

Adopted on [▪], 2025

**RULES RELATING TO THE
2025 H SHARE RSU SCHEME**

OF

**SHANGHAI FOSUN PHARMACEUTICAL
(GROUP) CO., LTD.***

(上海復星醫藥（集團）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 17.5;
“A Share(s)”	domestic share(s) with a nominal value of RMB1.00 each of the Company, which is (are) listed on the SSE and traded in RMB;
“A Shareholder(s)”	holder(s) of A Share(s);
“Actual Selling Price”	an amount that is equal to the actual price at which the H Shares are sold (net of brokerage, Hong Kong Stock Exchange trading fee, Hong Kong SFC transaction levy, AFRC transaction levy and any other applicable costs) on vesting of an RSU 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 the date on which any other requisite approval(s) for the adoption of the Scheme as required under the Hong Kong Listing Rules is obtained, whichever is later;
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong;
“Applicable Laws”	all applicable laws, regulations, ordinances or requirements of the relevant regulatory authorities including without limitation the Company Law, the Securities Law of the PRC, the SFO and the Listing Rules;
“Articles”	the articles of association of the Company in effect from time to time;
“associate(s)”	has the meaning ascribed to it under the Hong Kong 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(e)), from time to time;
“Company”	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares and A Shares of which are listed and traded on the Main Board of the Hong Kong Stock Exchange (stock code: 2196) and the SSE (stock code: 600196), respectively;
“Company Law”	the Company Law of the PRC* (《中華人民共和國公司法》);
“Costs”	shall have the meaning as set out in Rule 12.5;

“CSRC”	the China Securities Regulatory Commission;
“Eligible Employee”	any executive director, employee director and senior management of the Company, the mid-level management personnel of the Group, and other employees of the Group whom the Board considers appropriate to be incentivized; however, no individual who is resident in a place where the grant, acceptance or vesting of an RSU pursuant to the Scheme is not permitted under the laws and regulations in such place or where (in the sole opinion of the Board or the Scheme Administrator without the need to assign a reason therefor) compliance with Applicable Laws 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;
“First Grant”	the proposed first grant of 10,696,400 RSUs to 201 Eligible Employees, conditional upon and after the adoption of the Scheme;
“Grant”	shall have the meaning as set out in Rule 8.1;
“Grant Date”	the date on which the Board or the Scheme Administrator resolves to grant an RSU to a Grantee 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 Trading Day;
“Grant Instrument”	shall have the meaning as set out in Rule 8.1;
“Grant Price”	the consideration payable by the Grantee on acceptance of a Grant as determined by the Board or the Scheme Administrator in its sole and absolute discretion, which can be nil;
“Grantee”	any Eligible Employee who is approved for participation in the Scheme and has been granted any RSU pursuant to Rule 6.1;
“Group”	the Company and its subsidiaries from time to time, and the expression “member of the Group” shall be construed accordingly;
“H Share(s)”	overseas listed foreign share(s) with a nominal value of RMB1.00 each of the Company, which is (are) listed on the main board of the Hong Kong Stock Exchange and traded in Hong Kong dollars;
“H Shareholder(s)”	the holder(s) of H Share(s);
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;

“Hong Kong SFC”	the Securities and Futures Commission of Hong Kong;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Listing Rules”	the Hong Kong Listing Rules and the SSE Listing Rules;
“PRC” or “China”	the People’s Republic of China (for the purpose of this Scheme, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan region);
“Reserved Grant”	the further grant of up to 2,674,100 RSUs reserved to be granted under the Scheme subsequent to the First Grant;
“Residual Cash”	cash remaining in the Trust (including interest income derived from deposits maintained with licensed banks in Hong Kong) which has not been applied in the subscription of the Restricted Shares;
“Restricted Share(s)”	the H Share(s) underlying the RSU(s) granted to a Grantee;
“Returned Share(s)”	such Restricted Share(s) that failed to be vested and/or are lapsed or cancelled in accordance with the terms of the Scheme and the relevant Grant Instrument, or such H Share(s) being deemed to be Returned Share(s) under these Rules;
“RMB”	Renminbi, the lawful currency for the time being of the PRC;
“RSU(s)”	restricted share unit(s), being the right to receive such number of Restricted Shares awarded pursuant to this Scheme upon the satisfaction of the vesting conditions as stipulated in this Scheme;
“Scheme”	the 2025 H Share RSU Scheme adopted by the Company of which these Rules apply;
“Scheme Administrator”	the specialized 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 17.1, as increased, refreshed or renewed from time to time in accordance with these Rules;
“Scheme Period”	a period of 60 months commencing from (and including) the Adoption Date, unless terminated earlier in accordance with these Rules;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholder(s)”	holder(s) of Share(s), including A Shareholder(s) and H Shareholder(s);
“Share(s)”	share(s) of the Company, comprising A Shares and H Shares;

“SSE”	the Shanghai Stock Exchange* (上海證券交易所);
“SSE Listing Rules”	the Rules Governing the Listing of Stocks on the SSE * (《上海證券交易所股票上市規則》);
“subsidiary(ies)”	has the meaning ascribed to it under the Hong Kong Listing Rules;
“substantial shareholder(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules;
“Taxes”	shall have the meaning set out in Rule 12.6;
“Trading Day”	any day on which the Hong Kong Stock Exchange is open for the business of dealing in securities;
“these Rules”	the rules set out herein relating to the Scheme as amended from time to time;
“treasury shares”	has the meaning ascribed to it under the Hong Kong Listing Rules;
“Trust”	a trust established or to be established by the Company in respect of and for the purpose of this Scheme;
“Trust Deed”	the trust deed to be entered into between the Company as settlor and the Trustee as trustee of the Trust (as restated, supplemented and amended from time to time);
“Trustee”	a professional trustee as may be appointed by the Company from time to time to administer the Trust and who, for the avoidance of doubt, shall be an independent third party to the Company;
“Vesting Date”	shall have the meaning set out in Rule 11.1;
“Vesting Notice”	shall have the meaning set out in Rule 12.3;
“Vesting Period”	the minimum period between the Grant Date and the Vesting Date
“Vesting Price”	the purchase price per H Share, determined by the Board or the Scheme Administrator, payable by a Grantee to the Company on the vesting of an RSU, which is RMB1.00 per share;
“%”	percent.

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, 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;
- (e) 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;
- (f) unless otherwise stated, the financial data and financial indicators referenced in these Rules shall refer to the financial data set out in the consolidated financial reports prepared by the Company according to the China Accounting Standards for Business Enterprise and the financial indicators calculated based on such financial data, respectively;
- (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;
- (l) the English name of any PRC entity or person marked with an asterisk (*) is translation of the Chinese name, and is included herein for identification purposes only; and
- (m) unless otherwise specified, 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 In order to further improve the corporate governance structure, establish and enhance the long-term incentive mechanism of the Group, attract and retain outstanding talent, fully mobilize the enthusiasm of the executive directors, employee director and senior management personnel of the Company and employees of the Group, and effectively align the interests of the Shareholders, corporate(s) and the Group’s core team personnel to focus on and work collectively for the long-term development of the Group, this Scheme is formulated on the premise of sufficiently protecting the interests of the Shareholders and in accordance with the requirements under the Applicable Laws and the Articles.

3. CONDITIONS

- 3.1 This Scheme shall take effect subject to and is conditional upon the passing of the necessary resolution(s) by the Shareholders in general meeting of the Company and the obtaining of any other requisite approval(s) (or waiver(s), as the case may be) as required under the Applicable Laws (including the Hong Kong Listing Rules) and the Articles.
- 3.2 The conditions set out in Rule 3.1 above cannot be waived.

4. DURATION

- 4.1 Subject to Rules 21 and 22, the Scheme shall be valid and effective for the Scheme Period, after which no further RSUs 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 RSUs 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, RSUs granted prior to the end of the Scheme Period but not yet vested shall continue to be valid 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 and, where applicable, the Trust Deed. 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 or the Scheme Administrator (as the case may be) as contemplated in Rule 5.1.
- 5.3 Unless explicitly contrary to these Rules or Applicable Laws, 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 RSUs 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, the Articles, the Listing Rules or other Applicable Laws;
 - (c) grant RSUs to those Eligible Employees whom it shall select from time to time;
 - (d) determine the number of RSUs to be granted;
 - (e) determine the terms and conditions of the RSUs and make any such appropriate adjustments to the terms of the RSUs granted as it deems necessary or appropriate,

but subject to such adjustments not being inconsistent with these Rules, the Articles and the requirements under the Listing Rules;

- (f) determine how the Vesting Price will be settled and whether and to what extent, and circumstances pursuant to which an RSU may be lapsed, cancelled and/or forfeited;
- (g) determine the commencement and/or termination date of an Eligible Employee's employment with any member of the Group for the purpose of determining the eligibility of the Eligible Employee under these Rules;
- (h) where applicable, establish and administer performance targets in respect of the Grants made or to be made to the Grantees;
- (i) approve one or more forms of the Grant Instrument (which does not need to be identical for every Grantee or class of Grantees);
- (j) decide any other matters that need to be determined in connection with a Grant 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 Grant Instrument;
- (l) establish and administer the Trust in accordance with the Trust Deed and give all necessary instructions to the Trustee in relation to the administration of the Trust;
- (m) appoint and remove the Trustee from time to time;
- (n) cause to be paid to the Trustee all such amounts as the Board or the Scheme Administrator in its sole discretion considers to be appropriate and to receive all monies paid to the Company by such Trustee in accordance with these Rules and the Trust Deed; and
- (o) take such other steps or actions to give effect to the terms and intent of these Rules and/or the RSUs.

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. ELIGIBLE EMPLOYEES

6.1 The Board or the Scheme Administrator may, from time to time, select any Eligible Employee to be a Grantee and, subject to Rule 7, grant RSUs to such Grantee during the Scheme Period. The Grantees shall be determined in accordance with the Applicable Laws and the Articles, together with the actual situation of the Group. The nature, amount, terms and conditions of any such RSUs so granted shall be determined by the Board or the Scheme Administrator in its sole and absolute discretion, subject to these Rules.

- 6.2 Eligible Employees shall include the executive directors, employee director and senior management of the Company, the mid-level management of the Group, and other employees of the Group whom the Board considers appropriate to be incentivized. The basis of eligibility of any Eligible Employee shall be determined by the Board or the Scheme Administrator based on the Eligible Employee's role and position within the Group, as well as the Eligible Employee's contribution to the overall business performance and sustainable development of the Group.
- 6.3 For the avoidance of doubt, Eligible Employees shall not include any (i) independent non-executive director of the Company, or (ii) shareholder or actual controller and his/her spouse, parents and children where any of the aforesaid individually or collectively holds more than 5% of the Shares.
- 6.4 Executive directors and employee director of the Company who are Grantees shall not be involved in the management of this Scheme, and shall abstain from voting when the Board and the general meeting of the Company consider and vote on the relevant resolutions relating to this Scheme.

7. CONDITIONS AND TIMING OF GRANT

- 7.1 No Grant shall be made to any Eligible Employee unless all of the following conditions are satisfied as at the Grant Date:
- (a) There being no occurrence of any of the following events on the part of the Company:
 - (i) issue of an auditors' report with adverse opinion or which indicates an inability to give an opinion by a PRC certified public accountant with respect to the financial report of the Company for its most recent accounting year;
 - (ii) issue of an auditors' report with adverse opinion or which indicates an inability to give an opinion by a PRC certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;
 - (iii) failure to conduct profit distribution in accordance with Applicable Laws, the Articles and public undertakings during the last 36 months;
 - (iv) circumstances under which implementation of any share incentive scheme is prohibited by Applicable Laws; or
 - (v) other circumstances as determined by the CSRC.
 - (b) There is no occurrence of any of the following events on the part of the Eligible Employee:
 - (i) he or she has been determined by any stock exchange as an ineligible person in the last 12 months;
 - (ii) he or she has been determined by the CSRC or its delegated agencies as an ineligible person in the last 12 months;
 - (iii) he or she has been imposed by the CSRC or its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material non-compliance of laws or regulations;
 - (iv) he or she is prohibited from acting as a director or a member of the senior management of a company as required by the Company Law;

- (v) he or she is prohibited from participating in share incentive schemes of listed companies as required by Applicable Laws; or
- (vi) other circumstances as determined by the CSRC.

7.2 No RSU shall be granted:

- (a) during the period commencing 30 days (or 60 days in the event of annual report or announcement of results) immediately preceding the publication of any periodic report or announcement of results of the Company (up to and including the date of publication), and in the event of delay in publication of such periodic report or announcement of results due to special circumstances, such period shall commence from either 30 days or 60 days prior to the original expected date of publication and such period shall also cover the period of delay in the publication of the periodic report or announcement of results;
- (b) within five (5) days prior to the publication of performance forecast or preliminary performance results;
- (c) during the period when any significant transaction or significant event of the Group is in the decision-making process until the date of disclosure in accordance with the rules of the stock exchanges of the places where the Shares of the Company are listed and other Applicable Laws;
- (d) when the Company is in possession of any unpublished inside information;
- (e) during the period commencing from the date of occurrence of any other significant event which may have a significant impact on the trading prices of the Company's securities and their derivatives or the date on which relevant decision-making procedures start and ending on the date of disclosure in accordance with the rules of the stock exchanges of the places where the Shares of the Company are listed and other Applicable Laws; and
- (f) during such other period as stipulated by the CSRC, the SSE, the Hong Kong SFC or the Hong Kong Stock Exchange,

whereas "significant transaction", "significant event" and "significant event which may have a significant impact on the trading prices of the Company's securities and their derivatives" as referred to above mean any transaction or other significant event that is required to be disclosed under the rules of the stock exchanges of the places where the Shares of the Company are listed and other Applicable Laws.

7.3 In respect of the administration and implementation of the Scheme, the Company shall comply with all applicable disclosure requirements including those imposed by the Listing Rules.

8. GRANT INSTRUMENT AND NOTIFICATION OF GRANT

8.1 The Company shall, in respect of the offer of grant of each RSU (the "**Grant**") and within a reasonable period following the Grant Date, issue an instrument to each Grantee in such form as the Board or the Scheme Administrator may from time to time determine, which may specify the number of RSUs, the Grant Price (if any), the Vesting Price, the Vesting Period, the vesting conditions, the date by which the grant must be accepted, any circumstances where the Company may exercise its right to clawback the RSUs granted and such other details as the Board or the Scheme Administrator may consider necessary, and requiring the Grantee to undertake to be bound by the terms and provisions of these

Rules and irrevocably give the undertakings deemed to be given by the Grantee under these Rules (an “**Grant Instrument**”).

- 8.2 The Board or the Scheme Administrator may determine, subject to provisions of these Rules, the Listing Rules and the Articles, the terms of a Grant that is specified in the Grant Instrument, including (without limitation) Grant Price (if any) on acceptance of a Grant, 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 Grant Price is payable on acceptance of a Grant.
- 8.3 A Grant shall be deemed to have been accepted by the Grantee (i) when the duplicate Grant Instrument constituting acceptance of the RSU duly executed 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 Grant Instrument; or (ii) upon acceptance by the Grantee in any other manner prescribed by the Board or the Scheme Administrator from time to time as specified in the Grant Instrument. Such remittance or payment of the Grant Price (if any) shall in no circumstances be refundable.
- 8.4 To the extent that a Grant is not accepted within the time period and in the manner specified in the Grant Instrument, the Grant will be deemed to have been irrevocably declined and will lapse unless the Board or the Scheme Administrator determines otherwise.
- 8.5 By accepting a Grant, a Grantee shall be deemed to be bound by the terms of these Rules and the terms of the Grant Instrument.
- 8.6 Following the receipt by the Company of the duly executed Grant Instrument constituting acceptance and the requisite payment (where applicable) from a Grantee or upon acceptance of a Grant by a Grantee in such manner as specified by the Company in the relevant Grant Instrument, the Company shall provide a fully executed copy of the relevant Grant Instrument to the Trustee, subject to the terms of the Trust Deed.

9. SOURCES OF RESTRICTED SHARES

- 9.1 The sources of the Restricted Shares under the Scheme shall be (i) treasury shares transferred to the Trustee by the Company; and/or (ii) existing H Shares purchased by the Trustee from the secondary market.
- 9.2 Subject to Rule 9.4, the Company shall, for the purposes of satisfying a Grant, (i) transfer treasury shares to the Trustee out of its treasury; and/or (ii) transfer to the Trust the necessary funds and instruct the Trustee to acquire H Shares on the market at the prevailing market price or at price within a specified price range. Subject to the Applicable Laws, the Company shall instruct the Trustee whether or not to apply any Returned Shares to satisfy any Grant made or to be made, and if the Returned Shares, as specified by the Company, are not sufficient to satisfy the Grant made, the Company shall, subject to the other provisions of this Scheme, for purposes of satisfying the Grant, (i) transfer further treasury shares to the Trustee out of its treasury; and/or (ii) transfer to the Trust the necessary funds and instruct the Trustee to acquire further H Shares on the market at the prevailing market price or at price within a specified price range.
- 9.3 The Company shall cause sufficient funds and/or treasury shares to be made available to the Trustee for the proper administration and operation of this Scheme in accordance with the terms hereof. The Trustee shall, subject to Rule 9.4, upon receipt of written instruction from the Company, acquire such number of H Shares on the market at the prevailing market price or at price within a specified price range as soon as reasonably practicable after receiving the necessary funds from the Company.

- 9.4 The Company shall not transfer to the Trustee treasury shares nor instruct the Trustee to acquire H Shares on-market at the prevailing market price or at price within a specified price range, and the Trustee shall not execute such instruction, where (i) such action (as applicable) is prohibited under the Applicable Laws; or (ii) during such periods as stated in Rule 7.2. Where such a prohibition causes the prescribed timing imposed by these Rules or the Trust Deed to be missed, such prescribed timing shall be treated as extended until as soon as reasonably practicable after the first Trading Day on which the prohibition no longer prevents the relevant action.
- 9.5 The Company shall not transfer to the Trustee treasury shares nor instruct the Trustee to acquire H Shares on-market at the prevailing market price or at price within a specified price range, and the Trustee shall not execute such instruction, in excess of the number allowed pursuant to the Scheme Mandate Limit (or any refreshed limit, where applicable) or otherwise in breach of the provisions of the Scheme.
- 9.6 The Board or the Scheme Administrator may at any time instruct the Trustee in writing to deal with the Restricted Shares which, as of the date of such instruction, are unvested and have not previously lapsed pursuant to any provisions in this Scheme, the Returned Shares, or H Shares otherwise remaining on the Trust for any other reason, in a manner determined by the Board or the Scheme Administrator at its absolute discretion (which may include, among others, (i) transferring all relevant Restricted Shares to other account(s) maintained by the Trustee (or any other trustee as appointed by the Company) for the purposes of operating other share schemes of the Company; (ii) disposing of such Restricted Shares or Returned Shares and remitting the proceeds to the Company, provided that such action falls outside of such periods as stated in Rule 7.2 and in compliance with the Applicable Laws; and/or (iii) accelerating vesting of such RSUs and transferring such Restricted Shares to the relevant Grantee), provided that such action falls outside of such periods as stated in Rule 7.2 and that such instructions shall comply with the terms and conditions of the Trust Deed subject to any Applicable Laws.
- 9.7 The Company may, from time to time, repurchase any Restricted Shares held by the Trustee and deal with such Restricted Shares in any manner (as determined by the Board or the Scheme Administrator at its absolute discretion) permitted under Applicable Laws in accordance with the terms of the Trust Deed, provided that such action falls outside any period during which share repurchases are prohibited under the Listing Rules and other Applicable Laws and subject to the obtaining of any requisite approval(s) (or waiver(s), as the case may be) as required under the Listing Rules, the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs and other Applicable Laws.
- 9.8 The Restricted Shares transferred out of its treasury pursuant to this Scheme shall be identical to all existing issued H Shares and shall be 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. PROPOSED ALLOCATION UNDER THE FIRST GRANT

10.1 The RSUs to be granted under the First Grant are proposed to be allocated as follows:

No.	Name	Position	Number of RSUs to be granted	Approximate proportion in the total number of RSUs to be granted under the First Grant	Corresponding approximate proportion in the total number of Shares in issue ⁽¹⁾	Corresponding approximate proportion in the total number of H Shares in issue (excluding treasury shares) ⁽²⁾
1	Chen Yuqing*	Executive director and chairman of the Board	953,500	8.91%	0.0357%	0.1763%
2	Guan Xiaohui*	Executive director and co-chairman of the Board	686,500	6.42%	0.0257%	0.1269%
3	Wen Deyong*	Executive director and vice chairman of the Board	686,500	6.42%	0.0257%	0.1269%
4	Wang Kexin*	Executive director	610,200	5.70%	0.0229%	0.1128%
5	Yan Jia*	Employee director	50,900	0.48%	0.0019%	0.0094%
6	Liu Yi	Chief executive officer and president	762,800	7.13%	0.0286%	0.1410%
7	Li Jing	Co-president	572,100	5.35%	0.0214%	0.1058%
8	WANG XINGLI	Co-president	572,100	5.35%	0.0214%	0.1058%
9	ZHANG WENJIE	Co-president	114,400	1.07%	0.0043%	0.0211%
10	Feng Rongli	Executive president	381,400	3.57%	0.0143%	0.0705%
11	Wang Donghua	Senior vice president	200,200	1.87%	0.0075%	0.0370%
12	Chen Zhanyu	Senior vice president and chief financial officer	343,300	3.21%	0.0129%	0.0635%
13	LI XIANG	Senior vice president	200,200	1.87%	0.0075%	0.0370%
14	Dong Xiaoxian	Vice president, secretary of the Board and joint company secretary	158,900	1.49%	0.0060%	0.0294%
15	Su Li	Vice president	95,300	0.89%	0.0036%	0.0176%
16	Ji Hao	Vice president	158,900	1.49%	0.0060%	0.0294%
17	Zhu Yue	Vice president	158,900	1.49%	0.0060%	0.0294%
18	Lv Lilang	Vice president	127,100	1.19%	0.0048%	0.0235%
19	Yuan Fangbing	Vice president	158,900	1.49%	0.0060%	0.0294%
Other mid-level management personnel and core personnel of the Group			3,704,300	34.63%	0.1387%	0.6847%
Total number of RSUs under the First Grant			10,696,400	100.00%	0.4005%	1.9773%

Notes:

* Being directors of the Company who are involved in the daily operation of the Group. Such directors of the Company shall abstain from voting when the Board and the general meeting of the Company consider the Scheme and the relevant resolutions, and shall not be involved in the management of the Scheme during the implementation of the Scheme.

(1) I.e. 2,670,429,325 Shares, being the total number of Shares in issue (including treasury shares) as at the close of trading on 22 August 2025, hereinafter the same.

(2) I.e. 540,971,500 H Shares, being the total number of H Shares in issue of 551,940,500 Shares, less 10,969,000 treasury H Shares, as at the close of trading on 22 August 2025, hereinafter the same.

11. VESTING PERIOD AND VESTING CONDITIONS

11.1 Vesting of the RSUs granted under the Scheme is subject to such Vesting Period and vesting conditions as set out in this Rule 11 (for this purpose, the date or each such date on which the RSUs are to vest is referred to as a “**Vesting Date**”).

11.2 Notwithstanding any provisions to the contrary in these Rules, the vesting of the RSUs shall be subject to and conditional upon the prior approval of the Board. For the avoidance of doubt, when on a Vesting Date (i) the Board has not yet made a determination on whether a RSU should vest, the actual vesting of the relevant RSUs shall instead happen on a date to be determined by the Board, and the relevant RSUs shall remain effective until the time the Board has made its determination, or (ii) where the Board has determined that the RSU shall not vest (whether for individual Grantees or otherwise, and regardless of whether the Board’s determination is made on, before or after the Vesting Date), the relevant RSUs shall not vest and shall lapse forthwith.

11.3 The Vesting Period of the RSUs granted under the First Grant shall be 12 months, 24 months and 36 months from the relevant Grant Date. The vesting schedule and arrangements for the RSUs to be granted under the First Grant are set out below:

Vesting schedule of the RSUs granted under the First Grant		Maximum proportion of the vested RSUs in the total number of RSUs granted under the First Grant
First Vesting Date	The first Trading Day after expiry of the 12-month period from the Grant Date	33%
Second Vesting Date	The first Trading Day after expiry of the 24-month period from the Grant Date	33%
Third Vesting Date	The first Trading Day after expiry of the 36-month period from the Grant Date	34%

11.4 If, other than the First Grant, any RSUs are reserved to be granted in 2025 or 2026, the vesting schedule and arrangements for the RSUs to be granted under the Reserved Grant are set out below:

Vesting schedule of the RSUs granted under the Reserved Grant in 2025		Maximum proportion of the vested RSUs in the total number of RSUs granted under the Reserved Grant in 2025
First Vesting Date	The first Trading Day after expiry of the 12-month period from the Grant Date	33%
Second Vesting Date	The first Trading Day after expiry of the 24-month period from the Grant Date	33%
Third Vesting Date	The first Trading Day after expiry of the 36-month period from the Grant Date	34%

Vesting schedule of the RSUs granted under the Reserved Grant in 2026		Maximum proportion of the vested RSUs in the total number of RSUs granted under the Reserved Grant in 2026
First Vesting Date	The first Trading Day after expiry of the 12-month period from the Grant Date	50%
Second Vesting Date	The first Trading Day after expiry of the 24-month period from the Grant Date	50%

11.5 Vesting of the RSUs granted to any Grantee shall be subject to and conditional upon the satisfaction of all the following vesting conditions during the Vesting Period:

- (a) There being no occurrence of any of the following events on the part of the Company:
 - (i) issue of an auditors' report with adverse opinion or which indicates an inability to give an opinion by a PRC certified public accountant with respect to the financial report of the Company for its most recent accounting year;
 - (ii) issue of an auditors' report with adverse opinion or which indicates an inability to give an opinion by a PRC certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;
 - (iii) failure to conduct profit distribution in accordance with Applicable Laws, the Articles and public undertakings during the last 36 months;
 - (iv) circumstances under which implementation of any share incentive scheme is prohibited by Applicable Laws; or
 - (v) other circumstances as determined by the CSRC.
- (b) There is no occurrence of any of the following events on the part of the Grantee:
 - (i) he or she has been determined by any stock exchange as an ineligible person in the last 12 months;
 - (ii) he or she has been determined by the CSRC or its delegated agencies as an ineligible person in the last 12 months;
 - (iii) he or she has been imposed by the CSRC or its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material non-compliance of laws or regulations;
 - (iv) he or she is prohibited from acting as a director or a member of the senior management of a company as required by the Company Law;
 - (v) he or she is prohibited from participating in share incentive schemes of listed companies as required by Applicable Laws; or
 - (vi) other circumstances as determined by the CSRC.

Upon occurrence of any of the above events, any unvested RSUs shall lapse and shall not vest in the Grantee.

11.6 In addition to the conditions set out in Rules 11.2 and 11.5, vesting of the RSUs is subject to and conditional upon the results of the performance appraisal at the Group level and individual level as set out below:

(a) Performance appraisal at the Group level

Under the Scheme, the financial performance indicators of the Group shall be appraised on an annual basis, and the appraisal shall be made once in each financial year. The two sub-indicators, i.e. “net profit attributable to the parent (歸母淨利潤)”^{Note 1} and “revenue from Innovative Drugs (創新藥品收入)”^{Note 2}, of each appraisal year shall be assessed to determine the aggregate performance appraisal indicator score at the Group level (X) based on the scores and weights of each sub-indicator in order to further calculate the ratio for the vesting of the RSUs (M) for the corresponding year, the details of which are set out below:

- (i) The aggregate performance appraisal indicator score at the Group level (X) = Σ the score of each sub-indicator \times the corresponding weight.

Details of the performance appraisal indicators at the Group level applicable to the vesting of the RSUs under the First Grant are as follows:

Unit: RMB100 million

Appraisal indicator	Weight	2025 target value	2026 target value	2027 target value	Scoring standard for each sub-indicator (maximum score = 100)
Net profit attributable to the parent ^{Note 1}	60%	33.2	39.6	47.7	The score of each sub-indicator = (actual value/target value) \times 100
Revenue from Innovative Drugs ^{Note 2}	40%	93.6	112.3	134.8	

Note 1: “Net profit attributable to the parent” refers to net profit attributable to equity holders of the company as set out in the audited financial report of the Group for the relevant financial year prepared in accordance with the China Accounting Standards for Business Enterprises, after excluding the impact of share-based payment expenses of the Scheme and other share incentive schemes of the Company (if any).

Note 2: “Innovative Drugs” mainly include innovative drugs, biosimilars, improved new drugs and other drugs with high technological barriers formed through technological innovation. “Revenue from Innovative Drugs” shall be determined based on the data calculated in accordance with the China Accounting Standards for Business Enterprises as set out in the annual report of the Group for the corresponding appraisal year.

In the event of the Reserved Grant taking place in 2025, the years and specific indicators of the performance appraisal at the Group level applicable to the vesting of such RSUs shall be the same as those of the First Grant. In the event of the Reserved Grant taking place in 2026, the years of the performance appraisal at the Group level applicable to the vesting of such RSUs shall be the two financial years of 2026 and 2027, and the appraisal shall be conducted once in each financial year, and details of the performance appraisal indicators at the Group level applicable to the vesting of such RSUs are as follows:

Unit: RMB100 million

Appraisal indicator	Weight	2026 target value	2027 target value	Scoring standard for each sub-indicator (maximum score = 100)
Net profit attributable to the parent ^{Note 1}	60%	39.6	47.7	The score of each sub-indicator = (actual value/target value) × 100
Revenue from Innovative Drugs ^{Note 2}	40%	112.3	134.8	

Note 1: “Net profit attributable to the parent” refers to net profit attributable to equity holders of the company as set out in the audited financial report of the Group for the relevant financial year prepared in accordance with the China Accounting Standards for Business Enterprises, after excluding the impact of share-based payment expenses of the Scheme and other share incentive schemes of the Company (if any).

Note 2: “Innovative Drugs” mainly include innovative drugs, biosimilars, improved new drugs and other drugs with high technological barriers formed through technological innovation. “Revenue from Innovative Drugs” shall be determined based on the data calculated in accordance with the China Accounting Standards for Business Enterprises as set out in the annual report of the Group for the corresponding appraisal year.

With respect to any appraisal year, if the aggregate performance appraisal indicator score at the Group level (X) does not reach 80 points, all corresponding unvested RSUs granted to the Grantees for such appraisal year shall lapse and shall not vest in the Grantees.

- (ii) The relationship between the aggregate performance appraisal indicator score at the Group level (X) and the vesting ratio (M) for the corresponding year is set out below:

Range of the aggregate performance appraisal indicator score at the Group level (X)	Vesting ratio (M) ^{Note}
X < 80 points	0
80 points ≤ X < 85 points	70%
85 points ≤ X < 90 points	80%
90 points ≤ X < 95 points	90%
95 points ≤ X ≤ 100 points	X%

Note: If the number of RSUs that can be vested to a Grantee is not an integer due to the vesting ratio (M), it will be rounded to the nearest integer.

- (b) Performance appraisal at the individual level

Where the performance targets at the Group level have been achieved, the RSUs shall only vest if the relevant Grantee has achieved the benchmark of “Target Achieved” or above in his or her performance appraisal at the individual level in the corresponding appraisal year in accordance with the relevant management system of the Group in respect of remuneration and performance appraisal, otherwise, all unvested RSUs granted to him or her for the corresponding appraisal year shall lapse and shall not vest in the Grantee.

12. VESTING OF RSUS

- 12.1 For the purposes of vesting of an RSU, and subject to and conditional upon (i) the Board's prior approval of the actual vesting, and (ii) the payment of the Vesting Price by the Grantee in such manner as specified in the Vesting Notice, the Board or the Scheme Administrator may decide either to:
- (a) direct and procure the Trustee to release from the Trust the Restricted Shares to the Grantee by transferring such number of Restricted Shares to the Grantee (or his personal representative(s) / nominee to hold on trust or in custody for the benefit of the Grantee) in such manner as determined by the Board or the Scheme Administrator from time to time (provided that the full amount of the Vesting Price for such number of Restricted Shares so vested is paid to the Company by the Grantee);
 - (b) direct and procure the Trustee to sell on-market at prevailing market prices such number of Restricted Shares so vested in the Grantee and pay the Actual Selling Price arising from such sale of Restricted Shares to the Grantee (or his personal representative(s) / nominee to hold on trust or in custody for the benefit of the Grantee) (less the corresponding amount of Vesting Price if the Vesting Price has not been fully paid and any other amount as specified in Rules 12.5 and 12.6); or
 - (c) a combination thereof.
- 12.2 Upon vesting of the RSUs, the Company may, notwithstanding anything else in these Rules (but subject to Applicable Laws), by itself or instruct the Trustee to deduct, without notice to the Grantee, the outstanding Vesting Price from the Actual Selling Price payable to the Grantee or from any payments due from any member of the Group to the Grantee as necessary to cover any outstanding Vesting Price payable to the Company by the Grantee.
- 12.3 Within a reasonable period (as determined by the Board or the Scheme Administrator) after the relevant vesting conditions have been satisfied in accordance with these Rules and the relevant Grant Instrument subject to the Board's or the Scheme Administrator's determination of satisfaction, the Company shall send to the relevant Grantee a vesting notice (the "**Vesting Notice**") setting out the number of RSUs so vested, the Vesting Price payable by the Grantee, the manner and deadline of payment of the Vesting Price and any other information as the Board or the Scheme Administrator deems necessary. The Board or the Scheme Administrator shall at the same time forward a copy of the Vesting Notice to the Trustee.
- 12.4 Upon receipt of the instructions from the Board or the Scheme Administrator in respect of vesting of the RSUs in accordance with this Rule 12 (and subject to the Grantee's payment of the Vesting Price in accordance with the Vesting Notice), the Trustee shall transfer and release the relevant Restricted Shares to the relevant Grantee (or his personal representative(s) / nominee to hold on trust or in custody for the benefit of the Grantee) and/or sell the relevant Restricted Shares and pay 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) in satisfaction of the RSU in accordance with the Board's or Scheme Administrator's instructions and within any specified timeframe as determined by the Board or the Scheme Administrator.
- 12.5 Any stamp duty, levies, fees or other costs and expenses arising on the sale of the Restricted Shares due to the vesting of RSUs (the "**Costs**") shall be borne by the Grantee and deducted from any amounts payable to the Grantee.

- 12.6 All taxes (including personal income taxes, professional taxes, salary taxes and similar taxes, as applicable), duties, social security contributions, impositions, charges and other levies arising out of or in connection with the Grantee's participation in the Scheme and all other share scheme(s) of the Company 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 Trustee and the Company against any liability each of them 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.
- 12.7 To give effect to Rules 12.5 and 12.6, the Company or any member of the Group may, notwithstanding anything else in these Rules (but subject to Applicable Laws), by itself or instruct the Trustee to:
- (a) sell, on the Grantee's behalf, such number of Restricted 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;
 - (b) 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 a member of the Group to the Grantee; and/or
 - (c) 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 Costs and 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.

13. CHANGE IN CIRCUMSTANCES OF THE COMPANY AND GRANTEES

- 13.1 The Scheme shall be terminated and any unvested RSU shall lapse automatically upon occurrence of any of the following events:
- (a) issue of an auditors' report with adverse opinion or which indicates an inability to give an opinion by a PRC certified public accountant with respect to the financial report of the Company for its most recent accounting year;
 - (b) issue of an auditors' report with adverse opinion or which indicates an inability to give an opinion by a PRC certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;
 - (c) failure to conduct profit distribution in accordance with Applicable Laws, the Articles and public undertakings during the last 36 months;
 - (d) circumstances under which implementation of any share incentive scheme is prohibited by Applicable Laws; or
 - (e) other circumstances as determined by the CSRC.
- 13.2 Upon occurrence of any of the following events, the Board shall determine whether to continue to implement, amend, suspend or terminate the Scheme, based on the extent of the relevant change in circumstances and the authorization by the general meeting, save for any powers specifically required to be exercised by general meeting of the Company:

- (a) change in control of the Company;
 - (b) merger/de-merger of the Company; or
 - (c) other material changes.
- 13.3 Where any false statements or misleading representations in or material omissions from the information disclosure documents of the Company result in non-compliance with conditions of grant or vesting of RSUs under the Scheme:
- (a) no further Grant shall be made;
 - (b) all RSUs granted but not yet vested shall lapse automatically and shall not vest; and
 - (c) in respect of the RSUs which have vested in the Grantees, all the Grantees shall return to the Company all interests from the vested RSUs. If the Grantee, who are not liable for the abovementioned events, suffer loss as a result of returning such interests, they may claim for damages from the Company or responsible parties in accordance with the arrangements under the Scheme. The Board shall recover the interests received by the Grantees in accordance with this Rule and the relevant arrangements of the Scheme.
- 13.4 Upon occurrence of any of the following events in respect of a Grantee, the RSUs granted to such Grantee shall remain unchanged and continue to vest in accordance with the Vesting Dates and vesting conditions set out in Rule 11:
- (a) change of position of the Grantee subject to such Grantee remaining as an Eligible Employee; or
 - (b) re-employment of the Grantee after retirement upon reaching the statutory age or the age prescribed by the Group.
- 13.5 Upon occurrence of any of the following events in respect of a Grantee (other than the circumstances set out in Rule 13.6), the Board (or the Scheme Administrator) may decide that any unvested RSU granted to such Grantee shall lapse and shall not vest:
- (a) change of position of the Grantee due to which the Grantee ceases to be an Eligible Employee;
 - (b) the Grantee becoming an independent non-executive Director or falling within other category(ies) of persons who are not allowed to hold Shares;
 - (c) termination or cessation of labour contract or employment agreement (including but not limited to resignation, non-renewal upon expiration of labour contract or employment agreement, retirement upon reaching the statutory age or the age prescribed by the Group, loss of working capacity, death, mutual termination of labour contract or employment agreement, and other circumstances under which the employment relationship shall be terminated or ceased in accordance with Applicable Laws); or
 - (d) the Grantee being prohibited from acting as a director or a member of the senior management of a company as required by the Company Law.
- 13.6 Upon occurrence of any of the following events in respect of a Grantee, the Board (or the Scheme Administrator) may decide that any unvested RSU granted to such Grantee shall lapse and shall not vest. In severe cases, the Board (or the Scheme Administrator) may, based on the actual situation, take actions against the relevant Grantee and claim for the loss and

damages suffered by the Group:

- (a) dismissal due to failure to accomplish individual performance targets; or
- (b) change of position due to incompetence, failing to pass in performance appraisal, violation of laws, leakage of the Group's confidential information, dereliction of duty or malpractice or any other acts that cause material damage to the interests or reputation of the Group.

13.7 Without prejudice to other circumstances where an RSU shall lapse pursuant to the terms in the Scheme and in the Grant Instrument as determined by the Board or the Scheme Administrator at its discretion, an RSU shall lapse automatically upon the earliest of:

- (a) the occurrence of any clawback event as set out in Rule 14 with respect to an RSU that has not yet vested;
- (b) any actual breach of the Rule 15 in respect of non-transferability of RSUs;
- (c) the non-fulfillment of any vesting condition as set out in Rule 11 on or before the Vesting Dates;
- (d) in the case of a voluntary winding-up of the Company as referred to in Rule 18.1, general offers as referred to in Rule 18.2 and/or any compromise or arrangement referred to in Rule 18.3, such date of lapse or the expiry of such deadline as determined by the Board or the Scheme Administrator; or
- (e) the occurrence of such event or expiry of such period as may have been specifically provided for in the Grant Instrument, if any.

13.8 A determination of the Board or the Scheme Administrator to the effect that the RSUs shall lapse on one or more of the grounds as specified in this Rule 13 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 RSUs or any part thereof shall not so lapse or determine that such RSUs 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 RSUs under this Rule 13. Any RSUs lapsed in accordance with the terms of the Scheme shall not be regarded as utilized for the purpose of calculating the available Scheme Mandate Limit (including any refreshed limit, where applicable).

13.9 The Board or the Scheme Administrator may cancel RSUs previously granted to and yet to be vested to a Grantee. The Grantee whose RSUs are cancelled pursuant to this Rule may be granted new RSUs under this Scheme in accordance with the Scheme Mandate Limit (including any refreshed limit, where applicable) but subject always to such grant of new RSUs complying with the Applicable Laws and these Rules. Any RSUs cancelled in accordance with the terms of the Scheme shall be regarded as utilized for the purpose of calculating the available Scheme Mandate Limit (including any refreshed limit, where applicable).

14. CLAWBACK MECHANISM

14.1 Subject to otherwise provided under these Rules, the Board or the Scheme Administrator may, at its sole discretion, determine the clawback mechanism of any RSU or the extension of the vesting period of an RSU, 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 is a material misstatement in the audited financial statements of the Company that requires a restatement;
- (b) 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 RSU(s) as set out in the Grant Instrument; 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 Hong Kong 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 RSUs (to the extent not being vested) granted as the Board or the Scheme Administrator may consider appropriate. The RSUs that are clawed back pursuant to this Rule shall be regarded as lapsed and the RSUs so clawed back will not be regarded as utilized for the purpose of calculating the available Scheme Mandate Limit (including any refreshed limit, where applicable).

15. NON-TRANSFERABILITY OF RSUs

- 15.1 Any RSU 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 RSUs or interests or benefits pursuant to the RSUs.

16. ALTERATIONS IN SHARE CAPITAL

- 16.1 Where there is any alteration in the capital structure of the Company by way of a subdivision, consolidation or reduction of the share capital of the Company, a capitalization issue 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 Restricted Shares underlying the RSUs so far as unvested; and/or
- (b) the Vesting Price for the Restricted Shares underlying the RSUs so far as unvested,

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 Hong Kong 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 Hong Kong Listing Rules and relevant guidance and interpretation of the Hong Kong Listing Rules issued by the Hong Kong 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 Hong Kong Listing Rules issued by the Hong Kong 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 Hong Kong Stock Exchange which is replicated below:

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

Adjustments shall follow the following formula:

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

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

Where:

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

CUM = Closing price as shown in daily quotations sheet of the Hong Kong 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, bonus 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:

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

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

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

- 16.2 The capacity of the Auditors or independent financial advisor (as the case may be) in Rule 16.1 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.
- 16.3 In respect of any adjustments required by Rule 16.1, 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 Hong Kong Listing Rules and all relevant guidance and interpretation of the Hong Kong Listing Rules issued by the Hong Kong Stock Exchange from time to time.
- 16.4 If the Company conducts any capitalization issue, bonus issue, rights issue, share consolidation, share sub-division or capital reduction after the Scheme Mandate Limit (including any refreshed limit, where applicable) have been approved in general meeting, the maximum number of H Shares that may be issued and transferred out of treasury in respect of all options and awards to be granted under all of the share scheme(s) of the

Company under the Scheme Mandate Limit (including any refreshed limit, where applicable) shall be adjusted accordingly with reference to the total number of issued H 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 and transferred out of treasury under the Scheme Mandate Limit (including any refreshed limit, where applicable) as a percentage of the total number of issued H Shares as at the date immediately before and after such event shall be the same, and that the Eligible Employees will be entitled to the same proportion of the Company's equity capital as to which such Eligible Employees were previously entitled to.

17. SCHEME LIMITS

- 17.1 Subject to the Scheme Mandate Limit, the maximum number of RSUs that may be granted under the Scheme shall not exceed 13,370,500 RSUs, corresponding to a maximum of 13,370,500 H Shares, which represents approximately 0.5007% of the total number of Shares in issue (including treasury shares), and approximately 2.4716% of the total number of H Shares in issue (excluding treasury shares), respectively. Relevant details of the maximum number of RSUs that may be granted under the Scheme (including under the First Grant and Reserved Grant) and the corresponding maximum number of underlying H Shares are set out below:

	Maximum number of RSUs to be granted	Maximum number of H Shares underlying the RSUs to be granted	Proportion in the maximum number of RSUs to be granted under the Scheme	Approximate proportion in the total number of Shares in issue	Approximate proportion in the total number of H Shares in issue (excluding treasury shares)
The Scheme	13,370,500	13,370,500	100.00%	0.5007%	2.4716%
Including:					
First Grant	10,696,400	10,696,400	80.00%	0.4005%	1.9773%
Reserved Grant	2,674,100	2,674,100	20.00%	0.1001%	0.4943%

- 17.2 The total number of H Shares which may be issued and transferred out of treasury in respect of all RSUs 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 10% of the total number of H 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 17.3.

- 17.3 The Company may refresh the Scheme Mandate Limit:

- 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 by obtaining Shareholders' approval and subject to compliance with any additional requirements set out in the Hong Kong Listing Rules; or
- within any of the aforementioned three-year period by obtaining Shareholders' approval and subject to compliance with any additional requirements set out in the Hong Kong Listing Rules,

provided that the total number of H Shares which may be transferred out of treasury in respect of all RSUs to be granted under the Scheme and the total number of H Shares which may be issued and transferred out of treasury in respect of all options and awards to be

granted under all other share scheme(s) of the Company under the Scheme Mandate Limit as refreshed must not exceed 10% of the total number of H Shares in issue (excluding any treasury shares) as at the date of such Shareholders' approval, and subject further to compliance with other requirements prescribed under the Hong Kong Listing Rules from time to time. Any RSUs 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 RSU granted but not yet vested), 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 amount of H Shares available for grant under the refreshed Scheme Mandate Limit.

- 17.4 The Company may seek separate approval by its Shareholders in general meeting for granting RSUs beyond the Scheme Mandate Limit (including any refreshed limit, where applicable), provided that the RSUs in excess of the Scheme Mandate Limit are granted only to Eligible Employees specifically identified by the Company before such approval is sought and subject to compliance with other relevant requirements prescribed under the Hong Kong Listing Rules.
- 17.5 The total number of H Shares transferred and to be transferred out of treasury in respect of all RSUs granted and to be granted under the Scheme and the total number of H Shares issued (and to be issued) and transferred (and to be transferred) out of treasury in respect of all options and awards granted or to be granted under any other share scheme(s) of the Company to each Grantee (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 H Shares in issue (excluding any treasury shares) (the “**1% Individual Limit**”). Any further grant of RSUs to a Grantee which would exceed the 1% Individual Limit shall be subject to separate approval of the Shareholders in general meeting in accordance with the Hong Kong Listing Rules and subject to the other requirements under the Hong Kong Listing Rules.
- 17.6 Any grant of RSUs to any director, chief executive (within the meaning of the Hong Kong Listing Rules) 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 RSUs). Furthermore,
- (a) where any grant of RSUs to any director (other than an independent non-executive director) or chief executive (within the meaning of the Hong Kong Listing Rules) of the Company or any of their respective associates would result in the Shares issued (and to be issued) and transferred (and to be transferred) out of treasury in respect of all awards granted under all share scheme(s) of the Company (excluding 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 H Shares in issue (excluding any treasury shares); or
 - (b) where any grant of RSUs to (i) any substantial shareholder of the Company or any of his or her associates or (ii) any associates of an independent non-executive director of the Company would result in the Shares issued (and to be issued) and transferred (and to be transferred) out of treasury 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 H Shares in issue (excluding any treasury shares),

such further grant of RSUs must be approved by the Shareholders in general meeting in the manner required under the Hong Kong Listing Rules and subject to the other requirements set out in the Hong Kong Listing Rules and other Applicable Laws.

18. TREATMENT OF RSUS UPON GENERAL OFFER, WINDING-UP AND OTHER ARRANGEMENTS

- 18.1 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 unvested RSUs. 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 unvested RSUs as at the date of such notice specifying the determination of the Board or the Scheme Administrator on the treatment of all unvested RSUs, including but not limited to (i) accelerating the vesting of any unvested RSUs; (ii) causing all unvested RSUs to lapse (with or without compensation); and/or (iii) setting a final deadline for payment of Vesting Price. Such notice shall specify any applicable deadlines for payment of Vesting Price or actions required by the Grantee (if applicable). Any unvested RSUs 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.
- 18.2 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 unvested RSUs. The Company shall, as soon as reasonably practicable after a general offer is made, give notice to all Grantees who hold any unvested RSUs as at the date of such notice specifying the determination of the Board or the Scheme Administrator on the treatment of all unvested RSUs, including but not limited to (i) accelerating the vesting of any unvested RSUs; (ii) causing all unvested RSUs to lapse (with or without compensation); and/or (iii) setting a final deadline for payment of Vesting Price. Such notice shall specify any applicable deadlines for payment of Vesting Price or actions required by the Grantee (if applicable). Any unvested RSUs 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.
- 18.3 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 unvested RSUs. 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 unvested RSUs as at the date of such notice specifying the determination of the Board or the Scheme Administrator on the treatment of all unvested RSUs, including but not limited to (i) accelerating the vesting of any unvested RSUs; (ii) causing all unvested RSUs to lapse (with or without compensation); and/or (iii) setting a final deadline for payment of Vesting Price. Such notice shall specify any applicable deadlines for payment of Vesting Price or actions required by the Grantee (if applicable). Any unvested RSUs 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.

19. INTEREST IN THE ASSET OF THE TRUST

- 19.1 A Grantee shall have only a contingent interest in an RSU subject to the vesting of such RSU in accordance with Rule 11. A Grantee shall not have any interest or rights (including but not limited to the right to receive dividend) in the Restricted Shares which are referable to him until such Restricted Shares have been vested and transferred to him in accordance with Rule 11.
- 19.2 No instructions may be given by a Grantee to the Trustee in respect of an RSU or any other property of the Trust and the Trustee shall not follow instructions given by a Grantee to the Trustee in respect of an RSU or any other property of the Trust.
- 19.3 Neither the Grantee nor the Trustee may exercise any voting rights attached to any H Shares held by the Trustee under the Trust (including any Restricted Shares that have not yet vested). The Trustee holding Restricted Shares under this Scheme, whether directly or indirectly, shall abstain from voting on matters that require Shareholders' approval under the Hong Kong Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.
- 19.4 A Grantee shall have no rights in the Residual Cash nor the balance of the fractional shares arising out of consolidation of H Shares (if any) and such H Shares shall be deemed as Returned Shares for the purposes of the Scheme.
- 19.5 The Trustee may not subscribe for any new H Shares pertaining to either (a) an open offer of new securities; or (b) any rights issue or bonus warrants issued in respect of any H Shares held by the Trustee. In the event of a rights issue, the Trustee shall sell any nil-paid rights allotted to it. In the event of the issue of a bonus warrant, the Trustee shall sell the bonus warrants granted to it. The net proceeds from the sale of such rights are held as cash income of the trust fund of the Trust and are first applied to fees, costs and expenses incurred by the Trustee in the administration of the Trust and then to any Grantee subject to discretion of the Board or the Scheme Administrator.
- 19.6 In the event a Grantee ceases to be an Eligible Employee on or prior to the relevant Vesting Date and the RSU in respect of the relevant Grantee shall lapse pursuant to the Scheme, such RSU shall not vest on the relevant Vesting Date (unless the Board or the Scheme Administrator determines otherwise in its sole and absolute discretion) and the Grantee shall have no claims against the Company or the Trustee.
- 19.7 Upon instruction of the Board or the Scheme Administrator, any Residual Cash shall be returned to the Company forthwith after completion of the purchase and/or subscription of all the Restricted Shares comprised in the RSUs granted. The Trustee shall hold any Restricted Shares so purchased or subscribed in accordance with the terms of these Rules and the provisions of the Trust Deed.

20. INTERPRETATION / DISPUTES

- 20.1 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.
- 20.2 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 Grantees.

21. ALTERATION OF THE SCHEME

- 21.1 Subject to the Scheme Mandate Limit and this Rule 21, the Board or the Scheme Administrator may amend any of the provisions of the Scheme or any RSUs granted under the Scheme at any time and in any respect, provided that the terms of the Scheme or RSUs so amended must comply with the relevant requirements of Chapter 17 of the Hong Kong Listing Rules. Subject to the other requirements under the Hong Kong 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 Hong Kong Listing Rules to the extent that such amendment operates to the advantage of Grantees.
- 21.2 Without prejudice to the powers of the Board or the Scheme Administrator under Rule 21.1 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.
- 21.3 Any change to the terms of RSUs the grant of which was subject to the approval of a particular authority (such as the Board or the Scheme Administrator, the remuneration and appraisal 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 RSUs granted to any Grantee 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 Hong Kong Listing Rules if the initial grant of the RSUs 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, provided that no change to the terms of any RSU granted shall result in acceleration of the vesting of such RSU.
- 21.4 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.

22. TERMINATION

- 22.1 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 RSUs 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 vesting of any RSU granted prior to the termination or otherwise as may be required in accordance with the provisions of the Scheme, and RSUs granted prior to such termination shall continue to be valid and shall be vested in accordance with the Scheme and the relevant Grant Instrument.

- 22.2 On the Trading Day following the settlement, lapse or cancellation (as the case may be) of the last outstanding RSU granted under this Scheme (whichever is later), the Trustee shall sell all Returned Shares and non-cash income remaining in the Trust, if any, and remit the proceeds of sale of the same together with any Residual Cash accrued in the Trust, after making appropriate deductions in respect of all disposal costs, expenses and other existing and future liabilities in accordance with the Trust Deed, to the Company forthwith after the sale.

23. GOVERNING LAW

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