

GENOR BIOPHARMA HOLDINGS LIMITED

嘉和生物藥業（開曼）控股有限公司

(Incorporated in the Cayman Islands with limited liability)

**RULES RELATING TO
THE 2023 RESTRICTED SHARE UNIT PLAN**

Adopted on [●] 2023

TABLE OF CONTENT

| | | |
|-----|--|----|
| 1. | DEFINITIONS AND INTERPRETATION..... | 1 |
| 2. | PURPOSES OF THIS PLAN | 4 |
| 3. | CONDITIONS | 4 |
| 4. | DURATION | 5 |
| 5. | ADMINISTRATION..... | 5 |
| 6. | ELIGIBILITY AND PARTICIPATION | 5 |
| 7. | MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION | 5 |
| 8. | GRANT OF AWARDS | 8 |
| 9. | VESTING OF RSUS | 11 |
| 10. | LAPSE AND CLAWBACK MECHANISM OF UNVESTED RSUS | 11 |
| 11. | CANCELLATION OF UNVESTED RSUS..... | 13 |
| 12. | REORGANISATION OF CAPITAL STRUCTURE | 13 |
| 13. | RIGHTS ON GENERAL OR PARTIAL OFFER, WINDING-UP AND OTHER ARRANGEMENTS | 15 |
| 14. | LEGAL CONDITIONS ON DELIVERY OF SHARES OR CASH..... | 16 |
| 15. | ALTERATION OF THIS PLAN | 16 |
| 16. | TERMINATION..... | 17 |
| 17. | OTHER COMPENSATION ARRANGEMENTS | 17 |
| 18. | LIMITATION OF LIABILITIES..... | 17 |
| 19. | CONFIDENTIALITY..... | 17 |
| 20. | GOVERNING LAW AND DISPUTE RESOLUTIONS..... | 18 |

1. DEFINITIONS AND INTERPRETATION

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

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| “ acting in concert ” | has the meaning ascribed to it under the Takeovers Code; |
| “ Administrator ” | the compensation committee of the Board. The compensation committee may, subject to and in accordance with the Articles of Association, delegate (i) to one or more of its members such of its duties, powers and responsibilities as it may determine; (ii) to one or more officers of the Company the power to grant Awards to the extent permitted by the Applicable Laws; and (iii) to such employees or other persons as it determines such ministerial tasks as it deems appropriate, provided that nothing shall prejudice the Board’s power to revoke such delegation at any time or derogate from the discretion rested with the Board. In the event of any delegation described in the preceding sentence, the term “ Administrator ” will include the person or persons so delegated to the extent of such delegation |
| “ Adoption Date ” | [●] 2023, being the date on which this Plan is conditionally adopted by the Shareholders |
| “ Applicable Laws ” | all applicable laws, regulations, ordinances or requirements of the relevant regulatory authorities including without limitation the Company Ordinance (Chapter 622 of the laws of Hong Kong), the SFO or the Listing Rules |
| “ Articles of Association ” | of the articles of association of the Company, as amended, supplemented or otherwise modified from time to time |
| “ associate(s) ” | has the meaning ascribed to it under the Listing Rules |
| “ Award(s) ” | award(s) of RSU(s) by the Administrator to a Grantee pursuant to the terms of this Plan |
| “ Board ” | the board of directors of the Company |
| “ Business Day(s) ” | any day on which the Stock Exchange is open for the business of dealing in securities |

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| “Company” | Genor Biopharma Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “controlling shareholder(s)” | has the meaning ascribed to it under the Listing Rules |
| “core connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “Effective Date” | the date on which the conditions referred to in Clause 3 are fulfilled |
| “Eligible Participant(s)” | has the meaning ascribed to it in Clause 6.1 |
| “Grant Agreement” | with respect to an Eligible Participant, a written agreement to be entered into by the Company and the Eligible Participant in respect of the grant of Awards under this Plan |
| “Grant Date” | the date on which an Award is granted to an Eligible Participant, which shall be a Business Day |
| “Grantee” | any Eligible Participant who enters into a Grant Agreement in accordance with the terms of this Plan |
| “Group” | the Company and its subsidiaries; and a “member of the Group” shall mean any one of the aforesaid companies |
| “Issue Notice” | a notice sent by the Company to a Grantee from, setting out details of issuance of Share(s) underlying the RSU(s) |
| “HKD” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “inside information” | has the meaning ascribed to it under the SFO |
| “Listing Committee” | has the meaning ascribed to it under the Listing |

Rules

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| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time |
| “Overall Mandate Limit” | has the meaning ascribed to it in Clause 7.1 |
| “Personal Representative(s)” | has the meaning ascribed to it in Clause 9.4 |
| “Plan Mandate Limit” | has the meaning ascribed to it in Clause 7.1 |
| “Plan” | the 2023 restricted share unit plan adopted by the Company in accordance with the terms herein |
| “PRC” | the People’s Republic of China (for purpose of this Plan, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan) |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “RSU(s)” | restricted share unit(s) granted to a Grantee pursuant to the terms of this Plan |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) |
| “Share Plans” | all effective share plans of the Company which are governed by Chapter 17 of the Listing Rules, including this Plan |
| “Share(s)” | ordinary share(s) of the Company |
| “Shareholder(s)” | holder(s) of the Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “substantial shareholder(s)” | has the meaning ascribed to it under the Listing Rules |
| “Takeovers Code” | the Codes on Takeovers and Mergers and Share Buybacks, as amended, supplemented or otherwise modified from time to time |
| “USD” | United States dollars, the lawful currency of the United States of America |

“%” per cent

1.2 In this Plan, except where the context otherwise requires:

- (a) clause headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Plan;
- (b) references to Clauses are to clauses of this Plan;
- (c) references to masculine gender include references to the feminine and neuter gender and references to the singular include references to the plural and vice versa;
- (d) reference to a time of a day in this Plan is a reference to Hong Kong time;
- (e) references to persons include bodies corporate, corporations, partnerships, sole proprietorships, organisations, associations, enterprises, branches and entities of any other kind whether or not having separate legal entity; and
- (f) references to statutory provisions shall be construed as references to those provisions as amended, modified or re-enacted from time to time.

2. PURPOSES OF THIS PLAN

LR17.03(1)

The purposes of this Plan are:

- (a) to advance the interests of the Company by motivating the Eligible Participants to contribute to the Company’s growth and development;
- (b) to recruit, incentivise and retain key employees;
- (c) to recognise the contributions by the Eligible Participants with an opportunity to acquire a proprietary interest in the Company; and
- (d) to motivate the Eligible Participants to maximise the value of the Company for the benefits of both the Eligible Participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Eligible Participants directly to the Shareholders through ownership of Shares.

3. CONDITIONS

This Plan shall take effect upon:

- (a) passing of the necessary resolution(s) by the Shareholders in general meeting; and
- (b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares which may fall to be allotted and issued upon vesting of the RSUs that may be granted under

this Plan.

4. DURATION

LR17.03(11)

Subject to Clause 16, this Plan shall be valid and effective for a period of ten (10) years commencing from the Effective Date, after which no further Award shall be granted under this Plan but the provisions of this Plan shall remain in full force and effect in all other respects. In particular, all Awards granted during the term of this Plan shall continue to be valid, and shall be administered in accordance with this Plan and the relevant Grant Agreement.

5. ADMINISTRATION

Subject to the terms of this Plan, the Administrator has discretionary authority to, inter alia, determine the eligibility for and grant any Award; determine, modify or waive the terms and conditions of any Award; determine how Shares underlying the RSUs will be issued; prescribe forms, rules and procedures relating to this Plan; and otherwise do all things necessary or appropriate to carry out the purposes of this Plan. Decisions made by the Administrator under this Plan shall be conclusive and shall bind all parties. For the avoidance of doubt, the Board shall have authority to the same extent as the Administrator has in this Plan.

6. ELIGIBILITY AND PARTICIPATION

LR17.03(2)

6.1 Eligible Participants are persons eligible to participate in this Plan and shall comprise director(s) (including executive director(s), non-executive director(s) and independent non-executive director(s)) and employee(s) (whether full-time or part-time) of any member of the Group, including any person who is granted Awards under this Plan as an inducement to enter into employment contracts with any member of the Group.

LR17.03A(1)

6.2 In determining the eligibility of an Eligible Participant, the Administrator may take into account various factors that it in its sole and absolute discretion considers relevant in assessing his contribution to the long-term development and growth of the Group, including:

- (a) individual performance;
- (b) time commitment;
- (c) responsibilities or employment conditions according to the prevailing market practice and industry standard;
- (d) the length of engagement with the Group; and
- (e) the actual and/or potential contribution to the development and growth of the Group.

7. MAXIMUM NUMBER OF SHARES AVAILABLE FOR

LR17.03(3)

SUBSCRIPTION

- 7.1 Subject to Clauses 7.4 and 7.7, the total number of Shares which may be issued in respect of all options and awards to be granted under all Share Plans, shall not exceed 27,414,364 Shares, representing approximately [●] % of the Shares in issue as at the Adoption Date (the “**Overall Mandate Limit**”), among which, the total number of Shares which may be issued in respect of all Awards to be granted under this Plan shall not exceed 5,964,556 Shares, representing approximately [●] % of the Shares in issue as at the Adoption Date (the “**Plan Mandate Limit**”). LR17.03B(1)
- 7.2 Options and awards lapsed in accordance with the terms of all Share Plans shall not be regarded as utilised for the purpose of calculating the Overall Mandate Limit or the Plan Mandate Limit. Note (1) to LR17.03B
- 7.3 If the Company conducts a share consolidation or subdivision after the Plan Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all awards to be granted under the Plan Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share. Note (2) to LR17.03B
- 7.4 The Company may seek approval by its Shareholders in general meeting for refreshing the Plan Mandate Limit:
- (a) after three (3) years from the Adoption Date (being [●] 2023) or the date of the Shareholders’ approval for the last refreshment of the Plan Mandate Limit; or LR17.03C(1)(a)
 - (b) within any of the aforementioned three-year period subject to the following requirements: LR17.03C(1)(b)
 - (i) any controlling shareholders of the Company and their associates (or if there is no controlling shareholder of the Company, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) shall abstain from voting in favour of the relevant resolution at the general meeting; and
 - (ii) the Company shall comply with the requirements under rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules.
- 7.5 The requirements under Clause 7.4(b)(i) and (ii) do not apply if the refreshment is made immediately after an issue of securities by the Company to its Shareholders on a pro rata basis as set out in rule 13.36(2)(a) of the Listing Rules such that the unused part of the Plan Mandate Limit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the Plan Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share. LR17.03C(1)(c)

- 7.6 After the refreshment of the Plan Mandate Limit, the total number of Shares which may be issued in respect of all options and awards to be granted under all Share Plans shall not exceed 10% of the Shares in issue as at the date of such approval of the refreshment of the Plan Mandate Limit. The Company shall send a circular to its Shareholders containing the information required under Chapter 17 of the Listing Rules. LR17.03C(2)
- 7.7 The Company may seek separate approval by its Shareholders in general meeting for granting Awards beyond the Plan Mandate Limit, provided that: LR17.03C(3)
- (a) the Awards in excess of the Plan Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought;
 - (b) the Company shall send a circular to its Shareholders containing the information required under Chapter 17 of the Listing Rules; and
 - (c) the number and terms of Awards to be granted to each such specified Eligible Participant shall be fixed before the Shareholders' approval.
- 7.8 Where any grant of Awards to an Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards under all Share Plans granted to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of all Share Plans) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue as at the date of such grant, such grant shall be subject to the following requirements: LR17.03(4)
LR17.03D(1)
- (a) separate approval by the Shareholders in general meeting with such Eligible Participant and his close associates (or associates if such Eligible Participant is a connected person of the Company) abstaining from voting;
 - (b) the Company shall send a circular to its Shareholders containing the information required under Chapter 17 of the Listing Rules; and LR17.03D(2)
 - (c) the number and terms of such further Awards to be granted to such Eligible Participant shall be fixed before the Shareholders' approval.
- 7.9 Any grant of Awards to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates under this Plan shall be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of such Awards). LR17.04(1)
- 7.10 Where any grant of Awards (excluding grant of options) to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their associates would result in the Shares issued and to be issued in respect of all Awards granted (excluding any Awards lapsed in accordance with the terms of this Plan) 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 Shares in issue as at the date of such grant, such further grant of Awards shall be subject to the following requirements:

- (a) approval by the Shareholders in general meeting;
- (b) the Company shall send a circular to its shareholders containing the information required under Chapter 17 of the Listing Rules;
- (c) the relevant Grantee, his associates and all core connected persons of the Company shall abstain from voting in favour at such general meeting; and
- (d) the Company shall comply with the requirements under rules 13.40, 13.41 and 13.42 of the Listing Rules.

LR17.04(4)(5)

The foregoing requirements also apply to any change in the terms of such Awards granted under this Clause 7.10 (except where the changes take effect automatically under the existing terms of this Plan).

Note (1) to
LR17.04

7.11 Where any grant of Awards to an independent non-executive Director or a 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 Plans (excluding any options and awards lapsed in accordance with the terms of all Share Plans) 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 Shares in issue as at the date of such grant, such further grant of Awards shall be subject to the following requirements:

LR17.04(3)

- (a) approval by the Shareholders in general meeting;
- (b) the Company shall send a circular to its shareholders containing the information required under Chapter 17 of the Listing Rules;
- (c) the relevant Grantee, his associates and all core connected persons of the Company shall abstain from voting in favour at such general meeting; and
- (d) the Company shall comply with the requirements under rules 13.40, 13.41 and 13.42 of the Listing Rules.

LR17.04(4)(5)

The foregoing requirements also apply to any change in the terms of such Awards granted under this Clause 7.11 (except where the changes take effect automatically under the existing terms of this Plan).

Note (1) to
LR17.04

8. GRANT OF AWARDS

8.1 Subject to the terms of this Plan and the Applicable Laws, the Administrator shall, from time to time on a Business Day during the term of this Plan, make a grant to any Eligible Participant as the Administrator may in its sole and absolute discretion select.

- 8.2 Upon entering into a Grant Agreement with the Company, an Eligible Participant shall become a Grantee and shall be regarded as having accepted the grant of Award(s) in accordance with the terms of this Plan and the relevant Grant Agreement. The Grantee shall not be required to pay any amount for the application or acceptance of the grant of Award(s). LR17.03(8)
- 8.3 No purchase price is to be paid by the Grantee upon vesting of the RSUs under this Plan. LR17.03(9)
- 8.4 The vesting period of the Awards shall not be less than twelve (12) months, save and except that Awards to be granted to an Eligible Participant may be subject to a vesting period of less than twelve (12) months (or no vesting period) in the following circumstances: LR17.03(6)
LR17.03F
- (a) grants of “make-whole” Awards to a new joiner to replace the Awards he forfeited when leaving his previous employers;
 - (b) grants to an Eligible Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
 - (c) grants with performance-based vesting conditions in lieu of time-based vesting criteria;
 - (d) grants that are made in batches during a year for administrative and compliance reasons. They may include Awards that should have been granted earlier but had to wait for a subsequent batch. In such cases, the vesting periods may be shorter to reflect the time from which the Awards would have been granted; and
 - (e) grants with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of 12 months.
- 8.5 Subject to the terms of this Plan and the Applicable Laws, the Administrator may, on a case-by-case basis and at its sole and absolute discretion, impose any conditions, restrictions or limitations in relation to any grant of Awards in addition to those expressly set forth in this Plan as it may think fit (which shall be specified in the Grant Agreement) including but not limited to (without prejudice to the generality of the foregoing):
- (a) performance targets to be fulfilled before any Award granted shall vest, relating to (i) the Grantee’s annual performance evaluation results determined under the Company’s employee performance evaluation system for the preceding fiscal year prior to the relevant vesting date, and the Award to be vested on the relevant vesting date may be adjusted based on the Grantee’s annual performance results; (ii) the Grantee’s fulfilment of milestones with respect to, including but not limited to, the drug discovery status, clinical development status, launching status, business development partnering status, manufacturing status and/or commercialisation status of the Company’s drug candidates; and/or (iii) any other performance targets as the Administrator determines as LR17.03(7)

appropriate;

- (b) lock-up periods or restriction on disposals of the Shares acquired from vesting of the RSUs granted; and
- (c) such special terms necessary or appropriate to accommodate differences in the Applicable Laws, tax policy, or custom applicable in the jurisdiction in which an Eligible Participant resides, is employed or provides its service in order to assure the viability of RSUs granted to the Eligible Participants in various jurisdictions.

8.6 The Company shall not grant any Award:

LR17.05

- (a) after inside information has come to its knowledge until (and including) the Business Day after it has announced such inside information;
- (b) during the period commencing one (1) month 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 Company's results 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, provided that such period shall also cover any period of delay in publishing such results announcement; or

- (c) to a Director on any day on which its financial results are published and:
 - (i) 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 the publication date of the results; and
 - (ii) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,

unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met as described under the Listing Rules.

9. VESTING OF RSUS

9.1 Subject to fulfilment of conditions set out in the Grant Agreement, the Company shall send an Issue Notice to the relevant Grantee fourteen (14) Business Days prior to the relevant issue date, specifying the following information:

- (a) the confirmation on fulfilment of all relevant issue conditions;
- (b) the number of Shares underlying the RSUs to be issued; and
- (c) the relevant issue date.

The Administrator shall have the right to make a final decision with respect to whether the vesting conditions have been satisfied.

9.2 The Grantee shall sign and return a notice of acceptance appended to the Issue Notice within the period as set out therein. Upon receipt of a written notice of acceptance from the Grantee, the Company shall issue and allot the Shares to the Grantee.

9.3 The Shares to be allotted and issued upon vesting of the RSUs shall be subject to all provisions of the Articles of Association and the Applicable Laws in force as at the date of allotment and issuance of such Shares and shall rank *pari passu* in all respects with the existing fully paid Shares in issue as at the date the name of the Grantee is registered on the register of members of the Company, including voting, dividend, transfer and other rights, save that the Grantee shall not have any right to participate in all dividends or other distributions the record date of which is prior to such registration. No fractional Shares shall be allotted and issued under this Plan.

LR17.03(10)(15)

9.4 Any Award shall be personal to the Grantee and shall not be assignable or transferable. No Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whether legal or beneficial in favour of any third party over or in relation to any Award or attempt so to do, unless a waiver is granted by the Stock Exchange. Notwithstanding the foregoing, in the event of death of a Grantee, the unvested RSUs of the deceased Grantee may be assigned to his executor or administrator (as the case may be) (the “**Personal Representative**”). The production to the Company of any document evidencing the grant of probate or the grant of letters of administration (as the case may be) of a deceased Grantee may be accepted by the Company even if the deceased is domiciled outside the Cayman Islands if the document evidencing the grant of probate or the grant of letters of administration is issued by a foreign court which had competent jurisdiction in the matter. Any permitted assignment of RSUs shall only be made in a manner that is not prohibited by Applicable Laws.

LR17.03(10)(17)

10. LAPSE AND CLAWBACK MECHANISM OF UNVESTED RSUS

LR17.03(12)

10.1 In the event the employment or service relationship between a Grantee and any member of the Group is terminated under the following situations, the following

LR17.03(19)

corresponding clawback mechanism would apply:

- (a) (i) retirement; (ii) permanent physical or mental disability; (iii) death; (iv) resignation; (v) employment or service contract not renewed due to the Grantee's personal reason; or (vi) employment or service contract terminated due to unsatisfactory performance or incompetence, the right to all unvested RSUs shall automatically and immediately lapse. In the case of death of the Grantee, subject to the requirements set out in Clause 9.4, the inheritor of the Grantee shall inherit the legitimate rights and interests of the vested RSUs under the Applicable Laws.
- (b) (i) behaviors including corruption, bribery, theft, revealing of the Company's confidential secrets, negligence or misconduct or any other law offence behaviors that have caused serious damage to the Company or have brought the Company into disrepute; (ii) criminal behaviors investigated for criminal responsibility according to acts; or (iii) other Causes, all unvested RSUs shall lapse. The Company will reserve the rights to take legal actions, including but not limited to claw back all profits made by such Grantee by selling such Shares acquired from vesting of the RSUs granted, for dealing with such situations.

For the purpose of this Clause 10.1(b), "**Cause**" shall have the following meaning:

In the case of any Grantee who is party to an employment or service contract with any member of the Group that contains a definition of "Cause", the definition set forth in such contract shall apply with respect to such Grantee under this Plan.

In the case of any other Grantee, "**Cause**" shall mean, as determined by the Administrator in its reasonable judgment, (i) a substantial failure of the Grantee to perform his duties and responsibilities to any member of the Group or substantial negligence in the performance of such duties and responsibilities; (ii) the commission by the Grantee of a felony or a crime involving moral turpitude; (iii) the commission by the Grantee of theft, fraud, embezzlement, material breach of trust or any material act of dishonesty involving any member of the Group; (iv) a significant violation by the Grantee of the code of conduct of any material policy of any member of the Group, or of any statutory or common law duty of loyalty to any member of the Group; (v) material breach of any of the terms of this Plan or the Grant Agreement; or (vi) other conduct by the Grantee that could be expected to be harmful to the business, interests or reputation of any member of the Group.

10.2 In the event that the Grantee is on medical leave for more than three (3) consecutive months, the Grantee's right to the RSUs, whether or not vested, shall not be affected or otherwise prejudiced.

10.3 In the event that the Grantee is on maternity leave or work injury sick leave in accordance with the applicable employment and labour laws (including but not

limited to the Labour Law of the PRC and Special Provisions on Labour Protection for Female Employees), the Grantee's RSUs, whether or not vested, shall not be affected or otherwise prejudiced.

- 10.4 An unvested RSU shall lapse automatically on the earliest of:
- (a) the date on which the Grantee commits a breach of Clause 9.4;
 - (b) the expiry of the periods referred to in Clauses 10.1 to 10.3;
 - (c) the expiry of the periods referred to in Clause 13;
 - (d) the date the compromise or arrangement referred to in Clause 13.2 becomes effective;
 - (e) subject to Clause 13.3, the date of the commencement of the winding-up of the Company in respect of the situation contemplated in Clause 13.3;
 - (f) if a RSU was granted subject to certain conditions, restrictions or limitation, the date on which the Administrator resolves that the Grantee has failed to satisfy or comply with such conditions, restrictions or limitation;
 - (g) in respect of a Grantee being a Service Provider (whether individual or corporation), the date on which the Board resolves that such Grantee fails to comply with any provisions of the relevant contracts, or breaches its fiduciary duty under the common law; and
 - (h) the occurrence of such event or expiry of such period as may have been specifically provided for in the Grant Agreement, if any.

11. CANCELLATION OF UNVESTED RSUS

LR17.03(14)

Subject to the consent from the relevant Grantee, the Administrator may at its sole and absolute discretion cancel RSUs previously granted but not yet vested to a Grantee. The Grantee whose RSUs are cancelled pursuant to this Clause 11 may be granted new RSUs in accordance with the terms of this Plan, provided that there are sufficient unused RSUs (excluding such cancelled RSUs) available for such re-grant under the Plan Mandate Limit. The RSUs cancelled shall be regarded as utilised for the purpose of calculating the Plan Mandate Limit.

Note to
LR17.03(14)

12. REORGANISATION OF CAPITAL STRUCTURE

- 12.1 In the event of any change in the share capital structure of the Company whilst any RSU remains unvested, whether by way of capitalisation issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company, other than any alteration in the share capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party or any member of the Group is a party, the Administrator shall make (and shall notify the Grantee where applicable) such corresponding adjustments (if

LR17.03(13)

any) in the number of Shares subject to the RSUs so far as unvested.

12.2 Any adjustments required under Clause 12.1 shall give a Grantee the same proportion of the equity capital, rounded to the nearest whole Share, as that to which that Grantee was previously entitled, but no such adjustments may be made to the extent that a Share would be issued at less than their nominal value.

Note to
LR17.03(13)

12.3 The adjustments to be made in respect of each adjusting events are set out below:

I. Capitalisation issue or rights issue

$$Q = Q_0 \times F$$

Where

Q = number of Shares subject to the RSUs so far as unvested after adjustment

Q₀ = number of Shares subject to the RSUs so far as unvested before adjustment

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

CUM = closing price as shown in the Stock Exchange's daily quotations sheet on the last day of trading before going ex-entitlement

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

M = entitlement per existing Share

R = subscription price

II. Consolidation or subdivision of share capital

$$Q = Q_0 \times F$$

Where

Q = number of Shares subject to the RSUs so far as unvested after adjustment

Q₀ = number of Shares subject to the RSUs so far as unvested before adjustment

F = consolidation or subdivision factor

12.4 In respect of any adjustments required under Clause 12.1, other than any made on a capitalisation issue, an independent financial adviser or the auditors of the Company shall certify in writing to the Administrator that the adjustments satisfy the requirements set out in Clause 12.2.

Note to
LR17.03(13)

12.5 References to Shares in this Plan shall be construed to include any shares or securities resulting from an adjustment pursuant to Clause 12.1.

13. RIGHTS ON GENERAL OR PARTIAL OFFER, WINDING-UP AND OTHER ARRANGEMENTS

LR17.03(10)

13.1 In the event of a general or partial offer (whether by way of takeover offer, repurchase offer or scheme of arrangement or otherwise in like manner) is made to all Shareholders (other than the offeror and/or any person controlled by the offeror and/or any party acting in concert with the offeror) to acquire all or part of the issued Shares and such offer, having been approved in accordance with the Applicable Laws and other applicable regulatory requirements, becomes or is declared unconditional (within the meaning of the Takeovers Code), all RSUs (to the extent unvested as at the date on which the offer becomes or is declared unconditional (which shall become vested forthwith)) shall immediately vest in the respective Grantee within fourteen (14) calendar days after the date on which such offer becomes or is declared unconditional.

13.2 In the event of a compromise or arrangement between the Company and its members and/or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all Grantees (together with a notice of the existence of the provisions of this Clause 13.2) on the same day as it despatches to members and/or creditors of the Company a notice convening the meeting to consider such a compromise or arrangement, and thereupon all unvested RSUs shall vest immediately in the respective Grantee no later than two (2) Business Days prior to the proposed meeting directed to be convened by the relevant court for the purposes of considering such compromise or arrangement if there are more than one meeting for such purpose, the date of the first meeting. With effect from the date of such meeting, no further RSU shall be vested. Upon such compromise or arrangement becoming effective, all RSUs shall, to the extent that they have not been vested, lapse and determined. The Administrator shall endeavour to procure that the Shares issued as a result of the vesting of the RSUs in such circumstances shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the relevant court (whether upon the terms presented to the relevant court or upon any other terms as may be approved by such court) the rights of the Grantees to be vested with their respective RSUs (to the extent not already vested) shall with effect from the date of the making of the order by the relevant court be restored in full as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension.

13.3 In the event a notice is given by the Company to its Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company when the Company is solvent, the Company shall on the day of such notice to each Shareholder or as soon as practicable thereafter, give notice thereof to all Grantees (together with a notice of the existence of this Clause 13.3). Thereupon all unvested RSUs shall vest immediately in the respective Grantee, and the Company shall, as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Grantee credited as fully paid, which Shares shall rank pari passu with all other Shares in issue as at the date prior to the passing the resolution to wind-up the Company to participate in the distribution of assets of the Company available in liquidation.

14. LEGAL CONDITIONS ON DELIVERY OF SHARES OR CASH

The Company shall not be obligated to deliver, issue or transfer any Shares pursuant to this Plan or remove any restriction from Shares delivered under this Plan or deliver payment in cash in respect of any Option until: (i) the Company is satisfied that all legal matters and government approvals in connection with the issuance and delivery of such Shares or cash have been addressed and resolved; (ii) all tax withholding requirements under the Applicable Laws with respect to the Shares have been satisfied; (iii) if the outstanding Shares are at the time of delivery, issuance or transfer listed on any share exchange or national market system, the Shares to be delivered, issued or transferred have been listed or authorised to be listed on such exchange or system upon official notice of issuance; (iv) the passing of a resolution by the Administrator to grant RSUs under this Plan and the Company to allot and issue Shares pursuant to the vesting of any RSUs; and (v) all conditions of the RSUs have been satisfied or waived. If the sale of Shares has not been registered under any Applicable Laws in any applicable jurisdiction, the Company may require, as a condition to vesting of the RSUs, such representations or agreements as counsel for the Company may consider appropriate to avoid violation of any Applicable Laws. Any Shares required to be issued or transferred to the Grantees under this Plan shall be issued or transferred, subject to the Articles of Association and the Applicable Laws, in such manner as the Administrator may deem appropriate.

15. ALTERATION OF THIS PLAN

15.1 The terms of this Plan may be altered in any respect by resolution of the Board or the Administrator to the extent allowed by the Listing Rules except that the following alterations must be approved by the Shareholders in general meeting: LR17.03(18)

(a) any alterations to the terms and conditions of this Plan which are of a material nature; Note (1) to LR17.03(18)

(b) any alterations to the provisions relating to the matters set out in rule 17.03 of the Listing Rules to the advantage of the Eligible Participants; Note (1) to LR17.03(18)

(c) any change to the authority of the Directors or the Administrators to alter the terms of this Plan. Note (4) to LR17.03(18)

15.2 Any amendment to the terms of the Awards granted to a Grantee (except where the changes take effect automatically under the existing terms of this Plan) shall be approved by the Board, the compensation committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Awards was approved by the Board, the compensation committee, the independent non-executive Directors and/or the Shareholders (as the case may be). Note (2) to LR17.03(18)

15.3 The amended terms of this Plan or the Awards granted shall comply with the relevant requirements of the Chapter 17 of the Listing Rules. Note (3) to LR17.03(18)

16. TERMINATION

This Plan shall terminate on the earlier of:

- (a) the end of the life of this Plan as set out in Clause 4; and
- (b) such date of early termination as determined by the Board, following which no further Award shall be granted under this Plan, but the provisions of this Plan shall remain in full force and effect in all other respects. In particular, all Awards granted prior to the termination shall continue to be valid, and shall be administered in accordance with this Plan and the relevant Grant Agreement. LR17.03(16)

17. OTHER COMPENSATION ARRANGEMENTS

The existence of this Plan or the grant of any Award will not in any way affect the Company's right to award a person bonuses or other compensation in addition to the Awards granted under this Plan.

18. LIMITATION OF LIABILITIES

Notwithstanding anything to the contrary in this Plan, neither the Company, nor any other member of the Group, nor the Administrator, nor any person acting on their behalf, shall be liable to any Grantee or to the estate or beneficiary of any Grantee or to any other holder of a RSU by reason of any acceleration of income, or any additional tax (including any interest and penalties), asserted with respect to the RSU and the Shares acquired from vesting of the RSUs granted; provided, that nothing in this Clause 18 shall limit the ability of the Administrator or the Company, in its sole and absolute discretion, to provide by separate express written agreement with a Grantee for a gross-up payment or other payment in connection with any such acceleration of income or additional tax.

19. CONFIDENTIALITY

All Grantees shall strictly comply with the rules of confidentiality. Unless the Applicable Laws require otherwise, the Grantees shall not ask others or disclose information regarding the RSUs granted (including but not limited to the

relevant Grant Agreement and terms thereof) and other relevant information. Any violation of the confidentiality obligation can be deemed as violation of the Grant Agreement, and the Administrator shall have the right to forfeit any unvested RSUs of such Grantee or beneficiary.

20. GOVERNING LAW AND DISPUTE RESOLUTIONS

- 20.1 The Awards shall be granted and administered consistent with (i) the requirements of Articles of Association; (ii) the Applicable Laws; and (iii) the applicable requirements of the stock exchanges or other trading systems on which the Shares are listed or entered for trading as determined by the Administrator.
- 20.2 Except as otherwise provided by the express terms of a Grant Agreement, the terms of this Plan, the terms of Awards granted under this Plan and all claims or disputes arising out of this Plan or any Option under this Plan or relating to the subject matter hereof or thereof shall be governed by and construed in accordance with the laws of Hong Kong without giving effect to any choice or conflict of laws provision or rule that would cause the application of the laws of any other jurisdiction.
- 20.3 Any dispute, controversy, difference or claim arising out of or relating to this Plan, including the existence, validity, interpretation, performance, breach or termination thereof or any dispute regarding non-contractual obligations arising out of or relating to it shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre (“**HKIAC**”) under the HKIAC Administered Arbitration Rules in force when the Notice of Arbitration (as defined therein) is submitted. The law of arbitration shall be the laws of Hong Kong. The seat of arbitration shall be Hong Kong. The number of arbitrators shall be three (3). The arbitration proceedings shall be conducted in English.

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