall be conclusive and binding on the Grantee. The Company shall not owe any liability to any Grantee for the lapse of any Options under this Rule 11. Any Options lapsed in accordance with the terms of the Scheme shall not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit (including any refreshed limit, where applicable).

- 11.6 The Board or the Scheme Administrator may cancel Options previously granted to and yet to be exercised (regardless of whether vested or not) by a Grantee. The Grantee whose Options are cancelled pursuant to this Rule may be granted new Options under this Scheme in accordance with the Scheme Mandate Limit and the Service Provider Sublimit (including any refreshed limit, where applicable) but subject always to such grant of new Options complying with the Applicable Laws and these Rules. Any Options cancelled in accordance with the terms of the Scheme shall be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit (including any refreshed limit, where applicable).

12. CLAWBACK MECHANISM

- 12.1 Subject to otherwise provided under these Rules, the Board or the Scheme Administrator may, at its sole discretion, determine the clawback mechanism of any Option or the extension of the vesting period of an Option, if any of the following events (among others) occurs, regardless of whether such event is due to the action (or omission) of any Grantee:
- (a) there's a material misstatement in the audited financial statements of the Company that requires a restatement;
 - (b) where the grant or exercise of any Option is linked to any performance targets and the Board or the Scheme Administrator 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;
 - (c) in the reasonable opinion of the Board or the Scheme Administrator, a Grantee has violated the terms of this Scheme or the terms of the grant of Option(s) as set out in the Offer Letter; or
 - (d) where the Company is required to exercise a clawback in accordance with the Applicable Laws (including without limitation the Listing Rules) and/or pursuant to a request from any regulatory authority (including without limitation the Stock Exchange).

Under the above circumstances, the Board or the Scheme Administrator may (but is not obliged to) by notice in writing to the Grantee concerned clawback such number of Options (to the extent not being exercised) granted as the Board or the Scheme Administrator may consider appropriate. The Options that are clawed back pursuant to this Rule shall be regarded as lapsed and the Options so clawed back will not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit (including any refreshed limit, where applicable).

13. RESTRICTIVE COVENANTS AND UNDERTAKINGS

- 13.1 By accepting any Offer, a Grantee shall be deemed to have made the restrictive covenants and the undertakings set forth in this Rule to and for the benefit of the Group.
- 13.2 Any Option granted hereunder shall be personal to the Grantee to whom it is made and shall not be assignable or transferable, and no Grantee may make any attempt to or take any action to sell, transfer, assign, charge, mortgage, encumber, hedge or create any interest in favour of any person over or in relation to any Options or interests or benefits pursuant to the Options.
- 13.3 The Grantee undertakes that he will not take any act (or omit to take any act) that is materially adverse to the name, reputation or interests of any member of the Group or Related Entity (as the case may be) or their respective directors, supervisors and employees.

- 13.4 The Grantee undertakes that he shall not reveal, disclose, inform, deliver or pass on (or take any action that has a similar effect to any of the foregoing) any trade secrets of any member of the Group or Related Entity (as the case may be) to any third party or making such trade secrets public in any form (including publication, online posting, applying for patents, etc.) without the consent of such member of the Group or Related Entity (as the case may be). For the purpose of this Rule, “**trade secrets**” means technical and business information that is not known to the public, and is capable of bringing economic benefits and conferring advantageous position over others in respect of the Group or Related Entity (as the case may be), is of practical use and has been subject to confidentiality measures taken by any member of the Group or Related Entity (as the case may be).
- 13.5 The Grantee undertakes not to act in any manner that may cause conflicts of interest or breach of the duty of diligence to any member of the Group or Related Entity (as the case may be), including working at any entity that competes with such member of the Group or Related Entity (as the case may be), engaging in any profit-making or business activities without the consent of such member of the Group or Related Entity (as the case may be), engaging in any work that is not arranged by such member of the Group or Related Entity (as the case may be) during scheduled working hours without the consent of such member of the Group or Related Entity (as the case may be), engaging in activities that compete with the business operations of such member of the Group or Related Entity (as the case may be) or conferring competitive benefits to a competing entity.
- 13.6 The Grantee undertakes to promptly pay all Taxes that are payable by him/her arising out of or otherwise in connection with his/her participation in the Scheme, and make any and all governmental filings (including without limitation fulfilling the relevant foreign exchange registration procedures) to ensure that he/she can lawfully hold the Options on or before he/she accepts the Offer, and for exercising his/her rights over the Options upon vesting. All Taxes arising from a Grantee’s acceptance and/or exercise of the Option shall be paid within any time period as stipulated under any Applicable laws, and the Grantee undertakes to indemnify and hold harmless the Company on any delay or failure in complying with this undertaking.
- 13.7 Subject to otherwise provided under Rule 11.1, any actual or purported breach of any of the undertakings under this Rule 13 shall result in lapse of any outstanding Options (regardless of whether vested or not) or part thereof granted to such Grantee. For this purpose, a determination by the Board or the Scheme Administrator to the effect that the Grantee has or has not breached Rule 13.1 shall be final and conclusive without the need of assigning any reason therefor.

14. ALTERATIONS IN SHARE CAPITAL

- 14.1 Where there is any alteration in the capital structure of the Company by way of a sub-division, consolidation or reduction of the share capital of the Company, a capitalization of profits or reserves or bonus issue or a rights issue or open offer (other than an alteration in the Company’s capital structure as a result of an issue of H Shares as consideration in a transaction to which the Company is a party), the Board or the Scheme Administrator shall make such corresponding adjustments (if any) to reflect such changes with respect to:

- (a) the number of H Shares subject to the Option so far as unexercised; and/or
- (b) the Exercise Price for the H Shares subject to the Option so far as unexercised,

and the Auditors or an independent financial advisor engaged by the Company for such purpose shall certify in writing that such adjustments satisfy the applicable requirements of the Listing Rules and are, in their opinion, fair and reasonable generally or as regards any particular Grantee, provided that (i) any such adjustments should give each Grantee the

same proportion of the equity capital of the Company (rounded to the nearest whole Share) as that to which that Grantee was previously entitled prior to such adjustments; (ii) any such adjustment shall be made in accordance with the provisions as stipulated under Chapter 17 of the Listing Rules and relevant guidance and interpretation of the Listing Rules issued by the Stock Exchange from time to time; and (iii) no such adjustments shall be made which would result in an H Share being issued or transferred at less than its nominal value (if any).

Subject to the above principles and certification procedures, and any further or updated guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time, the Company shall follow the method of adjustment as set out in Appendix 1 to the Frequently Asked Questions FAQ13 issued by the Stock Exchange which is replicated below:

(1) Capitalization Issue, Rights Issue or Open Offer of Shares

Adjustments shall follow the following formula:

$$\text{New Number of Options} = \text{Existing Number of Options} \times F$$

$$\text{New Exercise Price} = \text{Existing Exercise Price} \times \frac{1}{F}$$

Where:

$$F = \frac{\text{CUM}}{\text{TEEP}}$$

CUM = Closing price as shown in daily quotation sheet of the Stock Exchange on the last trading day before going ex-entitlement to the offer (the cum-rights price)

$$\text{TEEP (Theoretical Ex-Entitlement Price)} = \frac{\text{CUM} + [M \times R]}{1 + M}$$

M = Entitlement per existing Share

R = Subscription price for the capitalization issue, rights issue or open offer (as the case may be)

(2) Sub-division, Consolidation or Reduction of Share Capital

Adjustments shall follow the following formula:

$$\text{New Number of Options} = \text{Existing Number of Options} \times F$$

$$\text{New Exercise Price} = \text{Existing Exercise Price} \times \frac{1}{F}$$

Where F = Sub-division, consolidation or capital reduction factor (as the case may be)

- 14.2 The capacity of the Auditors or independent financial advisor (as the case may be) in Rule 14.1 is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees.
- 14.3 In respect of any adjustments required by Rule 14.1, other than any made on a capitalization issue, the Auditors or independent financial adviser (as the case may be) shall confirm to the Board in writing that the adjustments satisfy the relevant requirements set out in the Listing Rules and all relevant guidance and interpretation of the Listing Rules issued by the Stock Exchange from time to time.

- 14.4 If the Company conducts any capitalization issue, rights issue, share consolidation, share sub-division or capital reduction after the Scheme Mandate Limit and the Service Provider Sublimit (including any refreshed limit, where applicable) have been approved in general meeting, the maximum number of H Shares that may be issued in respect of all options and awards to be granted under all of the schemes of the Company under the Scheme Mandate Limit and the Service Provider Sublimit (including any refreshed limit, where applicable) shall be adjusted accordingly with reference to the total number of issued Shares at the date immediately before and after such event and rounded to the nearest whole Share, such that the maximum number of H shares that may be issued under the Scheme Mandate Limit and the Service Provider Sublimit (including any refreshed limit, where applicable) as a percentage of the total number of issued Shares as at the date immediately before and after such event shall be the same, and that the Eligible Persons will be entitled to the same proportion of the Company's equity capital as to which such Eligible Persons were previously entitled to.

15. SCHEME LIMITS

- 15.1 The total number of H Shares which may be issued in respect of all Options to be granted under the Scheme and all options and awards to be granted under any other share scheme(s) of the Company shall not exceed 8% of the total number of Shares in issue (excluding any treasury shares) as at the Adoption Date (the “**Scheme Mandate Limit**”). The Scheme Mandate Limit may be subject to refreshment in accordance with Rule 15.3.
- 15.2 Within the Scheme Mandate Limit, the total number of H Shares which may be issued in respect of all Options to be granted under the Scheme and all options and awards to be granted under any other share scheme(s) of the Company to the Service Provider Participants shall not exceed 1.5% of the total number of Shares in issue (excluding any treasury shares) as at the Adoption Date (the “**Service Provider Sublimit**”). The Service Provider Sublimit may also be refreshed in accordance with Rule 15.3.
- 15.3 The Company may refresh the Scheme Mandate Limit and/or the Service Provider Sublimit:
- (a) from the later of three (3) years after the Adoption Date or three (3) years after the date of the previous refreshment of the Scheme Mandate Limit or the Service Provider Sublimit by obtaining Shareholders' approval and subject to compliance with any additional requirements set out in the Listing Rules; or
 - (b) within any of the aforementioned three-year period by obtaining Shareholders' approval and subject to compliance with any additional requirements set out in the Listing Rules,

provided that the total number of new H Shares which may be issued in respect of all Options to be granted under the Scheme and all options and awards to be granted under all other share scheme(s) of the Company under the Scheme Mandate Limit and/or the Service Provider Sublimit as refreshed must not exceed 8% and 1.5% of the total number of Shares in issue (excluding any treasury shares), respectively, as at the date of such Shareholders' approval, and subject further to compliance with other requirements prescribed under the Listing Rules from time to time. Any Options previously granted under the Scheme and any options and awards previously granted under any other share scheme(s) of the Company (including those outstanding (which means those Options granted but not yet exercised), cancelled, lapsed or exercised in accordance with this Scheme or any other share scheme(s) of the Company) will not be regarded as utilized for the purpose of calculating the refreshed Scheme Mandate Limit and the refreshed Service Provider Sublimit.

- 15.4 The Company may seek separate approval by its Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit or the Service Provider Sublimit

(including any refreshed limit, where applicable), provided that the Options in excess of the Scheme Mandate Limit or the Service Provider Sublimit are granted only to Eligible Persons specifically identified by the Company before such approval is sought and subject to compliance with other relevant requirements prescribed under the Listing Rules. In respect of any Options to be granted in such circumstances, the date of the meeting of the Board or the Scheme Administrator proposing such grant should be taken as the Grant Date for the purpose of calculating the Exercise Price of such Options.

- 15.5 The total number of H Shares issued and to be issued in respect of all Options granted and to be granted under the Scheme and all options and awards granted or to be granted under any other share scheme(s) of the Company to each Participant (excluding options or awards lapsed in accordance with the relevant scheme rules) in any 12-month period up to (and including) the date of the latest grant shall not exceed 1% of the total number of Shares in issue (excluding any treasury shares) (the “**1% Individual Limit**”). Any further grant of Options to a Participant which would exceed the 1% Individual Limit shall be subject to separate approval of the Shareholders in general meeting in accordance with the Listing Rules and subject to the other requirements under the Listing Rules. In respect of any Options to be granted in such circumstances, the date of the meeting of the Board or the Scheme Administrator proposing any such further grant shall be taken as the Grant Date for the purpose of calculating the Exercise Price of such Options.
- 15.6 Any grant of Options to any director, chief executive or substantial shareholder 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 (excluding any independent non-executive director who is a proposed recipient of the grant of Options). Furthermore, where any grant of Options to an independent non-executive director or substantial shareholder of the Company or any of their respective associates would result in the Shares issued and to be issued in respect of all options and awards granted under all share scheme(s) of the Company (excluding options or awards lapsed in accordance with the relevant scheme rules) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of Shares in issue (excluding any treasury shares), such further grant of Options must be approved by the Shareholders in general meeting in the manner required under the Listing Rules and subject to the other requirements set out in the Listing Rules.

16. TREATMENT OF OPTIONS UPON GENERAL OFFER, WINDING-UP AND OTHER ARRANGEMENTS

- 16.1 In the event of a voluntary winding-up of the Company other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, the Board or the Scheme Administrator shall have the sole discretion to determine the treatment of all unexercised Options (whether vested or unvested). The Company shall, on the same date as or as soon as reasonably practicable after it gives notice to its Shareholders regarding the voluntary winding-up of the Company, give notice to all Grantees who hold any unexercised Options as at the date of such notice specifying the determination of the Board or the Scheme Administrator on the treatment of all unexercised Options, including but not limited to (i) accelerating the vesting of any unvested Options; (ii) causing all unexercised Options to lapse (with or without compensation); and/or (iii) setting a final exercise deadline. Such notice shall specify any applicable exercise deadlines or actions required by the Grantee (if applicable). Any unexercised Options shall automatically lapse upon such date of lapse or the expiry of such deadline in accordance with the provisions specified in the notice as determined by the Board or the Scheme Administrator in its sole discretion.
- 16.2 If a general offer (whether by way of a takeover, share repurchase offer, scheme of arrangement or otherwise in like manner) is made to all the Shareholders (or all such

Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer, having been approved in accordance with all Applicable Laws, becomes or is declared unconditional, the Board or the Scheme Administrator shall have the sole discretion to determine the treatment of all unexercised Options (whether vested or unvested). The Company shall, as soon as reasonably practicable after a general offer is made, give notice to all Grantees who hold any unexercised Options as at the date of such notice specifying the determination of the Board or the Scheme Administrator on the treatment of all unexercised Options, including but not limited to (i) accelerating the vesting of any unvested Options; (ii) causing all unexercised Options to lapse (with or without compensation); and/or (iii) setting a final exercise deadline. Such notice shall specify any applicable exercise deadlines or actions required by the Grantee (if applicable). Any unexercised Options shall automatically lapse upon such date of lapse or the expiry of such deadline in accordance with the provisions specified in the notice as determined by the Board or the Scheme Administrator in its sole discretion.

- 16.3 Other than a general offer or a scheme of arrangement contemplated in this Rule, if a compromise or arrangement between the Company and its Shareholders or creditors 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, the Board or the Scheme Administrator shall have the sole discretion to determine the treatment of all unexercised Options (whether vested or unvested). The Company shall, on the same date as or as soon as reasonably practicable after it gives notice to its Shareholders or creditors regarding such compromise or arrangement, give notice to all Grantees who hold any unexercised Options as at the date of such notice specifying the determination of the Board or the Scheme Administrator on the treatment of all unexercised Options, including but not limited to (i) accelerating the vesting of any unvested Options; (ii) causing all unexercised Options to lapse (with or without compensation); and/or (iii) setting a final exercise deadline. Such notice shall specify any applicable exercise deadlines or actions required by the Grantee (if applicable). Any unexercised Options shall automatically lapse upon such date of lapse or the expiry of such deadline in accordance with the provisions specified in the notice as determined by the Board or the Scheme Administrator in its sole discretion.

17. INTERPRETATION / DISPUTES

- 17.1 Any decision to be made under the Scheme, including matters of interpretation with respect to these Rules, shall be made by the Board or Scheme Administrator. The decision by the Board or the Scheme Administrator (as the case may be) shall be final and binding on all parties.
- 17.2 Disputes arising in connection with the Scheme shall be referred to the decision of the Board or the Scheme Administrator in the first instance, which decision shall be final and binding. Should the Board or the Scheme Administrator decide, any dispute referred to it may be subsequently referred to the decision of the Auditors, who shall then act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final and binding on all parties. In such cases, the costs of the Auditors shall be shared equally between the Company and the relevant Participants.

18. ALTERATION OF THE SCHEME

- 18.1 Subject to the Scheme Mandate Limit and the Service Provider Sublimit and this Rule 18, the Board or the Scheme Administrator may amend any of the provisions of the Scheme or any Options granted under the Scheme at any time and in any respect, provided that the terms of the Scheme or Options so amended must comply with the relevant requirements of Chapter 17 of the Listing Rules. Subject to the other requirements under the Listing Rules, approval of the Shareholders in general meeting is required for any amendment to the terms

of the Scheme which are of a material nature or to any provisions of the Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules to the extent that such amendment operates to the advantage of Participants.

- 18.2 Without prejudice to the powers of the Board or the Scheme Administrator under Rule 18.1 and subject to the other requirements under the Listing Rules, any material alteration to the terms and conditions of the Scheme must be made with the prior approval of the Shareholders in general meeting at which any persons to whom or for whose benefit the H Shares may be issued under the Scheme and their respective associates shall abstain from voting. The determination by the Board or the Scheme Administrator as to whether any proposed alteration to the terms and conditions of the Scheme is material shall be final and conclusive.
- 18.3 Any change to the terms of Options the grant of which was subject to the approval of a particular authority (such as the Board or the Scheme Administrator, the remuneration committee of the Board, the independent non-executive directors of the Company and/or the Shareholders in general meeting) shall be subject to approval by that same authority, provided that this requirement does not apply where the relevant alteration takes effect automatically under the terms of the Scheme. Without limiting the foregoing, any change in the terms of the Options granted to any Participant who is a director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the Shareholders in general meeting in the manner required by the Listing Rules if the initial grant of the Options requires such approval (except where the changes take effect automatically under the terms of the Scheme), subject to the other requirements under the Listing Rules.
- 18.4 No amendment shall be made to any Options to the extent that such amendment has a material adverse effect on the subsisting rights of a Participant at that date in respect of the Options already granted to that Participant and to the extent that such Options have been lapsed or forfeited, without the consent of such Participant, provided that no such consent shall be required if the Board or the Scheme Administrator determines in its sole and absolute discretion that such amendment or alteration either:
- (a) is necessary or advisable in order for the Company, the Scheme or the Options to satisfy any Applicable Laws (including the Listing Rules) or to meet the requirements of, or avoid any adverse consequences under, any accounting standards; or
 - (b) is not reasonably likely to diminish materially the benefits provided under such Options, or that any such diminishment has been adequately compensated.
- 18.5 Any change to the authority of the Board or the Scheme Administrator to alter the terms of the Scheme must be approved by Shareholders in general meeting, subject to the other requirements under the Listing Rules.

19. TERMINATION

- 19.1 The Scheme shall terminate on the earlier of:
- (a) the end of the Scheme Period, except otherwise as may be required in accordance with the provisions of the Scheme; and
 - (b) such date of early termination as determined by the Board, provided that such termination shall not affect any subsisting rights of any Grantee under the Scheme,

following which no further Options will be offered or granted under the Scheme, provided

that notwithstanding such termination, the provisions of the Scheme shall remain in force to the extent necessary to give effect to the exercise of any Option granted prior to the termination or otherwise as may be required in accordance with the provisions of the Scheme, and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the Scheme and the relevant Offer Letter.

20. GOVERNING LAW

- 20.1 The Scheme shall be governed by and construed in accordance with the laws of Hong Kong.