
Human Health Holdings Limited
(Incorporated in Cayman Islands with limited liability)

SHARE OPTION SCHEME

Conditionally adopted by resolution of the shareholders of
Human Health Holdings Limited dated [*]

WARNING: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer of the Options. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

1. DEFINITIONS AND INTERPRETATION

1.1 In the Scheme, each of the following words and expressions shall, unless the context requires otherwise, have the following meaning:

“Adoption Date”	means [*] (being the date on which the Scheme was conditionally adopted by resolution of the Shareholders in accordance with the articles of association of the Company for the time being);
"Articles of Association"	the third amended and restated articles of association of the Company currently in effect, as may be amended from time to time;
“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Auditors”	means the auditors of the Company for the time being;
“Board”	means the board of directors of the Company;
“Business Day”	means any day on which securities are traded on the Stock Exchange;
"CCASS"	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;

“Commencement Date”	means in respect of any particular Option, the date on which the Option is duly accepted by the Grantee in accordance with the terms of the Scheme;
“Committee”	the person(s) from time to time delegated by the Board, whom may be directors or senior managers of a Group Company, with the power and authority to administer the Scheme in accordance with the terms of this Scheme;
“Company”	means Human Health Holdings Limited, a limited liability company incorporated in the Cayman Islands on 9 June 2015;
“Core Connected Person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Director”	means any director (including executive director, non-executive director and independent non-executive director) of the Company or its Subsidiaries for the time being;
"Disability"	a disability, whether temporary or permanent, partial or total as determined by the Board or the Committee in its absolute discretion;
“Eligible Participant (s)”	means any person who satisfies the eligibility requirements set out in paragraph 3.5;
“Employee(s)”	has the meaning given to it in paragraph 3.5.2;
“Grantee(s)”	means any Eligible Participant who accepts an Offer in accordance with the terms of the Scheme or (where the context so permits) a person entitled, in accordance with the laws of succession applicable, to exercise any Option in consequence of the death of the original Grantee;
“Group”	means the Company and its Subsidiaries or, where the context so requires, in respect of the period before the Company became the holding company of its current subsidiaries, such subsidiaries as if they were the Company’s subsidiaries at that time and a “Group Company” shall mean any one of them;
“HK\$”	means Hong Kong dollars, the lawful currency for the time being of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;

“Inside Information”	has the meaning ascribed thereto in the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time;
“Listco Connected Person(s)”	means any director, the chief executive or any substantial shareholder of the Company or any of their associates;
“Listing Committee”	means the listing committee of the Stock Exchange;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time);
"Memorandum"	the amended and restated memorandum of association of the Company currently in effect, as may be amended from time to time;
“Misconduct”	in respect of a Grantee, means any of the following: (i) an act of fraud or dishonesty or serious misconduct, whether or not in connection with his employment, provision of service or contractual engagement with any member of the Group and whether or not it has resulted in his employment, provision of service or contractual engagement being terminated by the relevant member of the Group; (ii) material non-compliance with the terms of his employment contract, service contract or other contract with any member of the Group or disobedience of any orders or instructions given by any member of the Group, as the case may be; (iii) where the Grantee has been declared bankrupt or adjudged to be bankrupt by a competent court or governmental body or has failed to pay his debts as they fall due within the meaning of the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong) or any other applicable laws, rules or regulations; (iv) where the Grantee has become otherwise insolvent or has made any arrangements or compositions with his creditors generally or an administrator has taken possession of any of his assets; (v) where the Grantee has been convicted of any criminal offence involving his, her or its integrity or honesty;

	(vi) where the Grantee has been convicted of or is being held liable for any offence under or any breach of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) or other securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time; or (vii) where the Grantee has, in the sole opinion of the Board, conducted himself in any manner whatsoever to the detriment of or prejudicial to the interests of any member of the Group;
“Offer”	means an offer of the grant of the Option(s) made in accordance with paragraph 4;
“Offer Date”	means the date on which an Offer is made to an Eligible Participant, which must be a Business Day;
“Option(s)”	means a right to subscribe for one ordinary share in the capital of the Company pursuant to the Scheme and the Offer Letter (as defined in paragraph 4.4);
“Option Period”	means a period to be determined and notified by the Board to the Grantee during which the Option(s) may be exercised, which period shall commence on the Commencement Date and expire in any event not later than the last day of the 10 year period after the Commencement Date (subject to the provisions for early termination contained in paragraph 7);
“Option Price”	means the amount of HK\$1.00 payable for each acceptance of an Offer;
“Related Entity Participant(s)”	has the meaning given to it in paragraph 3.5.3;
“Scheme”	means this share option scheme in its present or any amended form;
“Scheme Mandate Limit”	has the meaning given to it in paragraph 8.1;
“Service Provider(s)”	has the meaning given to it in paragraph 3.5.4;
“Service Provider Sub-limit”	has the meaning given to it in paragraph 8.1;

“Share(s)”	means fully paid ordinary shares of HK\$0.01 each in the share capital of the Company (or, if there has been a sub-division, consolidation, reduction, re-classification, redenomination or reconstruction of the share capital of the Company, ordinary shares forming part of the equity share capital of the Company of such revised amount as shall result from such sub-division, consolidation, reduction, re-classification, redenomination or reconstruction of such ordinary shares from time to time);
“Share Schemes”	collectively, the share option schemes and share award schemes involving the grant of awards or options over Shares adopted or to be adopted by the Company from time to time;
“Shareholder(s)”	means the shareholders of the Company for the time being;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Exercise Price”	means the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to paragraph 5;
“Subsidiary(ies)”	means a subsidiary (within the meaning of Section 15 of the Companies Ordinance, Chapter 622 of the Laws of Hong Kong) of the Company for the time being;
“Substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules;
"Treasury Shares"	the Shares repurchased and held by the Company in treasury (if any), as authorised by the laws and regulations of Cayman Islands and the Memorandum and Articles of Association as in effect from time to time, which, for the purpose of the Listing Rules, include Shares repurchased by the Company and held or deposited in CCASS for sale on the Stock Exchange, and has the meaning ascribed to it under the Listing Rules as amended, supplemented or otherwise modified from time to time; and
“%”	means per cent.

1.2 In the Scheme, unless the context otherwise requires:

1.2.1 paragraph headings are inserted for convenience only and do not affect its interpretation;

1.2.2 words in the singular include the plural and vice versa;

- 1.2.3 words denoting the masculine gender include the feminine gender;
- 1.2.4 a reference to any enactment shall be construed as a reference to that enactment as from time to time amended, extended or re-enacted; and
- 1.2.5 references to Shares include Treasury Shares, and references to allot, allotment or issue of any Shares shall include sale or transfer of Shares out of treasury that are held as Treasury Shares (as the case may be, and to the extent permissible by applicable laws and regulations, including the Listing Rules).

2 CONDITIONS

- 2.1 The Scheme is conditional on:
 - 2.1.1 the Listing Committee granting approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any Options granted hereunder; and
 - 2.1.2 the passing of the resolutions by the Shareholders to approve and adopt the Scheme and to authorise the Board to grant Options under the Scheme and to allot and issue Shares pursuant to the exercise of any Options.
- 2.2 If the conditions set out in paragraph 2.1 are not satisfied on or before the expiry of six months after the Adoption Date:
 - 2.2.1 the Scheme shall immediately terminate;
 - 2.2.2 any Option granted or agreed to be granted pursuant to the Scheme and any Offer of such a grant shall be of no effect;
 - 2.2.3 no person shall be entitled to any rights or benefits or be under any obligations in respect of the Scheme or any Option; and
 - 2.2.4 any amount(s) paid by any Grantee(s) in respect of the Option Price shall be refunded (without interest) by the Company.

3. PURPOSE, DURATION, ADMINISTRATION AND ELIGIBILITY

- 3.1 The purpose of the Scheme is to:
 - 3.1.1 recognise and reward certain Eligible Participants for their contribution and continuing efforts to promote the growth and development of the Group;
 - 3.1.2 give incentives to certain Eligible Participants in order to retain them for the continual operation and development of the Group and align the interests of the Eligible Participants with those of the Group;
 - 3.1.3 attract suitable personnel to contribute to the continual operation and further development of the Group;

in each case, through ownership of the Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares.

- 3.2 Subject to the fulfilment of conditions in paragraph 2.1 and the termination provisions in paragraph 14, the Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further offer of Options may be made and no Options shall be granted but the provisions of the Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto which are at that time or become thereafter capable of exercise under the Scheme, or otherwise to the extent as may be required in accordance with the provisions of the Scheme.
- 3.3 The Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties. The Board may delegate the authority to administer this Scheme to the Committee or appoint one or more persons, entities or contractors to assist in the administration of this Scheme and delegate such powers and/or functions relating to the administration of this Scheme as the Board thinks fit.
- 3.4 For the avoidance of doubt, the Committee shall have powers of recommending and/or deciding (on and subject to the terms and conditions provided under this Scheme) the selection of the Eligible Participants, the terms and conditions of the Option(s) to be granted under this Scheme from time to time (including but not limited to the number of Shares underlying the Option(s), the Option Period, vesting criteria, performance targets, and other terms and conditions), and other related matters as expressly provided under this Scheme or in accordance with the Listing Rules or other applicable laws, rules and regulations. In the event that a Grantee is a member of the Board, such person may, notwithstanding his own interest but subject to the articles of association of the Company for the time being and the applicable laws, rules and regulations, vote on any resolution of the Board or the Committee concerning this Scheme (other than in respect of the grant or vesting of any Option(s) to or in him under this Scheme).
- 3.5 The Board may, at its discretion, invite any person belonging to any of the following classes of Eligible Participants, to take up options to subscribe for Shares:
- 3.5.1 any director of a Group Company;
- 3.5.2 any employee of a Group Company (“**Employee(s)**”);
- 3.5.3 any director or employee of any holding company or fellow subsidiary or associated company of the Company (“**Related Entity Participant(s)**”);
- 3.5.4 (a) (i) any medical or dental practitioner or (ii) medical or dental professional, in each case, who provides medical and healthcare services to the customers of the Group; or (b) any service provider who provides medical and healthcare related advisory services to the Group; and in each case, as an independent contractor, adviser or consultant (whether directly engaged by the Group or through his/her service company) and provides services to the Group on a continuing or recurring

basis in his/her/its ordinary and usual course of business which are in the interests of the long-term growth of the Group (“**Service Provider(s)**”),

and, for the purposes of the Scheme, the Option(s) may be granted to any company owned by one or more of the above participants or any trust which the settlor is the above participant, however, no individual who is resident in a place where the grant of the Option(s), the vesting or exercise of the Option(s) and/or the subscription of Shares pursuant to the terms of the Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board, compliance with applicable laws and regulations in such place make it necessary or expedient to exclude such individual, shall be entitled to participate in the Scheme and such individual shall therefore be excluded from the term Eligible Participant(s).

4. GRANT OF OPTIONS

- 4.1 Subject to the terms of the Scheme, the Board shall be entitled but shall not be bound at any time within the period of 10 years after the Adoption Date to make an Offer to any Eligible Participant, taking into account such factors as the Board may at its discretion consider appropriate, as the Board may in its absolute discretion select to subscribe for such number of Shares, being a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof, subject to paragraphs 4.7, 4.9 and 8, as the Board may determine at the Exercise Price. The Board may in its absolute discretion specify such conditions as it thinks fit when making an Offer to an Eligible Participant (including, without limitation, as to performance criteria which must be satisfied by the Eligible Participant and/or the Company and/or its Subsidiaries, before an Option may be exercised), provided that such conditions shall not be inconsistent with any other terms and conditions of the Scheme and the Listing Rules.
- 4.2 In assessing the eligibility of any director of a Group Company or Employee, the Board or the Committee may consider, among other things, such Eligible Participant’s individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of employment or engagement with the Group, contribution and/or future contribution to the development and growth of the Group.
- 4.3 In assessing the eligibility of any Related Entity Participant, the Board or the Committee will consider, among others, their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group. Related Entity Participants may also contribute to the Group by providing professional expertise, resources and specific knowledge on the market it operates which include providing essential medical services to support the Company’s operations in Mainland China or imaging and laboratory services to the Company’s patients and medical centres that align closely with the Company’s principal businesses, providing guidance with respect to potential expansion into new markets which allow the Group to capture new opportunities for business development.
- 4.4 In assessing the eligibility of any Service Provider and whether such Service Provider provides services on a continuing or recurring basis in his, her or its ordinary and usual

course of business, the Board or the Committee shall consider all relevant factors as appropriate, including, among others,

- 4.4.1 the types of services the Service Provider had performed or will perform for the Group or for customers of the Group;
 - 4.4.2 the individual performance of the Service Provider;
 - 4.4.3 the relevant experience or expertise of the Service Provider;
 - 4.4.4 the period of service or engagement to the Group by the Service Provider; and
 - 4.4.5 the Service Provider's contribution and/or future contribution to the development and growth of the Group;
 - 4.4.6 other factors, including but not limited to the capability, expertise, technical know-how and/or the synergy between the relevant Service Provider and the Group.
- 4.5 In particular, the Board or the Committee will consider the following to determine whether a Service Provider has provided services on a continuing or recurring basis in his, her or its ordinary course of business:
- 4.5.1 whether the Service Provider has entered into a consultancy agreement with the Group which is not subject to any fixed term of service (other than those constituted as continuing connected transactions of the Company);
 - 4.5.2 whether the amount of time (for example, the number of hours each week) the Service Provider would be required to provide services to the Group or its customers pursuant to his or her consultancy agreement would be considered regular, continuous or recurring;
 - 4.5.3 whether the Service Provider has already provided medical or healthcare services to the customers of the Group for a continuous period of time under his or her consultancy agreement; and
 - 4.5.4 in respect of service providers who provide medical and healthcare related advisory services to the Group, the Board or Committee would consider whether such Service Provider has entered into a service agreement/appointment letter with the Group, which does not have a fixed term period (other than those constituted as continuing connected transactions of the Company) and/or has provided services to the Group for a continuous period of time.
- 4.6 Each Offer shall be made to an Eligible Participant in writing in such form as the Board may from time to time determine (the “**Offer Letter**”) and shall:
- 4.6.1 state the name, address and position of the Eligible Participant in the Group (if applicable);

- 4.6.2 state the Offer Date;
 - 4.6.3 specify a date, being a date not later than 28 days after (i) the Offer Date, or (ii) the date on which the conditions for the Offer are satisfied, by which the Eligible Participant must accept the Offer or be deemed to have declined it;
 - 4.6.4 state the method and procedures for accepting the Offer and that an acceptance of the Offer must be accompanied by payment of the Option Price;
 - 4.6.5 state that the Option Price is not refundable (except in the case of paragraph 4.14) and shall not in any circumstances be, or be deemed to be, a part payment of the Exercise Price;
 - 4.6.6 specify the number of Shares and the number of Options to which the Offer relates;
 - 4.6.7 specify the Exercise Price;
 - 4.6.8 specify the Option Period, and the date or dates during the Option Period upon which the Option shall first become exercisable;
 - 4.6.9 specify any other conditions which must be satisfied before the Option(s) may be exercised, including without limitation such performance targets as the Board may determine from time to time;
 - 4.6.10 require the Eligible Participant to undertake to hold the Option(s) on the terms on which it is to be granted and to be bound by the provisions of the Scheme; and
 - 4.6.11 subject to the above, be made in such form as the Board may from time to time prescribe.
- 4.7 No Offer shall be made after the Inside Information has come to the Company's knowledge until (and including) the trading day after it has announced the information. In particular, during the period commencing 30 days immediately before the earlier of (i) the date of the meeting of the Board (as such date is first notified by the Company to the Stock Exchange in accordance with the Listing Rules) for the approval of 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 publish an announcement of 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, no Option may be granted. The period during which no Option may be granted will cover any period of delay in the publication of results announcement.
- 4.8 Subject to paragraph 4.9, no Options shall be granted to a Grantee if it would result in the total number of Shares issued and which may fall to be issued upon exercise of all the Option(s) granted under this Scheme and any other Share Schemes to such person (excluding any share options or any share awards lapsed in accordance with the terms

of the Share Schemes) in the 12-month period up to and including the date of grant exceeding 1% (or such other higher percentage as the Listing Rules may prescribe or permit) of the total number of issued Shares (excluding Treasury Shares) as at the date of such grant. Any further grant of Options in excess of this 1% limit shall be subject to:

- 4.8.1 the separate approval by the Shareholders in general meeting, with such Grantee and his close associates (or associates if such Grantee is a connected person) abstaining from voting;
 - 4.8.2 the despatch of a circular to the Shareholders containing such relevant information as required by the Listing Rules in relation to any such proposed grant to such Grantee; and
 - 4.8.3 the number and terms of the Option(s) to be granted to such Grantee are fixed before the Shareholders' approval.
- 4.9 Where an Option is to be granted to a Listco Connected Person, the grant shall not be valid unless it has been approved by the independent non-executive Directors, excluding any independent non-executive Director who is also a proposed Grantee of the Option.
- 4.10 Where any grant of Option(s) to an independent non-executive Director or substantial Shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates, would result in the number of Shares issued and to be issued in respect of all the Options granted under this Scheme and (if any) the share options and other share awards granted under any other Share Scheme(s) (excluding any share options and other share awards lapsed in accordance with the terms of the Share Schemes) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as the Listing Rules may prescribe or permit) of the total number of issued Shares (excluding Treasury shares) as at the date of such grant. Such further grant of Option(s) must be approved by Shareholders in general meeting in the manner required, and subject to the requirements set out, in the Listing Rules. In particular, the Company must send a circular to the Shareholders. The Grantee, his associates and all Core Connected Persons must abstain from voting in favour of the relevant resolution at such general meeting. The Company must comply with the relevant requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.
- 4.11 Any change in the terms of any Option granted to a Listco Connected Person, which was approved by the Shareholders in general meeting, shall not be valid unless:
- 4.11.1 a circular regarding the change has been despatched to the Shareholders in a manner complying with, and containing the matters specified in the relevant provisions of Chapter 17 of the Listing Rules; and
 - 4.11.2 the change has been approved by the Shareholders in general meeting (taken on a poll), at which the Grantee, his associates and all Core Connected Persons abstained from voting in favour at such meeting.

- 4.12 The circular to be issued by the Company to the Shareholders pursuant to paragraph 4.10 and 4.11.1 shall contain the following information:
- 4.12.1 the details of the number and terms (including the exercise price) of the Options to be granted to each selected Eligible Participant which must be fixed before the Shareholders' meeting and the date of Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the exercise price of such Option(s);
 - 4.12.2 from the views of the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Option(s)) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and its Shareholders as a whole and their recommendation to the independent shareholders as to voting;
 - 4.12.3 the information required under Rule 17.02(2)(c) of the Listing Rules; and
 - 4.12.4 the information required under Rule 2.17 of the Listing Rules.
- 4.13 Any Offer may be accepted in respect of all or less than the number of Shares in respect of which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral number thereof. To the extent that an Offer is not accepted within the time stated in the Offer for that purpose, it will be deemed to have been irrevocably declined.
- 4.14 In the cases referred to in paragraphs 4.8 to 4.10, where an Option has not been approved by the Shareholders in general meeting or by the independent non-executive Directors (as the case may be), the Option Price paid by an Eligible Participant relating to such Option shall be refunded (without interest) by the Company.
- 4.15 Unless otherwise determined by the Board or the Committee, there is no clawback mechanism under this Scheme to recover or withhold the remuneration (which may include any Options granted or Shares that have vested and been exercised by the Grantees) to any Grantees.

5. EXERCISE PRICE

- 5.1 Subject to paragraphs 5.2 and 9, the Exercise Price shall be a price solely determined by the Board and notified to an Eligible Participant and shall be at least the higher of:
- 5.1.1 the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a Business Day; and
 - 5.1.2 the average of the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Offer Date.
- 5.2 Where a relevant Option is to be granted under paragraph 4.8, 4.9 or 4.10, for the purposes of paragraphs 5.1.1 and 5.1.2, the date of the Board meeting at which the grant

was proposed shall be taken to be the Offer Date for such relevant Option, and the provisions of paragraph 5.1 shall apply *mutatis mutandis*.

6. EXERCISE OF OPTION

- 6.1 An Option shall be personal to the Grantee and shall not be assignable nor transferable, and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any security or adverse interest whatsoever in favour of any third party over or in relation to any Options.
- 6.2 An Option may be exercised according to the terms of the Scheme and the relevant Offer Letter by the Grantee (or his personal representatives) before its expiry by giving notice in writing to the Company stating that the number of Option(s) is to be exercised and the number of Shares in respect of which it is exercised, provided that the number of Shares shall be equal to the size of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. Such notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given. Within 28 days after receipt of the notice and the remittance and (where appropriate) receipt of the Auditor's or the independent financial adviser's certificate under paragraph 9, the Company shall allot and issue the relevant Shares to the Grantee (or his personal representatives) credited as fully paid and issue to the Grantee (or his personal representatives) a share certificate in respect of the Shares so allotted.
- 6.3 The Board may from time to time, in its absolute discretion, determine the vesting period upon which the Options may be vested in that Grantee in respect of all or a proportion of the Shares. The vesting period in respect of any Option shall be not less than twelve (12) months (or such other period as the Listing Rules may prescribe or permit), save for any of the following circumstances in which a shorter vesting period may be imposed by the Board or the remuneration committee of the Board in its absolute discretion only in relation to the grant of Options to directors of Group Companies or Employees:
- 6.3.1 grants of “make whole” Options to any Grantees (who are directors of Group Companies or Employees) who are new joiners to replace the share awards or options forfeited when leaving the previous employer;
 - 6.3.2 grants of Options with performance-based vesting conditions in lieu of time-based vesting criteria;
 - 6.3.3 grants of Options to any Grantees (who are directors of Group Companies or Employees) whose employment or engagement is terminated due to death, Disability or event of force majeure;
 - 6.3.4 grants of Options in batches during a year for administrative or compliance reasons, including Options that should have been granted earlier but had to wait for a subsequent batch if not for such administrative or compliance reasons, in which case the vesting period may be shorter to reflect the time from which the Options would have been granted;

- 6.3.5 grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months; or
- 6.3.6 grants of Options with a total vesting and holding period of more than twelve (12) months.
- 6.4 Unless otherwise determined by the Board and specified in the Offer Letter (as defined in paragraph 4.4) at the time of the Offer Date, the Grantee is not required to achieve any performance targets. The condition(s) or performance target(s), if imposed, may include without limitation (i) individual financial targets such as revenue or profits generated by the Grantee over a defined period; (ii) individual non-financial targets relevant to the Grantee's roles and responsibilities; (iii) financial targets of the Group, whether on a targeted or comparative basis; (iv) non-financial targets of the Group such as the Group's strategic objectives, operational targets and plans for future development; and (v) any other performance targets that the Board may appropriately determine in their sole and absolute discretion. Where any vesting condition(s) or performance target(s) have been imposed, the Board, acting through the Company, shall notify the Grantee in writing by notice in respect of the fulfilment, satisfaction or waiver of such vesting condition(s) or performance target(s) as determined by the Board in its absolute discretion. The Board has the absolute discretion to determine whether and to what extent such vesting condition(s) or performance target(s) have been reached, fulfilled, satisfied or waived and its decision shall, in the absence of manifest error, be final, conclusive and binding.
- 6.5 Subject to the above, an Option may be exercised by the Grantee (or his personal representatives) at any time during the Option Period:

Provided that:

- 6.5.1 where the Grantee of any outstanding Option(s) dies or becomes permanently disabled or retires before exercising the Option(s) in full or at all, the outstanding Option(s) that have vested may be exercised up to the entitlement of such Grantee or, if appropriate, an election made pursuant to paragraphs 6.5.2, 6.5.3 or 6.5.5 by his personal representatives within twelve months after the date of his death or permanent Disability or such longer period as the Board may determine;
- 6.5.2 if a general offer by way of a take-over 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 becomes or is declared unconditional, in relation to Options which may be exercised, the Company shall forthwith notify all the Grantees and any Grantee (or his personal representatives) may by notice in writing to the Company within 21 days after such offer becoming or being declared unconditional exercise all or part of the outstanding Option(s) as specified in such notice;
- 6.5.3 if a general offer by way of a scheme of arrangement is made to all the Shareholders and the scheme has been approved by the necessary number of

Shareholders at the requisite meetings, in relation to Options which may be exercised, the Company shall forthwith notify all the Grantees and any Grantee (or his personal representatives) may thereafter (but before such time as shall be notified by the Company) by notice in writing to the Company exercise all or part of the Option(s) as specified in such notice;

- 6.5.4 other than a general offer or a scheme of arrangement contemplated in paragraphs 6.5.2 and 6.5.3, 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, in relation to Options which may be exercised, the Company shall give notice thereof to the Grantee (together with a notice of the existence of the provisions of this paragraph) on the same date or soon after it despatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the Grantee (or his personal representatives) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of two months thereafter and the date on which such compromise or arrangement is sanctioned by the court of competent jurisdiction, exercise any of his Option(s) which have vested whether in full or in part, but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court of competent jurisdiction and becoming effective and subject to the requirements of the Listing Rules. Upon such compromise or arrangement becomes effective, all Option(s) shall lapse except insofar as previously exercised under the Scheme. The Company may require the Grantee (or his personal representatives) to transfer or otherwise deal with the Shares issued as a result of the exercise of Option(s) in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement; and
- 6.5.5 in the event a notice is given by the Company to its Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, in relation to Options which may be exercised, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph) and thereupon, each Grantee (or his personal representatives) shall be entitled to, subject to the requirements of the Listing Rules, exercise all or any of his Option(s) that have vested at any time not later than two Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than one Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid. In the event that the relevant resolution to voluntarily wind-up the Company is not approved in the general meeting, any Option(s), if exercisable,

shall continue to be exercisable subject to the terms and conditions under this Scheme.

- 6.6 The Options do not carry any right to vote at general meetings of the Company, nor any right to dividends, transfer or other rights. No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of the Options unless and until the Shares are allotted and issued to the Grantee pursuant to the exercise of such Options. For the avoidance of doubt, a 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.
- 6.7 The Shares to be allotted and issued upon the exercise of the Option(s) shall be subject to the Company's memorandum and articles of association for the time being and the laws of the Cayman Islands for the time being in force and shall rank *pari passu* in all respects with, and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company, as existing fully paid Shares in issue as at the date of allotment to the Grantee after the exercise of the Option(s) and, without prejudice to the generality of the foregoing, will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the date of allotment.

7. LAPSE OF OPTION

- 7.1 The right to exercise an Option (which is unexercised) shall terminate immediately upon:
- 7.1.1 the expiry of the Option Period;
 - 7.1.2 any Grantee ceases to be an Eligible Participant (including resignation, the termination of his employment, provision of service or contractual engagement with the Company or any other member of the Group for any reason, other than for reason as provided in paragraph 6.5.1);
 - 7.1.3 any Grantee commits any Misconduct(s);
 - 7.1.4 any Grantee is concerned, during the course of his employment, provision of service or contractual engagement with any member of the Group, without prior written consent of the Company, with any business which competes or is likely to compete with the business of any member of the Group;
 - 7.1.5 the date on which the Grantee commits a breach of paragraph 6.1; or
 - 7.1.6 there is any material misstatement(s) in the consolidated financial statements of the Company that requires restatement.

The Company shall owe no liability to any Grantee for the lapse of any Option under this paragraph 7.

8. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 8.1 The total number of Shares (“**Scheme Mandate Limit**”) which may be issued or allotted by the Company in respect of all the Options to be granted under this Scheme and all the share options and share awards to be granted under any other Share Scheme(s) shall not in aggregate exceed ten per cent (10%) of the total number of issued Shares (excluding Treasury shares) as at the Adoption Date or the relevant date of approval of the refreshment of the Scheme Mandate Limit. The total number of Shares (“**Service Provider Sub-limit**”) which may be issued or allotted by the Company in respect of all Options to be granted to all Service Providers pursuant to the Scheme and all the share options and share awards to be granted to all Service Providers under any other Share Scheme(s) shall not exceed eight per cent (8%) of the total number of issued Shares (excluding Treasury shares) as at the Adoption Date or the relevant date of approval of the refreshment of the Service Provider Sub-limit. For the avoidance of doubt, the Service Provider Sub-limit forms part of the Scheme Mandate Limit.
- 8.2 For the purposes of calculating the Scheme Mandate Limit and Service Provider Sub-limit which are the subject matter of any Options that have already lapsed in accordance with the terms of the relevant Share Scheme(s) shall not be regarded as utilised. If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit and the Service Provider Sub-limit have been approved in general meeting, the maximum number of Shares that may be issued in respect of all share options and share awards to be granted under the Scheme and any other Share Schemes under the Scheme Mandate Limit and the Service Provider Sub-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.
- 8.3 The Scheme Mandate Limit may be refreshed by ordinary resolution of the Shareholders in general meeting, provided that:
- 8.3.1 the Company may refresh the Scheme Mandate Limit by ordinary resolution at general meeting after three (3) years from the Adoption Date (or from the date of Shareholders’ approval for the last refreshment) in accordance with the applicable Listing Rules; and
- 8.3.2 any refreshment of the Scheme Mandate Limit within the three-year period from the Adoption Date (or from the date of Shareholders’ approval for the last refreshment) must be approved by the Shareholders in general meeting subject to the following provisions: (a) any controlling Shareholders (as defined in the Listing Rules) of the Company and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and (b) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules,

provided that paragraphs 8.3.2(a) and (b) above do not apply if the refreshment is made immediately after an issue of Shares by the Company to its Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the

Scheme Mandate Limit (as a percentage of the total number of issued Shares (excluding Treasury shares) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of Shares, rounded to the nearest whole Share.

- 8.4 The Scheme Mandate Limit so refreshed under paragraph 8.3 shall not exceed ten per cent (10%) of the total number of issued Shares (excluding Treasury shares) as at the date of Shareholders' approval of the refreshment of the Scheme Mandate Limit. A circular regarding the proposed refreshment of the Scheme Mandate Limit must be despatched to the Shareholders containing the number of Options and any other share options and share awards that were already granted under the existing Scheme Mandate Limit and the reason for the refreshment.
- 8.5 Without prejudice to paragraphs 8.3 and 8.4 above, the Company may seek separate approval from the Shareholders in the general meeting for granting Options which will result in the Scheme Mandate Limit being exceeded, or, if applicable, the refreshed Scheme Mandate Limit under paragraph 8.3 above being exceeded, provided that:
- 8.5.1 the Options in excess of the limit are granted only to the Grantees specifically identified by the Company before the approval is sought;
- 8.5.2 a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing a generic description of the specified Eligible Participants who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose, and any such relevant information as required under the Listing Rules; and
- 8.5.3 the number and terms of the Options to be granted to such Grantee(s) are fixed before the Shareholders' approval.

9. EFFECT OF ALTERATIONS TO SHARE CAPITAL

- 9.1 If the Company conducts any capitalisation issue, rights issue, share consolidation, share sub-division or capital reduction, corresponding adjustments (if any) shall be made to the Exercise Price of any Option and/or the number of Shares that may be issued by the Company in respect of all the Options granted pursuant to the Scheme with reference to the total number of issued Shares (excluding Treasury shares) as at the date immediately before and after such event and rounded to the nearest whole Share, such that each Grantee will be entitled to the same proportion of the Company's share capital as that to which such Grantee was previously entitled, provided that no such adjustment may be made to the extent that any Share would be issued at less than its nominal value, if applicable. The issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In respect of any such adjustments, other than any made on a capitalisation issue, an independent financial adviser or the Company's auditors must confirm to the Directors in writing that the adjustments satisfy the requirements under the note to Rule 17.03(13) of the Listing Rules.

- 9.2 Subject to the above principles and certification procedures, and any further or updated guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time assuming on the Exercise Price is adjusted, the Company shall follow the method of adjustment under Appendix 1 to Frequently Asked Questions FAQ13 No. 1-20 published by the Stock Exchange which is replicated below:

(1) Capitalisation issue, rights issue or open offer of Shares

Adjustments shall follow the following formula:

New number of Options = Existing number of Options x F

New Exercise Price = Exercise Price x $\frac{1}{F}$

Where:

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

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

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

M = Entitlement per existing Share

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

(2) Subdivision or Consolidation of Shares

Adjustments shall follow the following formula:

New number of Options = Existing number of Options × F

New Exercise Price = Exercise Price x $\frac{1}{F}$

Where

F = Subdivision or consolidation factor (as the case may be)

10. SHARE CAPITAL

The exercise of any Option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company. Subject to such approval, the Board shall make available sufficient authorised but

unissued share capital of the Company to meet subsisting requirements on the exercise of Options.

11. DISPUTES

Any dispute arising in connection with the Scheme (whether as to the number of Shares to which the Options relate, the amount of the Exercise Price, or otherwise) shall be referred to the decision of the Auditors or the independent financial adviser to the Company who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final and binding. The costs of the Auditors or the independent financial adviser to the Company shall be borne equally by the Company and the relevant Grantee(s).

12. ALTERATION OF THE SCHEME

- 12.1 Subject to paragraphs 12.3 and 12.4 below, these rules of the Scheme may be altered in any respect by a resolution of the Board, save and except that (i) any alteration to the terms and conditions of the Scheme which are of a material nature; or (ii) any alteration to the provisions of the Scheme relating to the matters set out in Rule 17.03 of the Listing Rules to the extent that such alteration operates to the advantage of the Grantees must be approved by the Shareholders in general meeting, provided that no such alteration shall operate to affect adversely the terms of any Options granted which have not vested or lapsed or been cancelled prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the holders of the Options under the Articles of Association for a variation of the rights attached to the Options.
- 12.2 Subject to paragraph 12.4 below, any change to the terms of Options granted to a Grantee must be approved by the Board, the remuneration committee of the Board, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the remuneration committee of the Board, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of this Scheme.
- 12.3 Any change to the authority of the Directors or administrators of this Scheme in relation to any alteration to these rules of this Scheme shall be approved by the Shareholders in general meeting.
- 12.4 The amended terms of the Scheme or the Options must comply with all applicable laws, rules and regulations (including Chapter 17 of the Listing Rules).

13. CANCELLATION OF OPTIONS GRANTED

- 13.1 Subject to Chapter 17 of the Listing Rules, the Board or the Committee may in its absolute discretion cancel all or such proportion of the Options granted but not exercised, provided that:

- 13.1.1 the Company or any other member of the Group pay to the Grantee an amount equal to the fair value of the Option(s) at the date of the cancellation as determined by the Board or the Committee, after consultation with the auditors of the Company or an independent financial adviser appointed by the Board or the Committee;
 - 13.1.2 the Company or any other member of the Group provides to the Grantee a replacement Option(s) (or a share option or share award under any other Share Scheme(s)) of equivalent value to the Option(s) to be cancelled; or
 - 13.1.3 the Board or the Committee makes any arrangement as the Grantee may agree in order to compensate him for the cancellation of the Option(s).
- 13.2 Where the Company cancels any Options granted to a Grantee and makes a new grant (whether under the Scheme or any other Share Scheme(s)) to the same Grantee, such new grant may only be made within the available Scheme Mandate Limit approved by the Shareholders. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

14. TERMINATION

- 14.1 The Scheme shall terminate on (a) the tenth (10th) anniversary date of the Adoption Date; or (b) such date of earlier termination as determined by the Board or the Committee. Upon termination of the Scheme, no further Option may be made and no Options shall be opened for acceptance, but in all other respects the provisions of the Scheme shall remain in full force and effect to the extent necessary to give effect to any Options which are granted and remain unvested prior to such termination in accordance with the Scheme and subject to the requirements of the Listing Rules.
- 14.2 Where a new share option scheme is established by the Company after termination of the Scheme referred to in paragraph 14.1, the details of the Option(s) granted, including Options exercised or outstanding, under the Scheme and (if applicable) Options that become void or non-exercisable as a result of such termination shall be disclosed in the circular to Shareholders seeking approval of the first Share Scheme to be established by the Company after termination of the Scheme.
- 14.3 For the avoidance of doubt, the temporary suspension of the granting of any Option shall not be construed as a decision to terminate the operation of the Scheme.

15. DISCLOSURE IN ANNUAL AND INTERIM REPORTS

- 15.1 The Company will disclose details of the Scheme in its annual and interim reports including, but not limited to, the number of Options, date of grant, Exercise Price, Option Period, vesting period and (if appropriate) a valuation of Options granted during the financial year/ period and any other matters in accordance with the Listing Rules in force from time to time.

16. MISCELLANEOUS

16.1 Notwithstanding any provision of any other paragraph of the Scheme:

16.1.1 the Scheme shall not form part of any contract of employment between the Company or any Subsidiary (as appropriate) and any Eligible Participant and the rights and obligations of any Eligible Participant under the terms of his office or employment shall not be affected by his participation in the Scheme or any right which he may have to participate in it and the Scheme shall afford such an Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason; and

16.1.2 the Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.

16.2 The Company shall bear the costs of establishing and administering the Scheme.

16.3 A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to the Shareholders after the Adoption Date.

16.4 Any notice or other communication between the Company and a Grantee shall be addressed to the recipient and sent by personal delivery or by prepaid post or by fax to, in the case of the Company, its principal place of business in Hong Kong or as otherwise notified to the Grantee from time to time and, in the case of the Grantee, his residential address as notified to the Company from time to time.

The Company : Human Health Holdings Limited

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16.5 Any notice or other communication between the Company and a Grantee shall be deemed to have been received:-

16.5.1 in the case of delivery by hand, when delivered;

16.5.2 in the case of prepaid post, on the second day following the day of posting; or

16.5.3 in the case of a fax, on the date of transmission provided that the sender has a transmission report indicating that the fax was duly transmitted and received.

16.6 In the case of a notice served by the Company by post, in proving service it shall be sufficient to prove that the envelope containing the notice was properly addressed and stamped and was deposited in a post box or at the post office.

16.7 A Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or

exercise of an Option. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his participation in the Scheme. The Company shall not be responsible for the lapse of any Option(s) granted to any Eligible Participant by reason of the lapse of the Option(s) granted as referred to in paragraph 7.1.

- 16.8 The Scheme and all Options granted under the Scheme shall be governed by and construed in accordance with the laws of Hong Kong.
- 16.9 The Scheme shall comply with the Listing Rules as amended from time to time. In the event that there are differences between the terms of the Scheme and the Listing Rules, the Listing Rules shall prevail.