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If you have sold or transferred all your shares in SinoMab BioScience Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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SinoMab BioScience Limited

中國抗體製藥有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 3681)

**PROPOSAL FOR ADOPTION OF
THE 2022 SHARE OPTION SCHEME AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

The notice convening the EGM of SinoMab BioScience Limited to be held at Theater R2, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Wednesday, 21 September 2022 at 10:00 a.m. is set out in this circular.

Whether or not you are able to attend the EGM, please complete and sign the enclosed form of proxy for use at the EGM in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours (excluding any part of a day that is a public holiday) before the time fixed for holding the EGM (i.e. not later than 10:00 a.m. on Monday, 19 September 2022 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM if they so wish.

This circular together with the form of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.sinomab.com).

31 August 2022

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DEFINITIONS

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

“2022 Share Option Scheme”	the share option scheme of the Company proposed to be adopted at the EGM, a summary of the principal terms of which is set out in the appendix to this circular
“Adoption Date”	the date on which the 2022 Share Option Scheme is approved and adopted in accordance with the resolutions of the Shareholders at the EGM to be passed on 21 September 2022
“Articles”	the articles of association of the Company as amended from time to time
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for business of dealing in securities
“CEO”	the chief executive officer of the Company;
“close associate(s)”	has the meaning ascribed to it in the Listing Rules
“Company”	SinoMab BioScience Limited (中國抗體製藥有限公司), a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“core connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Theater R2, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Wednesday, 21 September 2022 at 10:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the Notice of EGM which is set out on pages EGM-1 to EGM-3 of this circular, or any adjournment thereof
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Latest Practicable Date”	22 August 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information of this circular
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as modified from time to time
“Option”	a right to subscribe for Shares pursuant to the terms of the 2022 Share Option Scheme
“Option Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the 2022 Share Option Scheme
“Participant”	any employee (whether full-time or part-time), director, Service Provider of any member of the Group, provided that the Board may have absolute discretion to determine whether or not one falls within the above category
“Service Provider”	persons who provide services to the issuer group on a continuing and recurring basis in its ordinary and usual course of business which are material to the long term growth of the issuer group
“Shareholder(s)”	the holder(s) of the Share(s)
“Shares(s)”	ordinary share(s) in the share capital of the Company
“Share Option Offer”	an offer of the grant of Option made by the Board in accordance with the 2022 Share Option Scheme
“Share Option Offer Date”	the date on which a Share Option Offer is made to a Participant as determined in accordance with paragraph 5 of the Appendix to this circular
“Share Option Offer Letter”	has the meaning as defined in accordance with paragraph 5.3 of Appendix to this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

LETTER FROM THE BOARD



SinoMab BioScience Limited
中國抗體製藥有限公司
(Incorporated in Hong Kong with limited liability)
(Stock code: 3681)

Executive Director:

Dr. Shui On LEUNG
(Chairman and Chief Executive Officer)

Non-executive Directors:

Dr. Haigang CHEN
Mr. Xun DONG
Ms. Wenyi LIU
Ms. Jie LIU
Mr. Lei SHI

Independent non-executive Directors:

Mr. George William Hunter CAUTHERLEY
Mr. Ping Cho Terence HON
Dr. Chi Ming LEE
Mr. Dylan Carlo TINKER

Registered Office:

Units 303 and 305 to 307
No. 15 Science Park West Avenue
Hong Kong Science Park
Pak Shek Kok
New Territories
Hong Kong

31 August 2022

To the Shareholders

Dear Sir or Madam,

**PROPOSAL FOR ADOPTION OF
THE 2022 SHARE OPTION SCHEME AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information relating to the ordinary resolution to be proposed at the EGM for the adoption of the 2022 Share Option Scheme and the notice of the EGM, and to seek your approval of such ordinary resolution at the EGM.

LETTER FROM THE BOARD

ADOPTION OF THE 2022 SHARE OPTION SCHEME

On 22 August 2022, the Board have resolved to propose the adoption of the 2022 Share Option Scheme to be approved and adopted by the Shareholders. In approving the adoption of the 2022 Share Option Scheme, the Board has considered the factors including that (i) all the restricted share units under the restricted share units scheme adopted by the Shareholders on 18 October 2019 have been granted and vested thus no further restricted share units can be granted in the future; and (ii) the 2022 Share Option Scheme is different in nature compared with other share award scheme of the Company in terms of fund raising and tax treatments.

The purpose of the 2022 Share Option Scheme is to provide the Participants with the opportunity to acquire proprietary interests in the Company, to provide the incentives to the Participants, and to recognize their contributions made and to be made to the growth and development of the Group and for such other purposes as the Board may approve from time to time.

As at the Latest Practicable Date, the number of Shares in issue is 1,006,240,400 Shares. Assuming there is no change in the number of issued Shares between the period from the Latest Practicable Date and the Adoption Date, the maximum number of the Shares issuable pursuant to the 2022 Share Option Scheme and any other share option schemes of the Company (if any) in aggregate will be 50,312,020 Shares, being 5% of the total number of Shares in issue on the date of approval of the 2022 Share Option Scheme. The 2022 Share Option Scheme does not have a trustee.

Operation of the 2022 Share Option Scheme is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the EGM to approve and adopt the 2022 Share Option Scheme and to authorize the Directors to grant Options to the Participants and to allot, issue and deal with the Shares which fall to be issued by the Company pursuant to the exercise of the Options granted under the 2022 Share Option Scheme; and
- (b) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of Options under the 2022 Share Option Scheme. Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued upon the exercise of the Options granted under the 2022 Share Option Scheme.

Explanation of the terms of the 2022 Share Option Scheme

A summary of the principal terms of the 2022 Share Option Scheme is set out in Appendix to this circular. This serves as a summary of the terms of the 2022 Share Option Scheme but does not constitute the full terms of the same.

The exercise price of the Options granted under the 2022 Share Option Scheme shall be a price solely determined by the Board subject to a minimum amount set out in the rules of the 2022 Share Option Scheme, and the Board may specify in the 2022 Share Option Offer Letter

LETTER FROM THE BOARD

the performance targets that need to be achieved by a Participant as well as the minimum period for which an Option must be held before an Option can be exercised. It is believed that by providing the Board with the discretion to offer Options in such flexible terms, in particular, to determine the Option Subscription Price, prescribing a vesting period before Options can be exercised, and/or requiring the Participant to achieve such performance targets as may be stipulated in the 2022 Share Option Offer Letter before his or her Options can be exercised, the Group will be in a better position to attract and retain such Participants to continuing serving the Group whilst at the same time providing them with further incentive in achieving the goals of the Group, and thereby, to achieve the purpose of the 2022 Share Option Scheme.

Value of the Options

It is not practicable to state the value of all the Options that can be granted pursuant to the 2022 Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of factors crucial for the calculation of the value of Options cannot be determined. Such factors include the Option Subscription Price, exercise period, any vesting period, any performance targets set and any other terms and conditions that the Board may impose with respect to the Options. Therefore, at this stage, any calculation of the value of the Options as at the Latest Practicable Date based on the large number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

Document on display

A copy of the rules of the 2022 Share Option Scheme will be published on the websites of Stock Exchange and the Company for display for a period of not less than 14 days before the date of the EGM and the rules of the 2022 Share Option Scheme will be made available for inspection at the EGM.

EXTRAORDINARY GENERAL MEETING

The notice of the EGM, which contains the Shareholders' resolution(s) required to approve and adopt the 2022 Share Option Scheme, is set out on pages EGM-1 to EGM-3 of this circular. As at the Latest Practicable Date, to the best knowledge of the Directors and having made all reasonable enquiries, no Shareholder has any material interest in the proposed adoption of the 2022 Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolution in relation thereto.

A form of proxy for use at the EGM is enclosed. If you are not able to attend the EGM, you are requested to complete the form of proxy and return it in accordance with the instructions printed thereon and return it to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment of it. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment of it, if you so wish.

LETTER FROM THE BOARD

The register of members of the Company will be closed from Thursday, 15 September 2022 to Wednesday, 21 September 2022, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the EGM to be held on Wednesday, 21 September 2022, all share transfer documents accompanied by the relevant share certificates and other relevant documents, if any, must be lodged with Computershare Hong Kong Investor Services Limited, the share registrar of the Company, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 14 September 2022.

Under Rule 13.39(4) of the Listing Rules, vote(s) of Shareholders at general meeting(s) must be taken by poll. As such, the chairman of the EGM shall pursuant to the Articles demand each of the resolutions to be proposed at the EGM be put to the vote by way of a poll.

An announcement will be made by the Company following the conclusion of the EGM to inform you of the results of the EGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 (including the independent non-executive Directors) are of the opinion that the proposed adoption of the 2022 Share Option Scheme is in the best interests of the Company and the Shareholders as a whole, and therefore recommend that the Shareholders vote in favour of the resolution to be proposed at the EGM.

By Order of the Board
SinoMab BioScience Limited
Dr. Shui On LEUNG

Executive Director, Chairman and Chief Executive Officer

The following is a summary of the principal terms of the rules of the 2022 Share Option Scheme to be adopted at the EGM. It does not form part of, nor is it intended to be part of the rules of the 2022 Share Option Scheme. The Directors reserve the right at any time prior to the EGM to make such amendments to the 2022 Share Option Scheme as they may consider necessary or appropriate provided that such amendments do not conflict with any materials aspects with the summary in this Appendix.

1. PURPOSE

The purpose of the 2022 Share Option Scheme is to provide the Participants with the opportunity to acquire proprietary interests in the Company, to provide the incentives to the Participants, and to recognize their contributions made and to be made to the growth and development of the Group and for such other purposes as the Board may approve from time to time.

2. BASIS OF ELIGIBILITY OF THE PARTICIPANTS

In determining the basis of eligibility of each Participant, the Board would mainly take into account of the experience of the Participant on the Group's business, the length of service of the Participant with the Group (if the Participant is an employee or a director of any member of the Group), the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Participant has established with the Group (if the Participant is a Service Provider of any member of the Group), and the amount of support, assistance, guidance, advice, efforts and contributions the 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 Participant is likely to be able to give or make towards the success of the Group in the future.

The basis of eligibility of any of the Service Provider Participants to the grant of any options shall be determined by the Company from time to time on the basis of their contribution to the development and growth of the Group. Such assessment will be based on various factors including but not limited to (i) the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard (ii) the length of engagement and/or business relationship with the Group; (iii) 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); (iv) track record in the quality of services provided to and/or cooperation with the Group; and (v) 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 Participants.

3. CONDITIONS

Operation of the 2022 Share Option Scheme is conditional upon: (1) the passing of an ordinary resolution approving the adoption of the 2022 Share Option Scheme by the Shareholders at a general meeting and authorising the Directors to grant Options to Participants and to allot and issue Shares pursuant to the exercise of any Options granted under the 2022 Share Option Scheme; and (2) the Listing Committee of the Stock Exchange granting approval of the listing of and permission to deal in any Shares to be issued pursuant to the exercise of Options under the 2022 Share Option Scheme.

4. DURATION AND ADMINISTRATION

Subject to the fulfilment of the conditions in paragraph 3 and the termination provisions in paragraph 15, the 2022 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Options will be granted. Subject to the compliance with the provisions of Chapter 17 under the Listing Rules, the provisions of the 2022 Share Option Scheme shall remain in full force and effect, and Options which are granted during the life of the 2022 Share Option Scheme may continue to be exercisable in accordance with their terms of issue. The period within which the Shares must be taken up under the Option, must not be more than 10 years from the 2022 Share Option Offer Date.

The 2022 Share Option Scheme shall be subject to the administration of the Board who may delegate all or part of such administration to the CEO, a committee or any other authorised agent(s) as deemed appropriate at the sole discretion of the Board. Unless otherwise indicated, if the Board delegates its authority to administer the 2022 Share Option Scheme to the CEO, a committee of the Board or other authorised agent(s), the CEO, a committee of the Board or such other authorised agent(s) shall enjoy the same absolute discretion. Save as otherwise provided in this Scheme, for any matters concerning the interpretation or application of this 2022 Share Option Scheme, the decision of the Board or persons to whom the Board has delegated relevant powers shall be final and binding on all parties.

5. GRANT OF OPTIONS

- 5.1 On and subject to the requirements of the Listing Rules and the terms of the 2022 Share Option Scheme, the Board shall be entitled at any time and from time to time within 10 years after the Adoption Date to make a Share Option Offer to any Participant as the Board may in its absolute discretion select and subject to such conditions as the Board may at its absolute discretion think fit, to subscribe for such number of Shares as the Board may (subject to paragraphs 9 and 10) determine at the Option Subscription Price pursuant to paragraph 6.

- 5.2 No Share Option Offer shall be made:
- (a) after inside information (having the meaning defined in the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong) has come to the Company's knowledge until (and including) the trading day after the Company has announced the information in accordance with the Listing Rules; or
 - (b) during the period commencing one month immediately preceding the earlier of
 - (i) the date of the meeting of the Board (as such date is first notified by the Company to the Stock Exchange in accordance with the Listing Rules) for the approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, (whether or not required under the Listing Rules), and ending on the date of the results announcement.
- 5.3 A Share Option Offer shall be made to a Participant by letter (the "**Share Option Offer Letter**") in such form as the Board may from time to time determine specifying the number of Shares, the Option Period, Option Subscription Price and the other relevant terms and conditions of the Option and requiring the 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 2022 Share Option Scheme and all other conditions attaching to the Share Option Offer.
- 5.4 A Share Option Offer must be made on a trading day and shall remain open for acceptance by the Participant concerned for a period of not less than ten Business Days from the date of the Share Option Offer, provided that no Share Option Offer shall be capable of or open for acceptance after the 10th anniversary of the Adoption Date or after the 2022 Share Option Scheme has been terminated in accordance with the provisions thereof, whichever is earlier.
- 5.5 A Share Option Offer shall be deemed to have been accepted by the Grantee and the Option to which the Share Option Offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the Share Option Offer Letter comprising acceptance of the Share Option Offer duly signed by the Grantee with the number of Shares in respect of which the Share Option Offer is accepted clearly stated therein, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the granting thereof is received by the Company within the period as stipulated above. Such remittance shall in no circumstances be refundable or be considered as part of the Option Subscription Price.
- 5.6 No general performance target will be applied to the grants of Options to a Participant.

6. OPTION SUBSCRIPTION PRICE

Subject to any adjustments made pursuant to paragraph 11 hereof, the Option Subscription Price shall be a price as determined by the Board in its absolute discretion (and shall be stated in the Share Option Offer Letter) but in any case the Option Subscription Price shall be at least the higher of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Share Option Offer Date, which must be a trading day; and
- (b) a price being the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 trading days immediately preceding the Share Option Offer Date.

7. EXERCISE OF OPTIONS

- 7.1 An Option shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interests (legal or beneficial) in favour of any third party over or in relation to any Option or attempt to do so. Any breach of the foregoing shall render all outstanding Options of such Grantee be automatically cancelled and lapsed in accordance with sub-paragraph 8(b).
- 7.2 Unless otherwise determined by the Board and specified in the Share Option Offer Letter at the time of the Share Option Offer, there is neither any performance target that needs to be achieved by the Grantee before an Option can be exercised nor any minimum period for which an Option must be held before the Option can be exercised. An Option may be exercised in whole or in part by the Grantee (or his or her legal 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 exercised. Each such notice must be accompanied by a remittance for the full amount of the total Option Subscription Price for the Shares and the remittance in respect of which the notice is given.
- 7.3 Subject to as hereinafter provided and the conditions set out in the Share Option Offer Letter, the Option may be exercised by the Grantee (or his or her legal personal representative(s)) at any time during the Option Period provided that:
- (a) in the event of the Grantee ceases to be a Participant for any reason other than on the Grantee's death or the termination of the Grantee's employment, directorship, office or appointment or engagement on one or more of the grounds specified in sub-paragraph 8(f), the Grantee may exercise the Option up to the Grantee's entitlement at the date of cessation (to the extent which has become exercisable and not already exercised) within the period of 3 months following the date of such cessation, which date shall be the last actual working day with the relevant company whether salary is paid in lieu of notice or not, or the last date of office or appointment as an employee, a director or an agent of

the relevant company, as the case may be, in the event of which, the date of cessation as determined by a resolution of the board of directors shall be conclusive, or such longer period following the date of cessation as the Board may determine (provided that the retirement of director(s) of the relevant member of the Group at annual general meeting who is/are re-elected at the same meeting shall not be regarded as ceasing employment for the purpose of this sub-paragraph 7.3(a));

- (b) in the event the Grantee ceases to be a Participant by reason of death before exercising the Option in full and none of the events which would be a ground for termination of the Grantee's employment, directorship, office, appointment or engagement under sub-paragraph 8(f) arises prior to his or her death the legal personal representative(s) of the Grantee shall be entitled within a period of 6 months from the date of death, to exercise the Option up to the entitlement of such Grantee as at the date of death in whole or in part (to the extent which has become exercisable and not already exercised);
- (c) in the event of a general offer by way of takeover or otherwise (other than a scheme of arrangement pursuant to sub-paragraph 7.3(d)) is made to all Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) with the terms of the offer having been approved by any relevant regulatory authority and are in accordance with applicable laws and regulatory requirements, and if such offer becomes or is declared unconditional, the Board shall forthwith give the relevant notice to the Grantee of such general offer, and the Grantee (or his or her legal personal representative(s)) shall be entitled to exercise the Option in full (to the extent which has become exercisable and not already exercised) at any time within 14 days after the date on which the offer (or as the case may be, the revised offer) becomes or is declared unconditional;
- (d) in the event of a general offer by way of a scheme of arrangement is made to all Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings prior to the expiry of the Option, the Board shall forthwith give the relevant notice to the Grantee of such approval and the Grantee (or, as the case may be, his or her legal personal representatives) shall be entitled to exercise the Option in full (to the extent which has become exercisable and not already exercised) within such time as shall be specified in the notice, after the period of which, the Option (to the extent not already exercised) will lapse automatically;
- (e) in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind up the Company, other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees, and thereupon, each Grantee (or

where permitted under sub-paragraph 7.3(b) his or her legal personal representative(s)) shall, subject to the provisions of all applicable laws, be entitled to exercise all or any of his Options (to the extent which has become exercisable and not already exercised) at any time not later than 5 Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Option Subscription Price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid. If such resolution is duly passed, all Options shall, to the extent that they have not been exercised, thereupon cease and determine; and

- (f) in the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and its members (or any class of them) in connection with a scheme for the reconstruction or amalgamation of the Company (other than a general offer or a scheme of arrangement contemplated in sub-paragraphs 7.3(c) or (d) above), the Company shall give notice thereof to all Grantees on the same date as or soon after it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement, and thereupon any Grantee (or his or her legal personal representative(s)) may forthwith and until the expiry of the period commencing from such date and ending on the earlier of the date falling 2 calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the court of competent jurisdiction, exercise any of his or her Options (to the extent which has become exercisable and not already been exercised) but the exercise of the Option shall be conditional upon such compromise or arrangement being sanctioned by the court of competent jurisdiction and becoming effective. The Company may thereafter require such Grantee (or his or her legal personal representative(s)) to transfer or otherwise deal with the Shares issued as a result of such exercise of his or her Option so as to place the Grantee in the same position as nearly as possible would have been the case had such Shares been subject to such compromise or arrangement.

- 7.4 The Shares to be allotted upon the exercise of an Option will be subject to all the provisions and articles of association of the Company and the Companies Ordinance for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue as from the date of their allotment and issue, and accordingly will entitle the holders to participate in all dividends or other distributions to be paid or made on or after the date of allotment and issue other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment and issue, provided always that when the date or exercise of the Option falls on a date upon which the register of members is closed then the exercise of the Option shall become effective on the first Business Day in Hong Kong on which the register of

Shareholders is re-opened. A Share allotted upon the exercise of an Option, however, shall not carry any voting right until the completion of the registration of the Grantee as the holder thereof.

- 7.5 The outstanding Options granted may not be exercised if all or part of the exercise of the Option will result in the holding of the total issued Shares by the public falling below 25% (or such other percentage stipulated under the Listing Rules).
- 7.6 In the event the Grantee has been suspended from his duties or performance of the relevant contract of employment, directorship, appointment or engagement by the relevant member of the Group, no Option can be exercised until such suspension has been lifted

8. LAPSE OF OPTION

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

- (a) the expiry of the Option Period (subject to paragraphs 4 and 15);
- (b) the date on which the Grantee commits a breach of sub-paragraph 7.1;
- (c) the expiry of the periods referred to in sub-paragraph 7.3(a), (b), (c) or (d);
- (d) subject to sub-paragraph 7.3(e), the date of the commencement of the winding-up of the Company;
- (e) subject to the proposed compromise or arrangement becoming effective, the expiry of the period referred to in sub-paragraph 7.3(f); and
- (f) the date on which the Grantee ceases to be a Participant by reason of the termination of his employment, directorship, office, appointment or engagement on the grounds that he has been guilty of misconduct, or has been in breach of material term of the relevant employment contract, service contract, agency contract or engagement contract (as the case may be), or appears either to be unable to pay or have no reasonable prospect to be able to pay debts within the meaning of any applicable legislation in relation to bankruptcy or insolvency, or has become bankrupt or insolvent, or has been served a petition for bankruptcy or winding up, or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board or the board of directors of the relevant company, as the case may be) on any other ground on which an employer, or an engaging party would be entitled to terminate his employment, directorship, office, appointment or engagement at common law or pursuant to any applicable laws or under the Grantee's employment, service, agency or engagement contract (as the case may be) with the relevant company (as the case may be) or the employment, directorship, office, appointment or engagement of the Grantee is terminated by the relevant company pursuant to the

contract thereof without notice, in the event of which a resolution of the board of directors of the relevant member of the Group (as the case may be) to the effect that the employment, directorship, office, appointment or engagement of a Grantee has or has not been terminated on one or more of the grounds specified in this sub-paragraph 8(f) shall be conclusive and binding.

9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

9.1 Subject to the Listing Rules:

- (a) The total number of Shares which may be issued upon exercise of all options to be granted under the 2022 Share Option Scheme and any other share option scheme of the Company shall not exceed 50,312,020, representing 5% of the total number of Shares in issue on the Adoption Date (the “**Scheme Mandate Limit**”), unless the Company seeks the approval of the Shareholders in general meeting for refreshing the Scheme Mandate Limit in accordance with sub-paragraph 9.1(b) provided that options lapsed in accordance with the terms of the 2022 Share Option Scheme or any other share option schemes of the Company will not be counted for the purpose of calculating whether the Scheme Mandate Limit has been exceeded.
- (b) The Company may seek approval of its Shareholders in general meeting for refreshing the Scheme Mandate Limit such that the total number of Shares which may be issued upon exercise of all options to be granted under the 2022 Share Option Scheme and any other share option schemes of the Company as refreshed shall not exceed 10% of the total number of Shares in issue as at the date of approval of the Shareholders on the refreshment of the Scheme Mandate Limit provided that Options previously granted under the 2022 Share Option Scheme or any other share option schemes (including those outstanding, cancelled, lapsed in accordance with the 2022 Share Option Scheme or any other share option schemes or exercised options) will not be counted for the purpose of calculating such limit as refreshed. For the purpose of seeking the approval of Shareholders under this sub-paragraph 9.1(b), a circular containing the information required under the Listing Rules must be sent to the Shareholders.
- (c) The Company may seek separate approval of the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit provided that the proposed Grantee(s) of such Option(s) must be specifically identified by the Company before such approval is sought. For the purpose of seeking the approval of the Shareholders under this sub-paragraph 9.1(c), the Company must send a circular to the Shareholders containing, amongst other terms, a generic description of the specified proposed Grantees of such Options, the number and terms of the Options to be granted, the purpose of granting such

Options to the proposed Grantees with an explanation as to how the terms of Options serve such purpose and the information as required under the Listing Rules.

- 9.2 Notwithstanding any provision in paragraph 9.1 but subject to paragraph 9.3, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2022 Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the total number of Shares in issue from time to time. No options may be granted under the 2022 Share Option Scheme and any other share option schemes of the Company if this will result in such limit set out in this sub-paragraph 9.2 being exceeded.
- 9.3 The Company may grant Options beyond any of the limits as set out in paragraphs 9.1 and 9.2 above to such extent as may be permitted under the Listing Rules from time to time.

10. MAXIMUM ENTITLEMENT OF SHARES OF EACH PARTICIPANT

- 10.1 (a) Subject to sub-paragraphs 10.1(b), (c) and (d), the total number of Shares issued and to be issued upon exercise of the Options granted to each Participant (including exercised, cancelled and outstanding Options) in any 12-month period shall not exceed 1% of the total number of Shares in issue.
- (b) Notwithstanding sub-paragraph 10.1(a), where any further grant of Options to a Participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such Participant under the 2022 Share Option Scheme and any other share option schemes of the Company (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the total number of Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Participant and his Close Associates (or his Associates if the Participant is a connected person within the meaning of the Listing Rules) abstaining from voting. The number and terms (including the Option Subscription Price) of the Options to be granted to such Participant shall be fixed before the Shareholders' approval and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Option Subscription Price. In such a case, the Company shall send a circular to its Shareholders containing, amongst other terms, the identity of such Participant, the number and the terms of the Options to be granted (and options previously granted to such Participant) and such other information as required under the Listing Rules.
- (c) In addition to paragraph 9 and sub-paragraphs 10.1(a) and 10.1(b), any grant of Options to a Participant who is a Director, chief executive or substantial shareholder of the Company or their respective Associates must be approved by

the independent non-executive Directors (excluding any director who is a proposed Grantee of the relevant Options) and shall comply with the requirements of Rule 17.04 of the Listing Rules.

- (d) In addition to paragraph 9 and sub-paragraphs 10.1(a) and 10.1(b), where the Board proposes to grant any Option to a Participant who is a substantial Shareholder or an independent non-executive Director of the Company, or any of their respective Associates, which would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted under the 2022 Share Option Scheme and any other share option schemes of the Company (including options exercised, cancelled and outstanding) to him in the 12-month period up to and including the date of such grant:
- (i) representing in aggregate more than 0.1% of the total number of Shares in issue; and
 - (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000,

such further proposed Share Option Offer is subject to the approval of Shareholders in general meeting with such Participant and his Associates and all core connected persons of the Company (which has the meaning ascribed to it under the Listing Rules) abstaining from voting in favour of the resolution at such general meeting and/or such other requirements prescribed under the Listing Rules from time to time. Any vote taken at the meeting to approve the grant of such Options must be taken on a poll.

10.2 In the event of any alteration in the capital structure of the Company whether by way of a capitalisation issue, rights issue, subdivision or consolidation of Shares or reduction of the share capital of the Company (other than an alteration of share capital as a result of an issue of Shares as consideration in a transaction), the maximum number of Shares referred to in sub-paragraphs 9.1, 9.2, 9.3 and 10.1 will be adjusted in such manner as stated in paragraph 11, which, in all cases of adjustments other than that made on a capitalisation issue, shall be confirmed by an independent financial adviser or the Auditors (acting as experts and not as arbitrators) to the Directors in writing to satisfy the requirements as stated in paragraph 11 below.

11. ALTERATION OF CAPITAL STRUCTURE

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of a capitalisation issue, rights issue, subdivision or consolidation of shares or reduction of the share capital of the Company (other than an alteration of share capital as a result of an issue of Shares as consideration in respect of a transaction), the Company will adjust (if any):

- (i) the number of Shares subject to the Option so far as unexercised; and/or

(ii) the Option Subscription Price,

provided that, following such adjustment, the proportion of the issued share capital of the Company (as interpreted in accordance with the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers in relation to share option scheme, the Listing Rules and such applicable codes, guidance notes and/or interpretation of the Listing Rules from time to time promulgated by the Stock Exchange) which the Grantee is entitled to subscribe for pursuant to each Option shall be the same as immediately before such adjustment.

Any adjustment required by this paragraph 11, other than as a result of a capitalisation issue, shall be subject to a written confirmation to the Directors by an independent financial adviser or Auditors that such adjustment satisfies the requirements of the foregoing provision. The capacity of the independent financial adviser or the Auditors in this paragraph is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the independent financial adviser or the Auditors shall be borne by the Company.

The method of adjustment of number of Shares subject to the Option so far as unexercised is set out as below:

Capitalisation issue

$$Q = Q_0 \times (1 + n)$$

Where: “Q₀” represents the number of Share Options before the adjustment; “n” represents the ratio of the capitalisation issue; “Q” represents the number of Share Options after the adjustment.

Rights issue

$$Q = Q_0 \times P_1 \times (1 + n) \div (P_1 + P_2 \times n)$$

Where: “Q₀” represents the number of Share Options before the adjustment; “P₁” represents the closing price as at the record date; “P₂” represents the subscription price of the rights issue; “n” represents the ratio of allotment; “Q” represents the number of Share Options after the adjustment.

Consolidation of Shares or share subdivision or reduction of the share capital

$$Q = Q_0 \times n$$

Where: “Q₀” represents the number of Share Options before the adjustment; “n” represents the ratio of share consolidation or share subdivision or reduction of share capital; “Q” represents the number of Share Options after the adjustment.

The method of adjustment of the Option Subscription Price is set out as below:

Capitalisation issue

$$P = P0 \div (1 + n)$$

Where: “P0” represents the Option Subscription Price before the adjustment; “n” represents the ratio of the capitalization issue; “P” represents the Option Subscription Price after the adjustment.

Rights issue

$$P = P0 \times (P1 + P2 \times n) \div (P1 \times (1 + n))$$

Where: “P0” represents the Option Subscription Price before the adjustment; “P1” represents the closing price as at the record date; “P2” represents the subscription price; “n” represents the ratio of allotment; “P” represents the Option Subscription Price after the adjustment.

Consolidation of Shares or share subdivision or reduction of the share capital

$$P = P0 \div n$$

Where: “P0” represents the Option Subscription Price before the adjustment; “n” represents the ratio of share consolidation or share subdivision or reduction of share capital; “P” represents the Option Subscription Price after the adjustment.

12. DISPUTES

Any dispute arising in connection with the 2022 Share Option Scheme (whether as to the number of Shares subject to an Option, the amount of the Option Subscription Price or otherwise) shall be referred to the decision of the Board whose decision shall be final, conclusive and binding.

13. ALTERATION OF THE 2022 SHARE OPTION SCHEME

13.1 The provisions of the 2022 Share Option Scheme as to:

- (a) the definitions of “Grantee”, “Option Period” and “Participant”; and
- (b) provisions of the 2022 Share Option Scheme as mentioned in paragraphs 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15 and this paragraph 13 and as to all such matters set out in Rule 17.03 of the Listing Rules,

shall not be altered to the advantage of the Participants except with the prior approval of the Shareholders in general meeting.

- 13.2 Any alterations to the terms and conditions of the 2022 Share Option Scheme which are of a material nature or any change to the terms of the Options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the 2022 Share Option Scheme.
- 13.3 The amended terms of the 2022 Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.
- 13.4 Any change to the authority of the Board or scheme administrators in relation to any alteration to the terms of the 2022 Share Option Scheme must be approved by the Shareholders in general meeting.

14. CANCELLATION OF THE OPTIONS GRANTED

Subject to paragraph 7.3, the Board may at any time at its absolute discretion cancel any Option granted but not exercised. Where the Company cancels Options and new Options are to be issued to the same Option holder, the issue of such new Options may only be made under the 2022 Share Option Scheme with available unissued Options (to the extent not yet granted and excluding the cancelled Options) within the limit approved by the Shareholders as mentioned in paragraph 9.

15. TERMINATION OF THE 2022 SHARE OPTION SCHEME

The Company by ordinary resolution in general meeting or the Board may at any time terminate the operation of the 2022 Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the 2022 Share Option Scheme shall remain in full force and effect. Upon such termination, details of the Options granted (including options exercised or outstanding) under the 2022 Share Option Scheme are required under the Listing Rules to be disclosed in the circular to the Shareholders seeking approval of the first new scheme established thereafter. All outstanding Options granted before termination of the 2022 Share Option Scheme shall continue to be valid and exercisable for a period of 6 months from the date of the termination of the 2022 Share Option Scheme in accordance with the 2022 Share Option Scheme.

16. MISCELLANEOUS

The 2022 Share Option Scheme and all Options granted hereunder shall be governed by and construed in accordance with the Listing Rules and the laws of Hong Kong in force from time to time.

NOTICE OF EXTRAORDINARY GENERAL MEETING



SinoMab BioScience Limited

中國抗體製藥有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 3681)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the extraordinary general meeting (the “**EGM**”) of SinoMab BioScience Limited (the “**Company**”) will be held at Theater R2, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Wednesday, 21 September 2022 at 10:00 a.m. for the following purposes:

ORDINARY RESOLUTION

1. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT**, subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing of, and permission to deal in, the shares of the Company (“**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 “**2022 Share Option Scheme**”), the rules of which are contained in the document marked “A” produced to this meeting and signed by the chairman of this meeting for identification purpose, the 2022 Share Option Scheme 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 2022 Share Option Scheme, including without limitation,

- a. administering the 2022 Share Option Scheme under which options will be granted to participants eligible under the 2022 Share Option Scheme to subscribe for Shares;
- b. modifying and/or amending the 2022 Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2022 Share Option Scheme relating to modification and/or amendment and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”);

NOTICE OF EXTRAORDINARY GENERAL MEETING

- c. granting options to subscribe for Shares under the 2022 Share Option Scheme and allotting and issuing from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options that may be granted under the 2022 Share Option Scheme and subject to the Listing Rules;
- d. making application at the appropriate time or times to the Stock Exchange, and any other stock exchanges upon which the issued shares of the Company may for the time being be listed, for the listing of, and permission to deal in, any new shares of the Company or any part thereof that may hereafter from time to time be allotted and issued pursuant to the exercise of the options granted under the 2022 Share Option Scheme; and
- e. consenting, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the 2022 Share Option Scheme.”

By Order of the Board
SinoMab BioScience Limited
Dr. Shui On LEUNG

Executive Director, Chairman and Chief Executive Officer

Hong Kong, 31 August 2022

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or if he/she is the holder of two or more shares, more than one proxy to attend and on a poll, vote instead of him/her. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him/her.
3. In order to be valid, the form of proxy and any authority, if any, under which it is signed, or a copy of such power or authority, must be deposited at the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for the meeting (i.e. not later than 10:00 a.m. on Monday, 19 September 2022 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 15 September 2022 to Wednesday, 21 September 2022, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 14 September 2022.

NOTICE OF EXTRAORDINARY GENERAL MEETING

5. If a tropical cyclone warning signal number 8 or above is hoisted, or “extreme conditions” caused by super typhoons or a black rainstorm warning is/are in force at or at any time after 6:00 a.m. on Wednesday, 21 September 2022, the EGM will not be held on 21 September 2022 but will be postponed to a later date and if postponed, the Company will as soon as practicable post an announcement on the websites of Hong Kong Exchanges and Clearing Limited and the Company. Shareholders may contact Customer Service Hotline of Computershare Hong Kong Investor Services Limited at (852) 2862 8555 from 9:00 a.m. to 5:00 p.m., Monday to Friday (excluding public holidays) for any enquiry regarding the aforesaid arrangement.
6. References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this notice, the executive director of the Company is Dr. Shui On LEUNG, the non-executive directors of the Company are Dr. Haigang CHEN, Mr. Xun DONG, Ms. Wenyi LIU, Ms. Jie LIU and Mr. Lei SHI, and the independent non-executive directors of the Company are Mr. George William Hunter CAUTHERLEY, Mr. Ping Cho Terence HON, Dr. Chi Ming LEE and Mr. Dylan Carlo TINKER.