
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult a stockbroker or their registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Regenerative Medicine International Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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CRMI
中國再生醫學

China Regenerative Medicine International Limited **中國再生醫學國際有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8158)

PROPOSAL FOR

- (1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;**
- (2) EXTENSION OF GENERAL MANDATE TO ISSUE SHARES;**
- (3) RE-ELECTION OF THE RETIRING DIRECTORS;**
- (4) TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND
PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME;**
- AND**
- (5) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting (“AGM”) of China Regenerative Medicine International Limited (the “**Company**”) to be held at Suite 2310–2318, Miramar Tower, 132 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 27 June 2025 at 11:00 a.m. or any adjournment thereof is set out on pages 49 to 55 of this circular. A form of proxy for use at the AGM is enclosed in this circular. Such form of proxy is also published on the website of the Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the Company’s website at www.crmi.hk.

Whether or not you are able to attend the AGM, you are requested to complete and return the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar of the Company, Union Registrars Limited at Suites 3301–04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for the holding of the AGM (i.e. 11:00 a.m. (Hong Kong Time) on Wednesday, 25 June 2025) or any adjournment thereof (as the case maybe). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof (as the case may be) should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

This circular will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its publication and on the website of the Company at www.crmi.hk.

4 June 2025

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and to be held at Suite 2310–2318, Miramar Tower, 132 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 27 June 2025 at 11:00 a.m., or, where the context so admits, any adjournment of such annual general meeting;
“AGM Notice”	the notice of the AGM to be despatched to the Shareholders set out on pages 49 to 55 of this circular;
“Amended Rules”	the amendments to the GEM Listing Rules relating to share schemes of listed issuers, which has taken effect on 1 January 2023 pursuant to the Consultation Conclusions;
“Articles of Association”	the third amended and restated articles of association of the Company currently in force as amended, supplemented or otherwise modified from time to time;
“associated company”	shall mean an entity over which an associate has significant influence and that is neither a subsidiary nor an interest in a joint venture;
“Board”	the board of Director(s);
“Business Day(s)”	a day (excluding Saturday, Sunday, public holiday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours;
“Close Associates”	the meaning as ascribed thereto under the GEM Listing Rules;
“Company”	China Regenerative Medicine International Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM;

DEFINITIONS

“Companies Act”	shall mean the Companies Act, Cap. 22 of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;
“Consultation Conclusions”	Consultation Conclusions on Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers and Housekeeping Rule Amendment published by the Stock Exchange in July 2022;
“Core Connected Person”	the meaning as ascribed thereto under the GEM Listing Rules;
“Director(s)”	the director(s) of the Company from time to time;
“Eligible Participant(s)”	any (a) Employee Participant(s), (b) any Service Provider(s) and (c) any Related Entity Participant(s), provided that the Board may have absolute discretion to determine whether or not one falls within the above category;
“Employee Participant(s)”	any director(s) (excluding independent non-executive Director) and employee(s) (whether full-time or part-time) of the Company or any other member of the Group (including persons who are granted Options under this Scheme as inducement to enter into employment contracts with these companies) who in the sole discretion of the Board has contributed or will contribute to the Group;
“Existing Issue Mandate”	a general mandate granted to the Directors at the annual general meeting of the Company held on 28 June 2024 to allot, issue and deal with Shares not exceeding 20% of the aggregate number of Shares in issue as at 28 June 2024;
“Existing Repurchase Mandate”	a general mandate granted to the Directors at the annual general meeting of the Company held on 28 June 2024 to repurchase Shares not exceeding 10% of the aggregate number of Shares in issue as at 28 June 2024;
“Existing Share Option Scheme”	the existing share option scheme adopted by the Company on 14 September 2011;
“GEM”	GEM of the Stock Exchange;

DEFINITIONS

“GEM Listing Committee”	the GEM listing committee of the board of the directors of the Stock Exchange elected or appointed in accordance with the articles of association of the Stock Exchange and, where the context so permits, any committee or subcommittee thereof;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange as amended, supplemented or otherwise modified from time to time;
“Grantee”	any Eligible Participant who accepts the Offer in accordance with the terms of the New Share Option Scheme or his Personal Representative(s);
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Latest Practicable Date”	31 May 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the AGM;
“Nomination Committee”	the nomination committee of the Company;
“Offer”	an offer for the grant of an Option made in accordance with the terms of the New Share Option Scheme;
“Offer Date”	the date on which an Offer is made to an Eligible Participant(s);
“Options”	any option(s) to be granted to Eligible Participant(s) to subscribe for new Share(s) under the New Share Option Scheme;

DEFINITIONS

“Option Period”	in respect of any particular Option, the period to be determined and notified by the Directors to the Grantee thereof at the time of making an Offer provided that such period shall not exceed the period of ten (10) years from the date of the grant of the particular Option but subject to the provisions for early termination thereof contained in the New Share Option Scheme;
“Personal Representative(s)”	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee, is or are entitled to exercise the Option granted to such Grantee (to the extent not already exercised);
“PRC”	the People’s Republic of China, which for the purpose of this circular, excluding Hong Kong, Macao Special Administrative Region of the PRC and Taiwan;
“Related Entity Participant(s)”	directors and employees (whether full-time or part-time) of the holding companies, fellow subsidiaries or associated companies of the Company;
“Remuneration Committee”	the remuneration committee of the Company;
“Scheme Limit”	the total number of Shares in respect of which Shares may be granted pursuant to the New Share Option Scheme and any other share schemes of the Company;
“Selected Participant(s)”	any Eligible Participant(s) approved for participation in the New Share Option Scheme and who has been granted any Option pursuant to the New Share Option Scheme;

DEFINITIONS

“Service Provider(s)”	person(s) who provide services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group or which will contribute significantly to the growth of the Group’s financial and business performance, including any independent distributors, contractors, suppliers, agents, consultants or advisers engaged to provide services in relation to the Group’s principal business activities in healthcare, beauty and medical services to any member of the Group, and provided that any placing agent or financial adviser providing advisory services for fundraising, mergers or acquisitions, and other professional services provider such as auditor or valuer who provide assurance or are required to perform their services with impartiality and objectivity are excluded from such category and the Board shall have absolute discretion to determine whether or not one falls within such category;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with additional Shares not exceeding 20% of the aggregate number of issued Shares as at the date of passing of the relevant ordinary resolution granting such mandate (such mandate to be extended to Shares with the number of any Shares repurchased by the Company pursuant to the Share Repurchase Mandate);
“Share Option Scheme Rules”	the rules set out therein relating to the New Share Option Scheme as amended from time to time;
“Share Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to repurchase Shares not exceeding 10% of the aggregate number of issued Shares as at the date of passing of the relevant ordinary resolution granting such mandate;

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.20 each in the capital of the Company or if there has been a sub-division, consolidation, reclassification of or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Shareholder(s)”	registered holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-Backs issued by the Securities and Futures Commission, as amended, supplemented and/or otherwise modified from time to time;
“Treasury Shares”	has the meaning ascribed to it under the GEM Listing Rules as amended from time to time. For the purpose of the New Share Option Scheme, references to new Shares include Treasury Shares (if any) listed on the Stock Exchange, and reference to the issue of new Shares include the transfer of Treasury Shares listed on the Stock Exchange; and
“%”	per cent.



China Regenerative Medicine International Limited
中國再生醫學國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8158)

Executive Director:

Mr. Wang Chuang

(Chairman and Chief Executive Officer)

Non-executive Director:

Ms. Luo Min

Independent Non-executive Directors:

Mr. Leung Man Fai

Dr. Liu Ming

Ms. Huo Chunyu

Registered Office:

Cricket Square Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal place of business

in Hong Kong:

Suite 2310-2318

Miramar Tower

132 Nathan Road

Tsim Sha Tsui

Kowloon

Hong Kong

4 June 2025

To the Shareholders

Dear Sir or Madam,

PROPOSAL FOR

- (1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;**
- (2) EXTENSION OF GENERAL MANDATE TO ISSUE SHARES;**
- (3) RE-ELECTION OF THE RETIRING DIRECTORS;**
- (4) TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND
PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME;**
- AND**
- (5) NOTICE OF ANNUAL GENERAL MEETING**

LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the AGM, among other matters, for the approval of (a) the proposed granting to the Directors the Share Issue Mandate; (b) the proposed granting to the Directors the Share Repurchase Mandate; (c) the proposed extension of the Share Issue Mandate; (d) the proposed re-election of the retiring Directors; (e) the proposed re-appointment of the Company's auditors; (f) the termination of the Existing Share Option Scheme and proposed adoption of the New Share Option Scheme; and (g) to give you the AGM Notice.

PROPOSED GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 28 June 2024, ordinary resolutions were passed by the Shareholders granting the Existing Issue Mandate and Existing Repurchase Mandate to the Directors. These general mandates will lapse at (i) the conclusion of the AGM; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or (iii) when revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first.

The Existing Issue Mandate and the Existing Repurchase Mandate will lapse at the conclusion of the AGM and the resolutions numbered 4 and 5 in the AGM Notice will be proposed at the AGM to grant fresh mandates to the Directors: (i) to allot, issue and deal with Shares of up to 20% of the aggregate number of issued Shares of the Company as at the date of passing of the resolution granting the Share Issue Mandate as resolution numbered 4 set out in the AGM Notice and (ii) to repurchase Shares not exceeding 10% of the aggregate number of issued Shares of the Company as at the date of passing of resolution numbered 5 granting the Share Repurchase Mandate. Based on 304,252,480 Shares (excluding Treasury Shares) in issue as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are repurchased after the Latest Practicable Date and up to the date of the AGM, the Directors will be able to allot, issue and deal with up to a total of 60,850,496 Shares if the Share Issue Mandate is granted at the AGM. Based on 304,252,480 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are repurchased after the Latest Practicable Date and up to the date of the AGM, the Directors will be able to repurchase up to a total of 30,425,248 fully paid Shares if the Share Repurchase Mandate is granted at the AGM.

These general mandates will remain in effect until whichever is the earliest of (i) the date of the next annual general meeting; (ii) the date by which the next annual general meeting is required to be held by the Articles of Association or any applicable laws of the Cayman Islands; and (iii) the date upon which such an authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting.

LETTER FROM THE BOARD

PROPOSED EXTENSION OF GENERAL MANDATE TO ISSUE SHARES

Subject to the passing of the resolutions to grant the Share Issue Mandate and the Share Repurchase Mandate, an ordinary resolution will be proposed at the AGM to extend the Share Issue Mandate by the addition to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate number of Shares of the Company repurchased by the Company pursuant to the Share Repurchase Mandate provided that such extended amount shall not exceed 10% of the aggregate total number of issued Shares on the date of passing the resolution for approving the Share Issue Mandate.

An explanatory statement required by the GEM Listing Rules to be sent to the Shareholders in connection with the Share Repurchase Mandate is set out in the Appendix I to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant proposed ordinary resolution for the grant of the Share Repurchase Mandate at the AGM.

PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Article 99 of the Articles of Association, any Director appointed by the Board to fill a casual vacancy shall hold office until the next following annual general meeting after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting and shall then be eligible for re-election. Ms. Luo Min shall retire from office as non-executive Director at the AGM and being eligible, will offer herself for re-election.

Pursuant to Article 116 of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not a multiple of three, the number nearest to, but not less than one-third, shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years.

In accordance with the above provisions of the Article 116 of the Articles of Association, Mr. Wang Chuang and Ms. Huo Chunyu shall retire from office by rotation at the AGM and, being eligible, offer themselves for re-election as Directors at the AGM.

Ms. Huo Chunyu, being an independent non-executive Director who is eligible for re-election at the AGM, has made an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules.

The Nomination Committee is responsible for, *inter alia*, assessing the independence of independent non-executive Directors. The Nomination Committee assessed and reviewed the individual independent non-executive Director's annual confirmation of independence based on the independence criteria as set out in Rule 5.09 of the GEM Listing Rules, and affirmed that Ms. Huo Chunyu remained independent. The Nomination Committee has also evaluated the

LETTER FROM THE BOARD

performance of Mr. Wang Chuang and Ms. Luo Min which is of the opinion that their performance are satisfactory.

The Board, upon the recommendation of the Nomination Committee, proposed Ms. Luo Min, Mr. Wang Chuang and Ms. Huo Chunyu, the retiring Directors, to stand for re-election as Directors at the AGM.

Particulars of the Directors proposed to be re-elected in the AGM are set out in Appendix II to this circular.

PROPOSED RE-APPOINTMENT OF THE AUDITORS

Linksfeld CPA Limited (“**Linksfeld**”) will retire as the auditors of the Company at the AGM and, being eligible, offer themselves for re-appointment.

The Board, upon the recommendation of the audit committee of the Company, proposed to re-appoint Linksfeld as the auditors of the Company and to hold office until the conclusion of the next annual general meeting of the Company.

TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME

Termination of the Existing Share Option Scheme

The Existing Share Option Scheme was conditionally adopted by resolutions in writing passed by the Shareholders on 14 September 2011. Under the Existing Share Option Scheme, the Directors were authorised to grant options to the Directors, the directors of the Group’s subsidiaries and employees of any member of the Group and any other persons (including consultants or advisers) as incentives or rewards in their contributions to the Group.

The maximum number of Shares that may be granted under the Existing Share Option Scheme was 705,688,000 Shares, representing approximately 10% of the then total number of issued Shares as at the date of adoption of the Existing Share Option Scheme on 14 September 2011 and the maximum number of Shares that might be issued upon the exercise of all share options under the Existing Share Option Scheme.

LETTER FROM THE BOARD

As at the Latest Practicable Date, there were an aggregate of 823,850 share options granted under the Existing Share Option Scheme which was expired on 13 September 2021. Details of the share options under the Existing Share Option Scheme which remain outstanding are set out as follows:

Date of grant	Vesting period	Exercise period	Contractual exercise price	Contractual life of options	Number of options outstanding as at the Latest Practicable Date
Employees					
16 September 2015	16 September 2015 to 15 September 2016	16 September 2016 to 15 September 2025	HK\$90.00	10 years	33,100
16 September 2015	16 September 2015 to 15 September 2017	16 September 2017 to 15 September 2025	HK\$90.00	10 years	33,100
16 September 2015	16 September 2015 to 15 September 2018	16 September 2018 to 15 September 2025	HK\$90.00	10 years	33,100
16 September 2015	16 September 2015 to 15 September 2019	16 September 2019 to 15 September 2025	HK\$90.00	10 years	33,100
16 September 2015	16 September 2015 to 15 September 2020	16 September 2020 to 15 September 2025	HK\$90.00	10 years	33,100
9 September 2016	8 September 2016 to 8 September 2017	9 September 2017 to 8 September 2025	HK\$58.20	10 years	50,730
9 September 2016	8 September 2016 to 8 September 2018	9 September 2018 to 8 September 2025	HK\$58.20	10 years	50,730
9 September 2016	8 September 2016 to 8 September 2019	9 September 2019 to 8 September 2025	HK\$58.20	10 years	50,730
9 September 2016	8 September 2016 to 8 September 2020	9 September 2020 to 8 September 2025	HK\$58.20	10 years	50,730
9 September 2016	8 September 2016 to 8 September 2021	9 September 2021 to 8 September 2025	HK\$58.20	10 years	50,730
Consultants					
16 September 2015	16 September 2015 to 15 September 2016	16 September 2016 to 15 September 2025	HK\$90.00	10 years	32,940
16 September 2015	16 September 2015 to 15 September 2017	16 September 2017 to 15 September 2025	HK\$90.00	10 years	32,940
16 September 2015	16 September 2015 to 15 September 2018	16 September 2018 to 15 September 2025	HK\$90.00	10 years	32,940

LETTER FROM THE BOARD

Date of grant	Vesting period	Exercise period	Contractual exercise price	Contractual life of options	Number of options outstanding as at the Latest Practicable Date
16 September 2015	16 September 2015 to 15 September 2019	16 September 2019 to 15 September 2025	HK\$90.00	10 years	32,940
16 September 2015	16 September 2015 to 15 September 2020	16 September 2020 to 15 September 2025	HK\$90.00	10 years	32,940
9 September 2016	8 September 2016 to 8 September 2017	9 September 2017 to 8 September 2025	HK\$58.20	10 years	48,000
9 September 2016	8 September 2016 to 8 September 2018	9 September 2018 to 8 September 2025	HK\$58.20	10 years	48,000
9 September 2016	8 September 2016 to 8 September 2019	9 September 2019 to 8 September 2025	HK\$58.20	10 years	48,000
9 September 2016	8 September 2016 to 8 September 2020	9 September 2020 to 8 September 2025	HK\$58.20	10 years	48,000
9 September 2016	8 September 2016 to 8 September 2021	9 September 2021 to 8 September 2025	HK\$58.20	10 years	48,000
					823,850

Proposed adoption of the New Share Option Scheme

In light of the Amended Rules, the Board proposes to seek approval by the Shareholders by way of ordinary resolution at the AGM to adopt the New Share Option Scheme and terminate the Existing Share Option Scheme. A summary of the principal terms of the Share Option Scheme Rules is set out in Appendix III hereto.

ANNUAL GENERAL MEETING

The AGM Notice convening the AGM to be held at Suite 2310–2318, Miramar Tower, 132 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 27 June 2025 at 11:00 a.m. is set out on pages 49 to 55 of this circular.

A form of proxy for use by the Shareholders at the AGM is enclosed with this circular. Such form of proxy is also published on the GEM website at www.hkexnews.hk and the Company's website at www.crmi.hk. If you do not intend to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301–04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for

LETTER FROM THE BOARD

holding the AGM or any adjournment thereof. The completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof, should you so wish.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 24 June 2025 to Friday, 27 June 2025, both days inclusive during which period, no transfer of Shares will be registered. In order to qualify for attending and voting at the AGM, all transfers of Shares accompanied by the relevant share certificates and transfer forms should be lodged for registration with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as practicable and in any event not later than 4:00 p.m. (Hong Kong Time) on Monday, 23 June 2025.

GEM LISTING RULES REQUIREMENT

Pursuant to the requirement of Rule 17.47(4) of the GEM Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

RESPONSIBILITY STATEMENT

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

RECOMMENDATION

The Directors are of the opinion that the grant of the Share Issue Mandate and the Share Repurchase Mandate, the extension of the Share Issue Mandate, the re-election of retiring Directors and the re-appointment of the Auditors, and the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme are in the best interests of the Company and the Shareholders and therefore recommend you to vote in favour of all such resolutions proposed at the AGM.

LETTER FROM THE BOARD

DOCUMENTS ON DISPLAY

A copy of the Share Option Scheme Rules will be published on the websites of the Stock Exchange and the Company for display for a period of not less than 14 days before the date of the AGM and the Share Option Scheme Rules will be made available for inspection at the AGM.

GENERAL INFORMATION

No Director has a material interest and is required to abstain from voting on the resolutions approving the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme at the AGM. None of the Shareholders is required to abstain from voting on such resolutions at the AGM pursuant to the GEM Listing Rules, the Articles of Association.

Application will be made to the GEM Listing Committee for the approval of the listing of, and permission to deal in the Shares which may fall to be issued and allotted pursuant to the exercise of any Option that may be granted under the New Share Option Scheme.

Your attention is drawn to the additional information set out in the Appendices I, II and III to this circular.

Yours faithfully,

By order of the Board

China Regenerative Medicine International Limited

Wang Chuang

Chairman, Chief Executive Officer and Executive Director

This Appendix contains the particulars that are required by the GEM Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the AGM in relation to the Share Repurchase Mandate.

GEM LISTING RULES FOR REPURCHASE OF SHARES

The relevant sections of the GEM Listing Rules which permit companies with primary listing on the Stock Exchange to repurchase their shares on GEM subject to certain restrictions are summarised below:

(a) Source of funds

Repurchases must be made out of funds legally available for the purpose in accordance with the Articles of Association and the applicable laws of the Cayman Islands and the GEM Listing Rules. The Companies Act provide that a share repurchase by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose or, if so authorised by the Articles of Association and subject to the provisions of the Companies Acts, out of capital. Any premium payable on a repurchase over the par value of the Shares repurchased or conditionally or unconditionally to be purchased must be provided for out of profits of the Company or out of the Company's share premium account or, if so authorised by the Articles of Association and subject to the provisions of the Companies Acts, out of capital.

(b) Share capital

As at the Latest Practicable Date, the issued share capital of the Company comprised 304,252,480 Shares (excluding Treasury shares). Subject to the passing of the resolution granting the Share Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 30,425,248 Shares during the period ending on the earlier of (i) the conclusion of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting of the Company is required to be held by the Articles of Association or any applicable laws of the Cayman Islands; or (iii) the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

(c) Reasons for repurchases

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the market. Such repurchases may, depending on market conditions, and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors consider that if the general mandate to repurchase Shares were to be exercised in full at the currently prevailing market value, it would have a material adverse impact on the working capital position and gearing position of the Company, as compared with the positions disclosed in the audited consolidated accounts of the Company as at 31 December 2024, being the date to which the latest published audited accounts of the Company were made up. The Directors do not propose to exercise the mandate to repurchase Shares to such extent as would, in the opinion of the Directors, have a material adverse effect on the working capital requirements or the gearing levels of the Company.

The Company will cancel the repurchased Shares following settlement of any such repurchase and will not hold them as treasury Shares, and therefore Guidance on Arrangements for Listed Issuers to Hold or Deposit Treasury Shares in CCASS (HKEXGL-119-24) issued by the Stock Exchange which is effective from 11 June 2024 shall not apply.

(d) Share prices

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months up to the Latest Practicable Date.

Month	Highest trade price HK\$	Lowest trade price HK\$
2024		
April	0.290	0.255
May	0.245	0.100
June	0.200	0.164
July	0.165	0.159
August	0.163	0.110
September	0.110	0.094
October	1.270	0.106
November	0.520	0.245
December	0.485	0.260
2025		
January	0.305	0.275
February	0.285	0.255
March	0.300	0.270
April	0.610	0.280
May (up to the Latest Practicable Date)	0.420	0.300

(e) Disclosure of interests

To the best of their knowledge, having made all reasonable enquiries, none of the Directors nor any of their respective Close Associates, has any present intention to sell any Shares to the Company or its subsidiaries in the event that the Share Repurchase Mandate is approved.

No Core Connected Person has notified the Company that he/she has a present intention to sell any shares to the Company, or has undertaken not to do so, in the event that the Share Repurchase Mandate is approved.

(f) Directors' undertaking

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands and in accordance with the Articles of Association.

(g) Effect of the Takeovers Code

If as a result of a share repurchase, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. Accordingly, a Shareholder or group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

If the Share Repurchase Mandate were exercised in full, as at the Latest Practicable Date, so far as the Directors are aware, the shareholding of the substantial Shareholders would be as follows:

Name of Shareholders	Capacity	Aggregate long position in the shares and underlying shares	Approximate percentage of the issued share capital as at the Latest Practicable Date	Approximate percentage of the issued shares capital upon full exercise of the Share Repurchase Mandate
Wang Chuang	Beneficial owner	73,875,530	24.28	26.98
Leung Man Fai	Beneficial owner	31,000	0.00	0.00

Name of Shareholders	Capacity	Aggregate long position in the shares and underlying shares	Approximate percentage of the issued share capital as at the Latest Practicable Date	Approximate percentage of the issued shares capital upon full exercise of the Share Repurchase Mandate
All Favour Holdings Limited (<i>Note 1</i>)	Beneficial owner	58,254,776	19.15	21.27
Arab Osman Mohammed (<i>Note 1</i>)	Others	58,342,276	19.18	21.31
Wong Kwok Keung (<i>Note 1</i>)	Others	58,342,276	19.18	21.31
Li Ren (<i>Note 2</i>)	Held by controlled corporation	58,254,776	19.15	21.27
	Beneficial owner	2,138,000	0.70	0.78
China Orient Asset Management Co., Ltd (<i>Note 3</i>)	Held by controlled corporation	15,774,465	5.18	5.76
China Orient Alternative Investment Fund (<i>Note 3</i>)	Held by controlled corporation	15,774,465	5.18	5.76
Changzhou Yaoguang Enterprise Management Consulting Limited Liability Partnership* (<i>Note 4</i>)	Held by controlled corporation	26,240,000	8.62	9.58
Lei Changjuan (<i>Note 4</i>)	Held by controlled corporation	26,240,000	8.62	9.58

* For identification purposes only

Name of Shareholders	Capacity	Aggregate long position in the shares and underlying shares	Approximate percentage of the issued share capital as at the Latest Practicable Date	Approximate percentage of the issued shares capital upon full exercise of the Share Repurchase Mandate
Changzhou Minxing Enterprise Management Consulting Services Limited Liability Partnership* (Note 5)	Held by controlled corporation	16,060,000	5.28	5.87
Kong Yu Dong (Note 5)	Held by controlled corporation	16,060,000	5.28	5.87

Notes:

1. All Favour Holdings Limited (“**All Favour**”) is beneficially owned as to (i) 40% by Nat-Ace Wood Industry Ltd. (“**Nat-Ace Wood Industry**”) and 20% by Honour Top Holdings Limited, of which Nat-Ace Wood Industry is ultimately and wholly-owned by Mr. Li Ren (“**Mr. Li**”) and Honour Top Holdings Limited is ultimately wholly owned by Mr. Dai Yumin (“**Mr. Dai**”), and (ii) 40% by Mr. Dai. Moreover, All Favour has been the beneficial owner of 58,254,776 Shares. By virtue of the SFO, Mr. Dai, Mr. Li and Nat-Ace Wood Industry are deemed to be interested in 58,254,776 Shares in which All Favour is interested in.

On 16 September 2015, Mr. Dai was granted 17,500,000 share options by the Company under the Existing Share Option Scheme adopted by the Company on 14 September 2011 entitling him to subscribe for 17,500,000 Shares at the exercise price of HK\$0.45 per Share, subject to the terms and conditions of the Scheme of the Company. The number of Shares to be issued upon full exercise of the said share options and the exercise price per Share were adjusted to 875,000 Shares and HK\$90.00 per Share with effect from 16 May 2019 and 6 September 2023 respectively as a result of the twice share consolidation of the Company, details of which were disclosed in the announcement of the Company dated 15 May 2019 and 4 September 2023 respectively. Assuming the share options granted to Mr. Dai has been exercised in full, Mr. Dai shall hold an aggregate of 87,500 Shares as beneficial owner. By virtue of the SFO, Mr. Dai, together with his deemed interests in All Favour, was deemed to be interested in an aggregate of 58,342,276 Shares, representing approximately 20.44% of the issued share capital of the Company. All Favour has pledged its interests in 15,774,465 Shares in favour of Optimus.

On 31 March 2022, a bankruptcy order was made against Mr. Dai. Subsequently, Messrs. Arab Osman Mohammed and Mr. Wong Kwok Keung were appointed as joint and several trustees (the “**Trustees**”) of the property of Mr. Dai at the general meeting of creditors held on 6 May 2022. Accordingly, the property of Mr. Dai, including his shareholdings, shall vest in the Trustees pursuant to section 58(2) of the Bankruptcy Ordinance (Cap. 6).

2. Mr. Li personally owns 2,138,000 Shares. Mr. Li is therefore deemed to be interested in an aggregate of 60,392,776 Shares, representing, approximately 19.85% of the issued share capital of the Company.
3. Based on the disclosure of interests form both filed on 14 December 2020 by China Orient Asset Management Co., Ltd (“**COAMC**”) and China Orient Alternative Investment Fund (“**COAIF**”), Optimus Prime Management Ltd. (“**Optimus**”) has a security interest in 157,744,659 Shares. Optimus is wholly owned by COAIF. COAIF is wholly owned by China Orient Asset Management (International) Holding Limited (“**COAMI**”). COAMI is owned as to (i) 50% by Wise Leader Assets Ltd. (“**Wise Leader**”) which is wholly owned by Dong Yin Development (Holdings) Limited (“**Dong Yin**”); and (ii) 50% by Dong Yin which is wholly owned by COAMC.

By virtue of the SFO, COAIF, COAMI, Wise Leader, Dong Yin and COAMC are deemed to be interested in 15,774,465 Shares held by Optimus as security interest.

4. Changzhou Yaoguang Enterprise Management Consulting Limited Liability Partnership* (“**Yaoguang**”) is a limited liability partnership established in the PRC and is managed by Ms. Lei Changjuan as the general partner and the shares were held by Yao Guang (Hong Kong) Enterprise Limited as nominee for Yaoguang. Accordingly, each of Yaoguang and Ms. Lei Changjuan is deemed to be interested in 26,240,000 Shares.
5. Changzhou Minxing Enterprise Management Consulting Services Limited Liability Partnership* (“**Minxing**”) is a limited liability partnership established in the PRC and is managed by Ms. Kong Yudong as the general partner and the shares were held by Zhong Min Starry (Hong Kong) Limited as nominee for Minxing. Accordingly, each of Minxing and Ms. Kong Yudong is deemed to be interested in 16,060,000 Shares.

On the basis set out above, an exercise of the Share Repurchase Mandate in full will result in none of the above Shareholders becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code. However, the Directors do not have any present intention to exercise the Share Repurchase Mandate to such an extent as would give rise to such an obligation. In addition, the Directors do not have any intention to exercise the Share Repurchase Mandate to such extent as to result in the number of Shares which are in the hands of the public falling below the prescribed minimum percentage as required by the Stock Exchange.

(h) Share purchase made by the Company

The Company has not repurchased any Shares on the Stock Exchange in the six months preceding the Latest Practicable Date.

The following are the particulars of the retiring Directors, who will retire from office at the AGM pursuant to the Articles of Association and, being eligible, will offer themselves for re-election:

EXECUTIVE DIRECTOR

Mr. Wang Chuang (“**Mr. Wang**”), aged 46, is an executive Director, Chief Executive Officer and chairman of the Board. Mr. Wang joined the Group in October 2019. Mr. Wang was accredited as a grade 1 health management professional by the Hubei Provincial Department of Human Resources and Social Security of China in May 2016 and a psychological consultant by the Ministry of Human Resources and Social Security of China in March 2019. He served as the chairman of Hong Kong Bomei (China) Company Limited* (香港博美中國分公司) between 2008 and 2019. Between 2015 and 2019, he acted as the chief executive officer of Changzhou XingKong Medical Clinic Co., Ltd.* (常州市星空醫療美容門診有限公司) and the chairman of Jiangsu XingKong Health Management Consulting Co., Ltd.* (江蘇星空健康管理諮詢有限公司). He served as a senior executive of Jiangsu Zhenai Company Limited* (江蘇真愛有限公司) between 2006 and 2008, a senior executive of Wuxi Shencai Company Limited* (無錫神采有限公司) between 2004 and 2006 and a senior executive of Changzhou Meichen Company Limited* (常州美晨有限公司) between 2002 and 2004. Mr. Wang is the president of the Chamber of Commerce of Changzhou Lishui* (常州溧水商會會長) and the vice president of China’s National Alliance for Maternal and Child Health Development* (全國婦幼健康促進發展聯盟). He was a committee member of the Organization Committee of the 2017 Boao Forum for Biomedical Sciences (2017年博鰲生物醫學論壇組織委員會) and the founder of Bomei Angel Charity Fund* (博美天使慈善基金).

Mr. Wang has entered into a service agreement with the Company in relation to his appointment as an executive Director for an initial term of two years commencing on 18 October 2019. Such appointment is subject to retirement by rotation and re-election at the AGM in accordance with the Memorandum and Articles of Association. Mr. Wang is entitled to a remuneration of HK\$100,000 per month. The remuneration of Mr. Wang is determined by the Board having regard to the recommendation of the Remuneration Committee and with reference to his qualifications, experience, duties and responsibilities and the prevailing market conditions.

Save as disclosed above, to the best of the knowledge of the Directors having made all reasonable enquiries, Mr. Wang (i) has not held any other directorships in the last three years in any listed public company on Hong Kong or overseas; (ii) does not hold any position with the Company or any members of the Group; (iii) is not related to any Directors, senior management, substantial shareholders or controlling shareholders of the Company; and (iv) is not interested in any Shares within the meaning of Part XV of the SFO.

As far as the Directors are aware, there is no information of Mr. Wang to be disclosed pursuant to any of the requirements under paragraphs (h) to (v) of Rule 17.50 of the GEM Listing Rules; and there are no other matters concerning Mr. Wang that need to be brought to the attention of the Shareholders.

NON-EXECUTIVE DIRECTOR

Ms. Luo Min (“**Ms. Luo**”), aged 46, is a non-executive Director. Ms. Luo joined the Group in April 2025. Ms. Luo has entered into a term of appointment with the Company for a term of one year.

Ms. Luo has been appointed as a Professor of the School of Health Policy and Management (南京醫科大學醫政學院) (“**SHPM**”) and Associate Director of the Department of Health Economics and Management (醫藥經濟與管理系) (“**Department of HSM**”), of Nanjing Medical University since November 2024. Prior to that, Ms. Luo was the Associate Professor and Head of the Department of Pharmaceutical and Trade Studies of SHPM and Associate Director of the Department of HSM during the period of August 2014 to October 2024, lecturer of SHPM during August 2007 to July 2014, and teaching assistant of SHPM during July 2004 to July 2007.

Ms. Luo graduated from Nanjing Audit University (formerly known as Nanjing Audit Institute) with a Bachelor’s Degree in Economics from the Department of Finance in 2001, a Master’s Degree in Economics from the Department of Finance from Nanjing University in 2004 and a Doctorate Degree in Management from the Department of Accounting from Nanjing University in 2012. She is also a non-practising member of the Chinese Institute of Certified Public Accountants from 2005, and has been appointed as a council member of the 10th Council of Jiangsu Health Economics Society* (江蘇省衛生經濟學會第十屆理事會理事) since 2003.

Ms. Luo has entered into a service agreement with the Company in relation to her appointment as a non-executive Director for an initial term of one year commencing on 25 April 2025. Such appointment is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association. Ms. Luo is entitled to a remuneration of HK\$10,000 per month. The remuneration of Ms. Luo is determined by the Board having regard to the recommendation of the Remuneration Committee and with reference to her qualifications, experience, duties and responsibilities and the prevailing market conditions.

Save as disclosed above, to the best of the knowledge of the Directors having made all reasonable enquiries, Ms. Luo (i) has not held any other directorships in the last three years in any listed public company on Hong Kong or overseas; (ii) does not hold any position with the Company or any members of the Group; (iii) is not related to any Directors, senior management, substantial shareholders or controlling shareholders of the Company; and (iv) is not interested in any Shares within the meaning of Part XV of the SFO.

As far as the Directors are aware, there is no information of Ms. Luo to be disclosed pursuant to any of the requirements under paragraphs (h) to (v) of Rule 17.50 of the GEM Listing Rules; and there are no other matters concerning Ms. Luo that need to be brought to the attention of the Shareholders.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Ms. Huo Chunyu (“**Ms. Huo**”), aged 51, is an independent non-executive Director. Ms. Huo joined the Group in January 2020. Ms. Huo obtained a bachelor degree from Hebei University of Economics and Business (河北經貿大學). She has over 20 years of commercial and professional experience with companies including the Industrial and Commercial Bank of China Hebei Branch (中國工商銀行河北省分行), Shijiazhuang Haowei Optoelectronic Thin Film Technology Co., Ltd (石家莊豪威光電子薄膜技術有限公司) and Hebei Youyuan Certified Public Accountants (河北有源會計師事務所). Since September 2012, she has been a Partner of Ruihua Certified Public Accountants (瑞華會計師事務所).

Ms. Huo has entered into a service agreement with the Company in relation to her appointment as an independent non-executive Director for an initial term of two years commencing on 30 January 2020. Such appointment is subject to retirement by rotation and re-election at the AGM in accordance with the Memorandum and Articles of Association. Ms. Huo is entitled to a remuneration of HK\$10,000 per month. The remuneration of Ms. Huo is determined by the Board having regard to the recommendation of the Remuneration Committee and with reference to her qualifications, experience, duties and responsibilities and the prevailing market conditions.

Save as disclosed above, to the best of the knowledge of the Directors having made all reasonable enquiries, Ms. Huo (i) has not held any other directorships in the last three years in any listed public company on Hong Kong or overseas; (ii) does not hold any position with the Company or any members of the Group; (iii) is not related to any Directors, senior management, substantial shareholders or controlling shareholders of the Company; and (iv) is not interested in any Shares within the meaning of Part XV of the SFO.

As far as the Directors are aware, there is no information of Ms. Huo to be disclosed pursuant to any of the requirements under paragraphs (h) to (v) of the Rule 17.50 of the GEM Listing Rules; and there are no other matters concerning Ms. Huo that need to be brought to the attention of the Shareholders.

APPENDIX III PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

The following is a summary of the principal terms of the New Share Option Scheme to be approved and adopted by ordinary resolution at the AGM, but such summary does not form part of, nor was it intended to be, part of the New Share Option Scheme, nor should it be taken as affecting the interpretation of the rules of the New Share Option Scheme:

1. PURPOSE

The purpose of the New Share Option Scheme is to enable the Company to grant Options to the Eligible Participants to:

- i. recognise the contributions by the Eligible Participants with an opportunity to acquire a proprietary interest in the Company;
- ii. encourage and retain such individuals for the continual operation and development of the Group;
- iii. provide additional incentives for them to achieve performance goals (if any);
- iv. attract suitable personnel for further development of the Group; and
- v. motivate the selected 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.

Upon termination of the Existing Share Option Scheme, no further options will be granted thereunder. However, the provisions of the Existing Share Option Scheme will remain in full force and effect to the extent necessary to give effect to the exercise of options granted (if any) prior to its termination or otherwise as may be required in accordance with the rules of the Existing Share Option Scheme. Save for the aforementioned 823,850 options, the Board confirms that it will not grant any further options under the Existing Share Option Scheme prior to the AGM.

Vesting Period

The Directors consider that the New Share Option Scheme, which will be valid for 10 years from the date of its adoption, will provide the Company with more flexibility in long-term planning of granting of the share options to the eligible participants (including any employee, officer or director of any member of the Group) in a longer period in the future. Under the New Share Option Scheme, the vesting period of options shall not be less than 12 months in general (“**Vesting Period**”). However, the Board (or the remuneration committee of the Company where it relates to grants of options to an Employee Participant

APPENDIX III PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

who is a Director and/or senior manager of the Company) has discretion in allowing a shorter vesting period to an Employee Participant in the following circumstances:

- (a) grants of “make-whole” Option(s) to new joiners to replace the share options they forfeited when leaving the previous employers, which would provide talents with higher incentives in joining the Group for the Group’s further development;
- (b) grants to an Employee Participant whose employment is terminated due to death or occurrence of any out of control event, which allows flexibility for the Company to reward employees in exceptional circumstances to ensure fair treatment;
- (c) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the Vesting Period may be shorter to reflect the time from which the Option would have been granted, which allows flexibility for the Company to reward employees in case of delays due to administrative or compliance reasons;
- (d) 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, which provides flexibility for the Company in granting Options; or
- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria, which allows flexibility for the Company to reward exceptional performers who fulfilled the performance targets (if any) in less than 12 months.

The Board is of the view that the discretion in allowing a shorter vesting period in each of the circumstances as detailed above is appropriate and in line with the requirements under the GEM Listing Rules and market practice. Such discretion gives the Company more flexibility to (i) provide higher incentives when attracting talents; (ii) reward exceptional performers with accelerated vesting; and (iii) grant Options in exceptional circumstances where justified, which is in line with the purpose of the New Share Option Scheme.

Moreover, the Board or the committee of the Board or person to which the Board has delegated its authority (as the case may be) have the authority to establish performance targets (where necessary) in relation to the granting of the Options. The Directors are of the view that the flexibility given to the Directors in relation to the Vesting Period and performance targets (if any) will place the Group in a better position to reward its employees and retain human resources that are valuable to the growth and development of the Group as a whole. None of the Directors is a trustee of the New Share Option Scheme or has a direct or indirect interest in such trustee (if any).

Currently there is no trustee arrangement for the New Share Option Scheme.

APPENDIX III PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

Eligible Participants

Eligible Participants under the New Share Option Scheme include (a) the Employee Participant(s), (b) the Service Provider(s) and (c) the Related Entity Participant(s), provided that the Board may have absolute discretion to determine whether or not one falls within the above category, subject to compliance with Chapter 23 of the GEM Listing Rules.

With respect to Employee Participants, the Board will consider, amongst others, their general working experience, time commitment (full-time or part-time), length of their service within the Group, working experience, responsibilities and employment conditions according to the prevailing market practice and industry standard, or where appropriate, contribution or potential contribution to the Group. In determining whether a person has contributed or will contribute to the Group, the Group will take into account, among other things, whether contribution has been made to or will be made to the Group in terms of operation, financial performance, prospects, growth, reputation and image of the Group.

Set out below are the detailed description of each type of Service Providers and the specific criteria for determining the eligibility of each type of Service Providers under the New Share Option Scheme:

Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the New Share Option Scheme
Supplier	Supplied healthcare, beauty and medical products/services, machinery, equipment, installation and maintenance services, and such other products/services ancillary to the aforementioned to the Group.	(i) individual performance of the relevant supplier; (ii) the length of business relationship with the Group; (iii) whether the frequency of the services provided by the supplier is akin to that of its employees and clients; (iv) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (v) track record in the quality of services provided to and/or cooperation with the Group; and (vi) the scale of business dealings with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Provider.

APPENDIX III PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the New Share Option Scheme
Independent contractor, agent, consultant and adviser	<p>Provided advisory services, consultancy services, and/or other professional services to the Group on areas in respect of marketing, promotional activities and strategic planning in expansion of markets, business development as well as research and development, and relating to the Group's principal business activities in healthcare, beauty and medical businesses that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge in the abovementioned fields.</p>	<p>(1) individual performance of the relevant contractor, agent, consultant and/or adviser; (2) their knowledge, experience and network in the relevant industry; (3) the frequency of collaboration and length of business relationship with the Group; (4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (5) the background, reputation and track record of the relevant contractor, agent, consultant and/or adviser; (6) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such contractor, agent, consultant and/or adviser could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by services provided by such contractor, agent, consultant and/or adviser; (7) the replacement cost of such contractor, agent, consultant and/or adviser (including continuity and stability of provision of the necessary services); and (8) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant contractor, agent, consultant and/or adviser, and/or the synergy between the relevant contractor, agent, consultant and/or adviser and the Group.</p>

APPENDIX III PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

The Board (including the independent non-executive Directors) is of the view that the categories of the Service Providers are in line with the business needs of the Group and that the criteria for their selection align with the purpose of the New Share Option Scheme. In addition, the Service Providers' continuing and recurring engagement and cooperation with the Company would benefit the Group on a frequent and successive basis in its ordinary and usual course of business. The Company will assess the Service Providers' continuity and recurrence by mainly taking their track record, substitutability of the goods/services provided, costs and reputation into account. In particular, such continuing and recurring engagement and cooperation would benefit the group based on the following:

- (a) the suppliers supplied healthcare, beauty and medical products/services to the Group on a regular or recurring basis with which the Group would consider important to maintain business relationship with such suppliers on an ongoing basis;
- (b) independent contractor, agent, consultant and adviser refer to the same category of Service Providers that are engaged in businesses that contract with the Group, as principal or as agent, to provide important services to the Group on a regular or recurring in technology, logistics, procurement, marketing, manufacturing, research and development of products, human resources and public relations with which the Group would consider important to maintain a close business relationship on an ongoing basis.

Apart from the contributions from employees, the success of the Group might also come from the efforts and contributions from non-employees (including the Service Providers) who have contributed or may contribute to the Group. Grant of Options to the Service Providers would not only align the interest of the Group with such Eligible Participants, but also strengthen their loyalty to the Group and provide incentives for (i) a higher degree of their participation and involvement in the business of the Group; and (ii) maintaining a stable and long-term relationship with the Group. Through the grant of Options, the interest of such Eligible Participants will align with that of the Group in promoting the growth and development of the Group's business, which is desirable and necessary from a commercial perspective and helps maintain or enhance the competitiveness of the Group.

In respect of the Service Providers, the Group has, in its ordinary and usually course of business, always relied on the services of the Service Providers (including but not limited to suppliers, independent contractors, agents, consultants and advisers). For example, the Group consistently relies on contractors and suppliers for carrying out its initiatives on healthcare, beauty and medical related projects. It is believed that the Group's success is attributable to the high quality of services provided by such individuals and entities. The Company appreciates the participation and contributions made by our business partners and would like to give them share-based incentives as and when appropriate so as to, among other things, motivate them to achieve higher performance target, provide higher quality of services, which will in turn further increase the Group's revenue. Moreover, the

Group considers that attracting more of such business partners and exploring potential business opportunities with them could promote the corporate and brand image of the Group.

In view of the above, the Board (including the independent non-executive Directors) is of the view that the inclusion of Service Providers as Eligible Participants is fair and reasonable and aligns with the purpose of the New Share Option Scheme.

Duration

Subject to any early termination as may be determined by the Board pursuant to the rules of the New Share Option Scheme, the New Share Option Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date.

Performance targets

The Board may at its discretion specify any condition in the offer letter at the grant of the relevant Option which must be satisfied before an Option may be exercised. Save as determined by the Board on a case-by-case basis taking into account the nature of the duties of and services provided by the Eligible Participant(s) and set out in the offer letter of the grant of the relevant Option at the discretion of the Board, there is no performance target which must be achieved before an Option can be exercised under the terms of the New Share Option Scheme, and save as set out in paragraphs 12 to 17 to Appendix IV of this circular, there is no any clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Participant. The Directors are of the view that the flexibility given to the Directors in relation to the performance targets will place the Group in a better position to reward its employees and retain human resources that are valuable to the growth and development of the Group as a whole. If performance targets are imposed upon grant of Options, the Board will have regard to the purpose of the New Share Option Scheme in assessing such performance targets, with reference to factors including but not limited to, as and when appropriate, sales performance (e.g. revenue), operating performance (e.g. profits, operation efficiency in terms of cost control), financial performance (e.g. profits, cash flow, earnings, market capitalisation, return on equity) of the Group, corporate suitability parameter (e.g. timeliness and accuracy in handling customer feedback, team work capabilities, adherence to corporate culture) and discipline and responsibility (e.g. punctuality, integrity, honesty or compliance with internal business procedures), the satisfaction of which shall be assessed and determined by the Board at its sole discretion.

Conditions Precedent

The New Share Option Scheme is conditional upon:

- (a) the passing of a resolution at the AGM to approve the termination of the Existing Share Option Scheme, the adoption of the New Share Option Scheme and to authorise the Directors to grant Options to Eligible Participants and to allot and issue Shares pursuant to the exercise of any Option granted under the New Share Option Scheme; and
- (b) the GEM Listing Committee granting the approval for the listing of, and permission to deal in any new Shares which may fall to be allotted and issued by the Company upon the exercise of Options that may be granted under the New Share Option Scheme.

Scheme Limit

The maximum number of Shares which may be allotted and issued in respect of all Options to be granted under the New Share Option Scheme, and the options and awards to be granted under any other share scheme(s) shall not in aggregate exceed 10% of the entire issued share capital of the Company as at the Adoption Date without the Shareholders' approval.

Within the Scheme Limit, the maximum number of Shares which may be issued in respect of all Options which may be granted at any time under the New Share Option Scheme, respectively, together with the options and awards which may be granted under any other share schemes for the time being of the Company to the Service Providers shall not exceed the Service Provider Sublimit (i.e. 3,042,524 Shares, being 1% of the issued share capital of the Company as at the Adoption Date).

The basis for determining the Service Provider Sublimit includes the potential dilution effect arising from grants to the Service Providers, the importance of striking a balance between achieving the purpose of the New Share Option Scheme and protecting Shareholders from the dilution effect from granting the Options to the Service Providers, the actual or expected increase in the Group's revenue or profits which is attributable to the Service Providers and the extent of use of Service Provider(s) in the Group's business, as well as to ensure sufficient amount of awards would be available to be granted to the Employee Participants and Related Entity Participant(s). Considering the fact that (i) the individual limit under Rule 23.03D(1) of the GEM Listing Rules is also 1%; (ii) the sublimit of 1% would not lead to excessive dilution of the existing Shareholders' shareholdings; (iii) the Existing Share Option Scheme will be terminated upon Shareholders' approval; and (iv) the Service Providers have contributed to the long-term growth of the Company's business, and that the New Share Option Scheme could incentivise Service Providers who/which supply reliable and high-quality services or products to the Group on a long-term basis, the Board is of the view that the Service

Provider Sublimit is appropriate and reasonable. The Service Provider Sublimit is subject to separate approval by the Shareholders at the AGM.

Based on 304,252,480 Shares in issue as at the Latest Practicable Date and assuming that there is no change in the issued share capital of the Company before the AGM, the maximum number of Shares which may be allotted and issued in respect of all Options to be granted under the New Share Option Scheme, and the options and awards to be granted under any other share scheme(s) of the Company is 30,425,248 Shares.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder had any material interest in the proposed adoption of the New Share Option Scheme. Accordingly, no Shareholder is required to abstain from voting on the resolutions approving the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme at the AGM.

The Company will, where applicable, comply with the applicable requirements under Chapter 23 of the GEM Listing Rules in respect of the operation of the New Share Option Scheme.

Value of the Options

The Directors consider that it is not appropriate to state the value of all the Options that can be granted under the New Share Option Scheme as if they had been granted at the Latest Practicable Date prior to the approval of the New Share Option Scheme given that the variables which are crucial for the calculation of the value of such Option cannot be determined. The variables which are critical for the determination of the value of such Options include the subscription price payable for the Shares upon the exercise of the Options, whether or not Options will be granted under the New Share Option Scheme, and if so, the number of Options to be granted and the timing of the granting of such Options, the period during which the subscription rights may be exercised and any other conditions that the Board may impose with respect to the Options and whether or not such Options if granted will be exercised by the holders of the Option. In any event, the exercise price must be at least the higher of: (a) the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange on the Offer Date, which must be a Business Day; (b) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) consecutive Business Days immediately preceding the Offer Date; and (c) the nominal value of the Share on the Offer Date. Accordingly, the Directors are of the view that the value of the Options depends on a number of variables which are either difficult to ascertain or can only be ascertained subject to a number of theoretical and speculative assumptions. As such, the Directors believe that any calculation of the value of the Options will not be meaningful and may be misleading to Shareholders in the circumstances.

APPENDIX III PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

As at the Latest Practicable Date, other than the Existing Share Option Scheme, the Company currently does not have any other share schemes.

2. ADMINISTRATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall be subject to the administration of the Board whose decision on all matters arising in relation to the New Share Option Scheme or its interpretation or application or effect shall (save as otherwise provided in the New Share Option Scheme and in the absence of manifest error) be final and binding on all persons who may be affected thereby. For the avoidance of doubt, subject to compliance with the requirements of the GEM Listing Rules and the provisions of the New Share Option Scheme, the Board shall have the right to (i) interpret and construe the provisions of the New Share Option Scheme; (ii) determine the persons who will be offered Options under the New Share Option Scheme, and the number of Shares and the subscription price of the Shares, in relation to such Options; (iii) make such appropriate and equitable adjustments to the terms of Options granted under the New Share Option Scheme as it may deem necessary; (iv) use Treasury Shares listed on the Stock Exchange to fund the Options to be granted under the New Share Option Scheme in the event that the Company has Treasury Shares listed on the Stock Exchange; and (v) make such other decisions or determinations or regulations as it shall deem appropriate for the administration of the New Share Option Scheme.

3. ELIGIBLE PARTICIPANTS AND THE BASIS OF ELIGIBILITY OF THE PARTICIPANTS OF THE NEW SHARE OPTION SCHEME

Eligible Participants for the New Share Option Scheme include:

- (a) Employee Participant(s) including the director(s) (excluding independent non-executive Director) and employee(s) (whether full-time or part-time) of any member of the Group (including persons who are granted Options under the New Share Option Scheme as inducement to enter into employment contracts with the Group);
- (b) “Related Entity Participant(s) including directors and employees (whether full-time or part-time) of the holding companies, fellow subsidiaries or associated companies of the Company; and
- (c) “Service Provider(s)” including person(s) who provide services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group or which will contribute significantly to the growth of the Group’s financial and business performance, including any independent distributors, contractors, suppliers, agents, consultants or advisers engaged to provide services in relation to the Group’s principal business activities in healthcare, beauty and medical services to any member of the Group, and provided that any placing agent or financial adviser providing advisory services for fundraising, mergers or acquisitions, and other professional services

APPENDIX III PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

provider such as auditor or valuer who provide assurance or are required to perform their services with impartiality and objectivity are excluded from such category and the Board shall have absolute discretion to determine whether or not one falls within such category,

provided that the Board may, from time to time, at its absolute discretion select any Eligible Participant to be a Selected Participant.

In determining the basis of eligibility of each Eligible Participant, the Board would like into account of (i) the experience of the Eligible Participant on the Group's business; (ii) the length of service of the Eligible Participant with the Group (if the Eligible Participant is an Employee Participant); (iii) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider); and (iv) the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

With respect to Employee Participants, the Board will consider, among others, their general working experience, time commitment (full-time or part-time), length of their service within the Group, working experience, responsibilities and employment conditions according to the prevailing market practice and industry standard, or where appropriate, contribution or potential contribution to the Group. In determining whether a person has contributed or will contribute to the Group, the Group will take into account, among other things, whether contribution has been made to or will be made to the Group in terms of operation, financial performance, prospects, growth, reputation and image of the Group.

With respect to Related Entity Participants, the Board 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, which may include the degree of involvement in and/or cooperation with the Group, the length of collaborative relationship the Related Entity Participant has established with the Group, the extent of positive impact provided by or expected from business development activities in terms of the actual or expected change in the Group's revenue or profits attributable to the Related Entity Participant, whether the Related Entity Participant has assisted the Group to tap into new markets or increase its existing market share, whether the Related Entity Participant has provided measurable assistance to improve any aspect of the Group's operations, the amount of actual or potential support, assistance, guidance, advice, effort or contribution the Related Entity Participant give or is likely to be able to give or make towards the success of the Group.

For Service Providers, the factors in assessing whether such Service Provider is eligible to participate in the New Share Option Scheme include, in particular: (i) the individual performance of relevant Service Providers; (ii) the length of business relationship with the Group; (iii) whether the frequency of the services provided by the supplier is akin to that of its

employees and clients; (iv) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (v) track record in the quality of services provided to and/or cooperation with the Group; and (vi) the scale of business dealings with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Provider.

Further, with respect to the eligibility of each category of the Service Providers, the Board will, on a case by case basis, specifically consider the following factors:

(a) Supplier

Service Providers under this category are mainly suppliers of healthcare, beauty and medical products/services, machinery, equipment, installation and maintenance services, and such other products/services ancillary to the aforementioned to the Group.

The Board will, on a case-by-case basis, take into account both qualitative and quantitative factors when determining the eligibility of such supplier, including but not limited to: (1) the nature, reliability and quality of the services/products supplied; (2) the value of the services provided by the relevant supplier; (3) the frequency of collaboration and length of business relationship with the Group; (4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (5) the background, reputation and track record of the relevant supplier; (6) the replacement cost of such supplier and/or the services (including continuity and stability of supply or provision of such services); and (7) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such supplier could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by the products/services supplied and/or provided by such supplier.

(b) Independent contractor, agent, consultant and adviser

Service Providers under this category are mainly independent contractors, agents, consultants and advisers who provided advisory services, consultancy services, and/or other professional services to the Group on areas in respect of marketing, promotional activities and strategic planning in expansion of markets, business development as well as research and development, and relating to the Group's principal business activities in healthcare, beauty and medical businesses that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge in the abovementioned fields.

The Board will, on a case-by-case basis, take into account both qualitative and quantitative factors when determining the eligibility of such contractor, agent, consultant and/or adviser, including but not limited to: (1) individual performance of the relevant contractor, agent, consultant and/or adviser; (2) their knowledge, experience and network in the relevant industry; (3) the frequency of collaboration and length of business relationship with the Group; (4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (5) the background, reputation and track record of the relevant contractor, agent, consultant and/or adviser; (6) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such contractor, agent, consultant and/or adviser could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by services provided by such contractor, agent, consultant and/or adviser; (7) the replacement cost of such contractor, agent, consultant and/or adviser (including continuity and stability of provision of the necessary services); and (8) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant contractor, agent, consultant and/or adviser, and/or the synergy between the relevant contractor, agent, consultant and/or adviser and the Group.

4. GRANT AND ACCEPTANCE OF OPTIONS

The Board shall, subject to the terms of the New Share Option Scheme and the GEM Listing Rules, be entitled (but shall not be bound) at any time and from time to time on any Business Day within a period of ten (10) years commencing on the Adoption Date to make an Offer to such Eligible Participant as it may in its absolute discretion select, and subject to such conditions as the Board may think fit, to subscribe for such number of Shares (being a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof) as the Board may, subject to paragraph (7) below, determine the subscription price pursuant to paragraph (6) below, provided that no such grant shall be made if a prospectus is required to be issued under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any applicable laws or if such grant will result in the breach by the Company or the Directors of any applicable securities laws and regulations in any jurisdiction.

An Offer shall be made to Eligible Participants in writing (and unless so made shall be invalid) in such form as the Board may from time to time determine either generally or on a case-by-case basis specifying the number of Shares and the Option Period in respect of which the Offer is made and further requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme and shall remain open for acceptance by the Eligible Participant concerned (and by no other person, including his or her Personal Representative(s)) for a period of twenty-one (21) days inclusive of, and from the Offer Date provided that no such Offer shall be open for acceptance after the earlier of the Termination Date or the termination of the New Share Option Scheme.

An Offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant with the number of Shares in respect of which the Offer is accepted as stated therein, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company.

Any Offer may be accepted by an Eligible Participant in respect of less than the number of Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof.

5. VESTING PERIOD

Save for the circumstances prescribed below, an Option must be held by the Grantee for at least twelve (12) months before the Option can be exercised.

The Board (or the remuneration committee of the Company where it relates to grants of Options to an Employee Participant who is a Director and/or senior manager of the Company) may at its discretion grant a shorter vesting period to an Employee Participant in the following circumstances:

- (a) grants of “make-whole” Option(s) to new joiners to replace the share options they forfeited when leaving the previous employers;
- (b) grants to an Employee Participant whose employment is terminated due to death or occurrence of any out of control event;
- (c) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the Vesting Period may be shorter to reflect the time from which the Option would have been granted;
- (d) 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
- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria.

6. EXERCISE OF OPTIONS AND SUBSCRIPTION PRICE OF SHARES

An Option may be exercised in whole or in part by the Grantee (or, as the case may be, his Personal Representative(s)) giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is so exercised. Each of such notice must be accompanied by a remittance for the full amount of the subscription price for the Shares in respect of which the notice is given. Within twenty-eight (28) days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate of the Company's auditors or independent financial advisers, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, in the event of an exercise of Option by his or her Personal Representative, to the estate of the Grantee) credited as fully paid and instruct the share registrar of the Company to issue to the Grantee (or his or her Personal Representative(s)) a share certificate for the Shares so allotted.

Holders of the Options are not entitled to voting, dividend, transfer and other rights of the holders of the Shares, including those arising on a liquidation of the Company, save as otherwise provided in paragraph 23 to this Appendix or under the relevant laws or the memorandum of association and the Articles of Association in effect from time to time.

The subscription price for Shares to be subscribed under the New Share Option Scheme may be determined by the Board at its absolute discretion, provided that it shall not be less than the highest of:

- (a) the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange on the Offer Date, which must be a Business Day;
- (b) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) consecutive Business Days immediately preceding the Offer Date; and
- (c) the nominal value of the Share on the Offer Date.

Where a relevant Option is to be granted under paragraph (8) or (9), for the purposes of the sub-paragraph (a) and (b) above, 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 as set above shall apply *mutatis mutandis*.

7. MAXIMUM NUMBER OF SHARES AVAILABLE FOR ISSUE

- (a) Subject to the GEM Listing Rules, the total number of Shares which may be issued in respect of all Options which may be granted at any time under the New Share Option Scheme, together with options and awards which may be granted under any other share schemes for the time being of the Company shall not exceed such number of Shares as equals to 10% of the issued share capital of the Company (excluding any Treasury Shares) as at the Adoption Date, unless Shareholders' approval has been obtained pursuant to sub-paragraphs (c) and (d) below. Options lapsed in accordance with the terms of the New Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Limit and the Service Provider Sublimit. As at the Latest Practicable Date, the Board has not identified any specific Grantee or made any immediate plan to make grants of Options. The Company may issue new Shares and/or utilise existing Treasury Shares (if any) to satisfy grants of the Options under the New Share Option Scheme to the extent permitted by the Listing Rules, all applicable laws and regulations and the Articles of Association. As at the Latest Practicable Date, the Company had no specific plans or immediate intention to use Treasury Shares for the New Share Option Scheme, if applicable.
- (b) Subject to the limit mentioned in (7)(a) above, within the Scheme Limit, the total number of Shares which may be issued in respect of all Options which may be granted at any time under the New Share Option Scheme, together with options and awards which may be granted under any other share schemes for the time being of the Company to Service Providers shall not exceed such number of Shares as equals to 1% of the issued share capital of the Company as at the Adoption Date (i.e. the Service Provider Sublimit).
- (c) The Company may seek approval of the Shareholders in general meeting to refresh the Scheme Limit and/or the Service Provider Sublimit under the New Share Option Scheme after three (3) years from the Adoption Date (or the date of Shareholders' approval for the last refreshment), provided that the limit so refreshed must not exceed 10% of the relevant class of Shares in issue (excluding any Treasury Shares) as at the date of passing the relevant resolution. The Company must send a circular to the Shareholders containing such information as required under the GEM Listing Rules. Any refreshment of the Scheme Limit and/or the Service Provider Sublimit to be made within three (3) years from the Adoption Date (or the date of Shareholders' approval for the last refreshment) shall be subject to independent Shareholders' approval pursuant to Rule 23.03C(1) of the GEM Listing Rules.

- (d) The Company may also seek separate approval of the Shareholders in general meeting for granting Options beyond the Scheme Limit provided that the Options in excess of the Scheme Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. For the purpose of seeking approval of Shareholders under this sub-paragraph (d), the Company must send a circular to the Shareholders containing a generic description of the specified Eligible Participants who may be granted such Options, the number and terms of 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 such other information as required under the GEM Listing Rules. The number and terms (including the subscription price) of Options to be granted to such Eligible Participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the subscription price.

8. GRANT OF OPTIONS TO A DIRECTOR, CHIEF EXECUTIVE OR SUBSTANTIAL SHAREHOLDER OF THE COMPANY OR ANY OF THEIR ASSOCIATES

Any grant of Options to a Director, a chief executive of the Company or substantial Shareholder (as defined under the GEM Listing Rules), or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Grantee of an Option).

Where Options or awards are proposed to be granted to an independent non-executive Director or a substantial Shareholder (as defined in the GEM Listing Rules) or any of their respective associates and if such grant would result in the Shares issued and to be issued in respect of all options and awards granted and to be granted (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) to such person in any twelve (12)-month period up to and including the date of grant representing in aggregate over 0.1% of the total issued Shares, such further grant of Options or awards must be approved by Shareholders in a general meeting of the Company with such Grantee, his/her associates and all Core Connected Persons of the Company abstaining from voting in favour of the proposed grant at such general meeting. Parties that are required to abstain from voting in favour at the general meeting pursuant to Rule 23.04(1) of the GEM Listing Rules may vote against the resolution at the general meeting of the Company, provided that their intention to do so has been stated in the relevant circular to the Shareholders. Any vote taken at the general meeting to approve the grant of such Options or awards must be taken on a poll and comply with the requirements under the GEM Listing Rules.

A circular must be prepared by the Company and sent to the Shareholders explaining the proposed grant, containing, among other matters, (i) details of the number and terms of the Options or awards to be granted to each Eligible Participant, which must be fixed before Shareholders' approval; (ii) the views of the independent non-executive Directors (excluding any independent non-executive Director who and whose associate is a Grantee) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the

Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; and (iii) information as may be required by the Stock Exchange from time to time.

Shareholders' approval in a general meeting is also required for any change in the terms of Options granted to an Eligible Participant who is a substantial Shareholder (as defined in the GEM Listing Rules) or an independent non-executive Director, or any of their respective associates.

9. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT

Where any grant of Options to an Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue (excluding any Treasury Shares), such grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his/her Close Associates (or associates if the Eligible Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the Options to be granted (and options previously granted to such Eligible Participant in the twelve (12)-month period), the purpose of granting Options to the Eligible Participant, an explanation as to how the terms of the Options serve such purpose and such information as may be required by the Stock Exchange from time to time. The number and terms (including the subscription price) of Options to be granted to such Eligible Participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

10. TIME OF EXERCISE OF OPTIONS

Subject to the terms of the New Share Option Scheme, an Option may be exercised in whole or in part at any time during the period to be determined and notified by the Directors to the Grantee thereof at the time of making an Offer provided that such period shall not exceed the period of ten (10) years from the date of the grant of the particular Option but subject to the provisions for early termination of the New Share Option Scheme.

The Board may at its discretion specify any condition in the offer letter at the grant of the relevant Option which must be satisfied before an Option may be exercised. Save as determined by the Board on a case-by-case basis taking into account the nature of the duties of and services provided by the Eligible Participant(s) and set out in the offer of the grant of the relevant Option at the discretion of the Board, there is no performance target which must be achieved before an Option can be exercised under the terms of the New Share Option Scheme, and save as set out in paragraphs 12 to 17, there is no any clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Participant.

11. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

Grant of Options may not be made:

- (a) after inside information (having the meaning defined in the SFO), has come to the knowledge of the Company until (and including) the trading day after it has been announced pursuant to the requirements of the GEM Listing Rules; and
- (b) during the period commencing from one (1) month immediately preceding the earlier of:
 - (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for approving the Company's results for any year, half-year or quarter-year period or any other interim period (whether or not required under the GEM Listing Rules); and
 - (ii) the deadline for the Company to publish its results for any year or half-year or quarterly or any other interim period (whether or not required under the GEM Listing Rules),

and ending on the date of the results announcements (or during any period of delay in publishing results announcements).

For the avoidance of doubt, in compliance with the GEM Listing Rules, a Director must not deal in any securities of the Company (and no Options may be granted 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 in Rule 5.67 of the GEM Listing Rules.

12. RIGHTS ARE PERSONAL TO GRANTEES

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Option or any part thereof granted to such Grantee to the extent not already exercised.

13. RIGHTS ON CESSATION OF EMPLOYMENT OR DIRECTORSHIP

If the Grantee of an Option is an employee or a director of the Group and ceases to be an Eligible Participant by reason of voluntary resignation or dismissal or upon expiration of his or her term of directorship (unless immediately renewed upon expiration), or by termination of his or her employment or directorship on any one or more of the grounds that he or she has been guilty of persistent or serious misconduct, or has become bankrupt or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group into disrepute) or any other ground(s) on which the Group would be entitled to terminate the Grantee's employment or directorship pursuant to any applicable law before exercising the Option in full, his or her Option (to the extent not already exercised) will lapse on the date of cessation or termination and not be exercisable.

14. RIGHTS ON DEATH

If the Grantee of an Option ceases to be an Eligible Participant by reason of his or her death before exercising the Options in full, and where the Grantee is an employee or a director of the Group, none of the events referred to in paragraph (13) above as ground for termination of his or her employment or directorship arises, his or her Personal Representative(s) may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the terms of the New Share Option Scheme within a period of twelve (12) months following the date of death, or up to the expiration of the Option Period, whichever is earlier, failing which it will lapse. If any of the events referred to in paragraphs (18) to (20) below occurs during such period, his or her Personal Representative(s) may exercise the Option pursuant to paragraphs (18) to (20) respectively.

15. RIGHTS ON ILL-HEALTH OR RETIREMENT

If the Grantee of an Option is an employee or a director of the Group ceases to be an Eligible Participant by reason of ill-health or retirement as an employee in accordance with his or her contract of employment before exercising the Option in full, he or she may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the terms of the New Share Option Scheme within a period of three (3) months following the date of such cessation, failing which it will lapse. The date of cessation shall be the last day on which the Grantee is actually at work with the Group whether salary is paid in lieu of notice or not. If any of the events referred to in paragraphs (18) to (20) below occurs during such period, he or she may exercise the Option pursuant to paragraphs (18) to (20) respectively.

16. RIGHTS ON CESSATION FOR OTHER REASONS

If the Grantee of an Option who is an employee or a director of the Group ceases to be an Eligible Participant for any reason other than the reasons set out in paragraphs (13) to (15) above, his or her Option (to the extent not already exercised) will lapse on the date of cessation of his or her employment with the Group.

17. RIGHTS ON BREACH OF CONTRACT

If the Grantee of an Option who is a Service Provider ceases to be an Eligible Participant by reason of breach of contract entered into between such Eligible Participant and the Group, or termination of his/her/its engagement or appointment, in the absolute determination of the Board or the Board in its sole and absolute opinion believes such Grantee has become a competitor of the Group, or the Grantee has become bankrupt or has become insolvent or has made any arrangement or composition with his/her/its creditors generally, has committed any serious misconduct, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group into disrepute), the Options (to the extent not already exercised) shall lapse on the date of the Board's determination and not be exercisable.

Note: Paragraphs 13, 15 and 16 do not apply to a Grantee who is not an employee or a director of the Group. Unlike employees or directors who are employed or appointed on a continuous basis, the relationship between the Group and the Grantees who are not employees or directors are based on different contracts which may or may not be consecutive or continuous in nature and may be on a project or order basis.

18. RIGHTS ON A GENERAL OFFER

In the event of a general or partial offer, whether by way of take-over offer, share repurchase offer, or scheme of arrangement or otherwise in like manner being made to all Shareholders (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert (as defined in the Takeovers Code) with the offeror) and such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders during the Option Period of the relevant Option, the Grantee (or his or her Personal Representative(s)) shall be entitled to exercise the Option in full (to the extent not already exercised) at any time within one (1) month after the date on which such offer becomes or is declared unconditional, or within one (1) month after the record date for entitlements under the scheme of arrangement, as the case may be.

Notwithstanding any contrary provisions set out above, the Vesting Period for the Grantees who are not Employee Participants shall not be less than 12 months.

19. RIGHTS ON WINDING-UP

In the event a notice is given by the Company to its Shareholders to convene a special general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as it despatches such notice to each Shareholder give notice thereof to all Grantees and any Grantee or his or her Personal Representative(s) may by notice in writing to the Company accompanied by a remittance for the full amount of the aggregate subscription price in respect of the relevant Option (such notice shall be received by the Company no later than two (2) Business Days prior to the proposed general meeting) exercise the Option (to the extent not already exercised) either to its full extent or to the extent that he or she may specify in his or her notice and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to

APPENDIX III PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

the date of the proposed general meeting referred to above, allot and issue such number of Shares to the Grantee credited as fully paid.

Notwithstanding any contrary provisions set out above, the Vesting Period for the Grantees who are not Employee Participants shall not be less than 12 months.

20. RIGHTS ON RECONSTRUCTION, COMPROMISE OR ARRANGEMENT

If a compromise or arrangement between the Company and the Shareholders or its creditors being proposed for the purpose of or in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same date as it gives notice of the meeting to the Shareholders or creditors to summon a meeting to consider such a scheme or arrangement and the Options (to the extent not already exercised) shall become exercisable in whole or in part on such date until the earlier of (i) two (2) months after that date or (ii) at any time not later than two (2) Business Days prior to the date of the meeting directed to be convened by the court for the purposes of considering such a scheme or arrangement (the “**Suspension Date**”), accompanied by a remittance of the full amount of the aggregate subscription price for the Shares in respect of which the notice is given exercise the Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice and the Company shall as soon as possible and in any event no later than 3:00 p.m. on the Business Day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee or his or her Personal Representative(s) which falls to be issued on such exercise of the Option credited as fully paid and register the Grantee as holder thereof. With effect from the Suspension Date, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse and terminated.

21. CANCELLATION OF OPTIONS

Any Option granted but not exercised may not be cancelled except with the written consent of the relevant Grantee and the prior approval of the Directors. Where the Company cancels Options and makes a new grant to the same Grantee, such new grant may only be made under the New Share Option Scheme with available unissued Options within the limit approved by the Shareholders pursuant to paragraph (7). The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Limit and the Service Provider Sublimit.

22. EFFECT OF ALTERATIONS TO SHARE CAPITAL

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or whilst the New Share Option Scheme remains in effect, and such event arises from a capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction), then, in respect of any such adjustments (other than any adjustments made on a capitalisation issue) the Company shall instruct the Auditor or independent financial adviser to

APPENDIX III PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

certify in writing to the Board the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to:

- (1) the number or nominal amount of Shares to which the New Share Option Scheme or any Options relates (insofar as it is/they are unexercised); and/or
- (2) the Exercise Price of any unexercised Option,

and an adjustment as so certified by the Auditor or the independent financial adviser shall be made, provided that:

- (a) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;
- (b) any such adjustment shall be made on the basis that a Grantee shall be given the same proportion of the issued share capital of the Company for which such Grantee would have been entitled to subscribe had the person exercised all the Options held by him immediately prior to such event (as interpreted in accordance with FAQ No. 072-2020 or any further or updated guidance or interpretation of the GEM Listing Rules issued by the Stock Exchange from time to time);
- (c) the issue of securities of the Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and
- (d) in respect of any such adjustments, the Auditor or the independent financial advisers must confirm to the Board in writing that the adjustments satisfy the requirements set out above, the requirements of the note to Rule 23.03(13) of the GEM Listing Rules, FAQ 072-2020, any relevant provisions of the GEM Listing Rules and any guidance/interpretation of the GEM Listing Rules issued by the Stock Exchange and the notes thereto from time to time.

Subject to the above principles and certification procedures, and any further or updated guidance or interpretation of the GEM Listing Rules issued by the Stock Exchange from time to time, the default method of adjustment is set out below:

- (1) In the case of a capitalisation issue or rights issue, the Company would calculate the adjusted number of Options and adjusted exercise price by applying the formula prescribed (and as updated from time to time) by the Stock Exchange in section A(a) and A(b), respectively, of the “APPENDIX TO SUPPLEMENTARY GUIDANCE ON GEM LISTING RULE 23.03(13) and the Note Immediately After the Rule” (the “**Supplemental Guidance**”) to FAQ No. 072-2020 published by the Stock Exchange, set out below:

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

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

Where

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

CUM = Closing price as shown in the daily quotation sheet of the Stock Exchange on the last day of trading before going ex-entitlement

$$\text{TEEP (Theoretical ex entitlement price)} = \frac{\text{CUM} + [M \times R]}{1 + M}$$

M = Entitlement per existing Share

R = Subscription price

- (2) In the case of a consolidation, subdivision or reduction of share capital, the Company would calculate the adjusted number of Options and exercise price by applying the formula prescribed (and as updated from time to time) by the Stock Exchange in section B of the Supplemental Guidance, set out below:

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

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

Where F = Subdivision or consolidation or reduction factor

Any dispute arising in connection with the number of Shares of an Option and any of the matters referred to this section shall be referred to the decision of the Auditor or the independent financial advisers of the Company who shall act as experts and not as arbitrators and whose decision, in the absence of manifest error, shall be final, conclusive and binding on all persons who may be affected thereby.

23. RANKING OF SHARES

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue (excluding any Treasury Shares) on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (the “**Exercise Date**”) and accordingly will entitle the holders of Shares to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any

APPENDIX III PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

dividends or other distributions previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the Exercise Date. A Share allotted upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered onto the register of members of the Company as the holder thereof.

24. DURATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall continue in force for the period commencing from the Adoption Date, and expiring at the close of business on the date which falls ten (10) years after the Adoption Date, after such period no further Options will be granted but the provisions of the New Share Option Scheme shall remain in full force and effect in respect of any Options granted before its expiry or termination but not yet exercised.

25. ALTERATIONS TO THE TERMS OF THE NEW SHARE OPTION SCHEME

Save for the provisions prescribed below, the New Share Option Scheme may be altered in any respect by a resolution of the Board or administrator of the New Share Option Scheme without the approval of Shareholders in general meeting.

- (a) The provisions relating to the matters set out in Rule 23.03 of the GEM Listing Rules cannot be altered to the advantage of Eligible Participants without the prior approval of Shareholders in a general meeting.
- (b) Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by Shareholders, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- (c) Any change to the authority of the Directors or the administrator of the New Share Option Scheme to alter the terms of New Share Option Scheme must be approved by the Shareholders in a general meeting.
- (d) The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 23 of the GEM Listing Rules.

26. CONDITIONS OF THE NEW SHARE OPTION SCHEME

The adoption of the New Share Option Scheme is conditional upon:

- (a) the GEM Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in any new Shares which may fall to be allotted and issued by the Company upon the exercise of the Options that may be granted under the New Share Option Scheme; and

APPENDIX III PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

- (b) the passing of ordinary resolutions at the AGM approving the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme.

27. LAPSE OF OPTIONS

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (a) the expiry of the Option Period;
- (b) the date on which the Grantee commits a breach of paragraph (12);
- (c) the expiry of the relevant period or the occurrence of the relevant event referred to in paragraphs (13) to (20); and
- (d) the date of the commencement of the winding-up of the Company.

28. TERMINATION

The Company by ordinary resolution in general meeting may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted but not yet exercised prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

29. MISCELLANEOUS

The terms of the New Share Option Scheme (and any other schemes adopted by the Company from time to time) shall be in accordance with the requirements set out in Chapter 23 of the GEM Listing Rules. The Company will comply with the relevant statutory requirements and the GEM Listing Rules from time to time in force on a continuing basis in respect of the New Share Option Scheme and any other schemes of the Company. Any dispute arising in connection with the number of Shares of an Option and any of the matters referred to in paragraph (22) above shall be referred to the decision of the Company's auditors or the independent financial advisers of the Company who shall act as experts and not as arbitrators and whose decision, in the absence of manifest error, shall be final, conclusive and binding on all persons who may be affected thereby.



China Regenerative Medicine International Limited
中國再生醫學國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8158)

NOTICE IS HEREBY GIVEN that the annual general meeting of China Regenerative Medicine International Limited (the “**Company**”) will be held at Suite 2310–2318, Miramar Tower, 132 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 27 June 2025 at 11:00 a.m. for the following purposes, as ordinary business, to consider, and if deemed appropriate, the passing, with or without modifications, of the following resolutions of the Company:

ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors of the Company (the “**Directors**”) and the auditors of the Company for the year ended 31 December 2024.
2. To consider and approve, each as a separate resolution, if thought fit, the following resolutions:
 - (a) to re-elect Mr. Wang Chuang as executive Director;
 - (b) to re-elect Ms. Luo Min as non-executive Director;
 - (c) to re-elect Ms. Huo Chunyu as an independent non-executive Director;
 - (d) to authorise the board of Directors to fix the remuneration of Directors.
3. To re-appoint Linksfield CPA Limited as the auditors of the Company and to authorise the board of Directors to fix its remuneration.

NOTICE OF AGM

As special business, to consider, and if deemed appropriate, the passing, with or without modifications, of the following resolutions as ordinary resolutions of the Company:

4. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with additional ordinary share(s) of HK\$0.20 each in the capital of the Company (the **“Shares”**) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisations given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined);
 - (ii) the exercise of rights of subscription or conversion under terms of any warrants issued by the Company or any securities which are convertible into Shares;
 - (iii) the exercise of options under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or right to acquire Shares;
 - (iv) any scrip dividend or similar arrangements providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company (the **“Articles of Association”**);

NOTICE OF AGM

shall not exceed 20% of the aggregate number of Shares (excluding treasury shares) of the Company in issue as at the date of passing of this resolution and the said approval shall be limited accordingly, provided that if any subsequent consolidation or subdivision of Shares is effected, the maximum amount of Shares that may be issued pursuant to the approval in paragraph (a) above 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 and such maximum number of Shares shall be adjusted accordingly;

- (d) subject to the passing of each of the paragraphs (a), (b) and (c) of this resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (e) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law of the Cayman Islands or the Articles of Association to be held; or
- (iii) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting;

“Rights Issue” means the allotment, issue or grant of shares pursuant to an offer of shares open for a period fixed by the Directors to holders of shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

NOTICE OF AGM

5. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase issued Shares (excluding treasury shares) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares may be listed and recognised for this purpose by the Securities and Futures Commission and the Stock Exchange under the Hong Kong Code on Share Repurchases, and subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on GEM of the Stock Exchange, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares which may be repurchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate number of issued Shares (excluding treasury shares) as at the date of passing of this resolution and the said approval shall be limited accordingly, provided that if any subsequent consolidation or subdivision of Shares is effected, the maximum amount of Shares that may be repurchased pursuant to the approval in paragraph (a) above 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 and such maximum number of Shares shall be adjusted accordingly;
- (c) subject to the passing of each of the paragraphs (a) and (b) of this resolution, any prior approvals of the kind referred to in paragraphs (a) and (b) of this resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (d) for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law of the Cayman Islands or the Articles of Association to be held; or
 - (iii) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF AGM

6. “**THAT** conditional upon the passing of the resolutions numbered 4 and 5 as set out in the notice of this meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with the Shares pursuant to resolution numbered 4 above be and is hereby extended by the addition to the aggregate number of Shares of the Company which may be allotted by the Directors pursuant to such general mandate an amount representing the aggregate number of Shares of the Company repurchased by the Company under the authority granted pursuant to resolution numbered 5 above, provided that such amount shall not exceed 10% of the aggregate number of issued Shares (excluding treasury shares) in issue as at the date of passing of this resolution.”
7. “**THAT** subject to and conditional upon the Stock Exchange granting the listing of, and permission to deal, such number of Shares which may fall to be issued and allotted pursuant to the exercise of any options which may be granted under the new share option scheme of the Company (the “**New Share Option Scheme**”), the principal terms of which are set out in the printed documents marked “**A**” now produced to the meeting and for the purpose of identification signed by the Chairman hereof, the rules of the New Share Option Scheme be and are hereby approved and adopted to be the New Share Option Scheme; and that the Directors be and are hereby authorised to grant options to allot, issue and deal in the Shares as maybe required to be allotted and issued (and/or to transfer such number of Treasury Shares as applicable) upon the exercise of any option granted thereunder and to take all such steps as may be necessary or desirable to implement the New Share Option Scheme.”
8. “**THAT** subject to and conditional upon the passing of resolution (7) above and the New Share Option Scheme becoming effective, the existing share option scheme of the Company as adopted on 14 September 2011 (the “**Existing Share Option Scheme**”) be and is hereby terminated upon the New Share Option Scheme coming into effect (without prejudice to the rights and benefits of and attached to any outstanding options which have been granted under the Existing Share Option Scheme prior to the date hereof (if any)).”

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9. “**THAT** subject to and conditional upon the passing of resolution (7) above and the New Share Option Scheme becoming effective, the Service Provider Sublimit (as defined in the New Share Option Scheme) on the total number of Shares that may be issued in respect of all options and awards to be granted to service providers under all the share option schemes of the Company (i.e. 1% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the date of passing of this resolution) be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the directors of the Company may consider necessary, desirable or expedient to effect and implement the Service Provider Sublimit.”

Yours faithfully,

By order of the Board

China Regenerative Medicine International Limited

Wang Chuang

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 4 June 2025

Executive Director:

Mr. Wang Chuang (*Chairman and Chief Executive Officer*)

Non-Executive Director:

Ms. Luo Min

Independent Non-executive Directors:

Mr. Leung Man Fai

Dr. Liu Ming

Ms. Huo Chunyu

Notes:

1. A Shareholder entitled to attend and vote at the above meeting may appoint one or more proxies, if he is the holder of two or more Shares, to attend and to vote in his stead. A proxy need not be a shareholder of the Company.
2. Where there are joint registered holders of any Share, any one such persons may vote at the meeting, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the office of the Company's Hong Kong branch share registrar, Union Registrars Limited at Suites 3301–04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

NOTICE OF AGM

4. The register of members of the Company will be closed from Tuesday, 24 June 2025 to Friday, 27 June 2025, both days inclusive, for determining the Shareholders who are entitled to attend and vote at the annual general meeting, during which periods no transfer of Shares will be effected. In order to qualify for attending the forthcoming annual general meeting, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Monday, 23 June 2025.
5. Delivery of a form of proxy shall not preclude a member from attending and voting in person at the meeting and in such event, the form of proxy shall be deemed to be revoked.
6. If a Typhoon Signal No. 8 or above is hoisted, a Black Rainstorm Warning Signal or "extreme conditions" caused by super typhoons is in force in Hong Kong at or at any time after 8:00 a.m. on the date of the annual general meeting, the meeting will be rescheduled in accordance with the Articles of Association. The Company will post an announcement on the Company's website at <http://www.crmi.hk> and the website of HKEXnews at www.hkexnews.hk to notify its Shareholders of the date, time and place of the rescheduled meeting.

The annual general meeting will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force in Hong Kong. Shareholders should decide on their own whether they would attend the annual general meeting under bad weather conditions bearing in mind their own situations.

7. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

Shareholders are strongly encouraged to appoint the chairman of the annual general meeting of the Company as their proxy to vote according to their indicated voting instructions as an alternative to attending the annual general meeting of the Company in person.