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

If you have sold or transferred all your shares in **3D Medicines Inc.**, you should at once hand this circular 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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3D Medicines Inc.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1244)

**GENERAL MANDATES TO ISSUE SHARES AND
REPURCHASE SHARES;
RE-ELECTION OF RETIRING DIRECTORS;
RE-APPOINTMENT OF AUDITOR;
ADOPTION OF THE SHARE OPTION SCHEME;
AMENDMENT OF THE RESTRICTED SHARE UNIT SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of 3D Medicines Inc. to be held at Units 5906-5912, 59/F, The Center, 99 Queen's Road Central, Hong Kong on Monday, June 26, 2023 at 10:00 a.m. is set out on pages AGM-1 to AGM-8 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.3d-medicines.com). Whether or not you are able to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong Share Registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or via the designated website (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting (i.e. not later than 10:00 a.m. on Saturday, June 24, 2023) or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting (or any adjournment thereof) if they so wish.

June 2, 2023

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DEFINITIONS

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

“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at Units 5906-5912, 59/F, The Center, 99 Queen’s Road Central, Hong Kong at 10:00 a.m. on Monday, June 26, 2023 or any adjournment thereof and notice of which is set out on pages AGM-1 to AGM-8 of this circular
“Articles of Association”	the articles of association of the Company adopted on November 23, 2022 and effective on December 15, 2022
“Associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors; for the purpose of the Share Option Scheme, the board of Directors or a duly authorised committee or department as the Board may authorise
“Category A Participant”	any director of the Company or any of its subsidiaries or any Employee
“Category B Participant”	has the meaning as defined in the paragraph headed “2. Who may join and Eligibility Criteria” in Appendix III to this circular
“Category B Participant Limit”	the maximum number of Shares which may be issued in respect of all options and awards to be granted to the Category B Participants under the Share Option Scheme and Other Schemes
“Chairman”	the chairman of the Board
“Chief executive”	has the meaning ascribed to it under the Listing Rules
“Close associate”	has the meaning ascribed to it under the Listing Rules
“CMO(s)”	a contract manufacturing organization, which provides support to the pharmaceutical industry in the form of manufacturing services outsourced on a contract basis

DEFINITIONS

“Companies Law”	the Companies Law Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as amended, supplemented or otherwise modified from time to time
“Company”	3D Medicines Inc., an exempted company incorporated in the Cayman Islands on January 30, 2018 with limited liability, with its Shares initially listed on the Main Board of the Stock Exchange on December 15, 2022 (stock code: 1244)
“Connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Core connected person”	has the meaning ascribed to it under the Listing Rules
“CRO(s)”	contract research organization, a company provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research and development services outsourced on a contract basis
“Director(s)”	the director(s) of the Company
“Disability”	in respect of a Grantee who is a Category A Participant, shall have the meaning as defined under the long-term disability policy (if any) of the relevant company to which the Grantee provides services regardless of whether the Grantee is covered by such policy. In the event the relevant company to which the Grantee provides services does not have a long-term disability plan in place, “ Disability ” shall mean that a Grantee is unable to carry out the responsibilities and functions of the position held by the Grantee in the relevant company (or companies) by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Grantee will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment to the satisfaction of the Board
“Eligible Participant”	Eligible Participants of the Share Option Scheme as set out in paragraph 2 of Appendix III to this circular

DEFINITIONS

“Employee”	Eligible Participants of the Share Option Scheme as set out in paragraph 2 of Appendix III to this circular
“Exercise Price”	Exercise Price of the Share Option Scheme as set out in paragraph 7 of Appendix III to this circular
“Grantee”	any Eligible Participant who accepts an Offer pursuant to the terms and conditions of the Share Option Scheme or (where the context permits) the personal representative of that Eligible Participant (being an individual) or the permitted transferee
“Group”	the Company and its subsidiaries and consolidated affiliated entities from time to time
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and/or deal with Shares not exceeding 20% of the number of issued Shares as at the date of passing of the relevant Shareholders’ resolution granting the Issue Mandate
“Latest Practicable Date”	May 29, 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Date”	December 15, 2022, being the listing date when the Shares of the Company were listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Nomination Committee”	the nomination committee of the Board
“Offer”	an offer of the grant of an Option by the Company to an Eligible Participant pursuant to the terms and conditions of the Share Option Scheme

DEFINITIONS

“Option(s)”	the right(s) to subscribe for Shares granted pursuant to the terms and conditions of the Share Option Scheme
“Other Scheme”	Schemes involving the grant of awards or options over Shares, other than the Share Option Scheme
“PRC”	the People’s Republic of China, but for the purposes of this circular only, excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10% of the number of the issued Shares as at the date of passing of the relevant Shareholders’ resolution granting the Repurchase Mandate
“RSU”	restricted share unit granted under the RSU Scheme
“RSU Scheme”	the restricted share unit scheme adopted by the Company on June 22, 2021
“Scheme Mandate Limit”	the maximum number of Shares which may be issued in respect of all options and awards to be granted under the Share Option Scheme and Other Schemes
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time
“Share(s)”	ordinary share(s) of nominal value of HK\$0.001 each in the capital of the Company, or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, shares forming part of the ordinary share capital of the Company of such other nominal amount as shall result from any such sub-division, consolidation, re-classification or re-construction
“Share Option Scheme”	the share option scheme of the Company to be proposed for adoption by the Company at the AGM, the principal terms of which set out in Appendix III to this circular

DEFINITIONS

“Shareholder(s)”	shareholder(s) of the Company
“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 of Hong Kong, as amended, supplemented or otherwise modified from time to time
“USD” or “US\$”	United States dollars, the lawful currency of the United States of America

LETTER FROM THE BOARD



3D Medicines Inc.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1244)

Executive Director:

Dr. Gong Zhaolong

Non-Executive Directors:

Mr. Zhu Pai

Mr. Zhou Feng

Ms. Chen Yawen

Independent Non-Executive Directors:

Dr. Li Jin

Dr. Lin Tat Pang

Mr. Liu Xinguang

Registered office:

Conyers Trust Company (Cayman) Limited

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Corporate Headquarter:

No. 3 and No. 5, Laiyang Road

Qingdao, Shandong, PRC

Principal place of business in Hong Kong:

14/F, Golden Centre

188 Des Voeux Road Central

Hong Kong

June 2, 2023

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE SHARES AND
REPURCHASE SHARES;
RE-ELECTION OF RETIRING DIRECTORS;
RE-APPOINTMENT OF AUDITOR;
ADOPTION OF THE SHARE OPTION SCHEME;
AMENDMENT OF THE RESTRICTED SHARE UNIT SCHEME;
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you the notice of the Annual General Meeting and the following proposals to be put forward at the Annual General Meeting: (a) granting of the Issue Mandate to issue Shares and the Repurchase Mandate to repurchase Shares; (b) the re-election of the retiring Directors; (c) the re-appointment of auditor; (d) adoption of the Share Option Scheme and (e) amendment of the RSU Scheme.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE SHARES

In order to ensure flexibility and give discretion to the Directors to issue any new Shares when the Directors consider desirable for the Company to do so, approval is sought from the Shareholders at the Annual General Meeting, pursuant to the Listing Rules, for the grant of the Issue Mandate to the Directors to issue Shares. At the Annual General Meeting, an ordinary resolution numbered 4(A) will be proposed to grant the Issue Mandate to the Directors to exercise the powers of the Company to allot, issue and deal with the additional Shares not exceeding 20% of the number of issued Shares as at the date of passing of the Shareholders' resolution in relation to the Issue Mandate for the period until (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiry of the period within which the next annual general meeting of the Company is required by any applicable law(s) or the Articles of Association to be held; or (iii) revocation or variation of the Issue Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

As at the Latest Practicable Date, 256,057,000 Shares have been fully paid and issued. Subject to the passing of the ordinary resolution numbered 4(A) and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Company will be allowed to issue a maximum of 51,211,400 Shares.

In addition, subject to a separate approval of the ordinary resolution numbered 4(C), the number of Shares repurchased by the Company under ordinary resolution numbered 4(B) will also be added to extend the Issue Mandate as mentioned in ordinary resolution numbered 4(A) provided that such additional number of Shares shall represent up to 10% of the number of issued Shares as at the date of passing the Shareholders' resolution in relation to the Issue Mandate and Repurchase Mandate. The Directors wish to state that they have no immediate plans to issue any new Shares pursuant to the Issue Mandate for the period until (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiry of the period within which the next annual general meeting of the Company is required by any applicable law(s) or the Articles of Association to be held; or (iii) revocation or variation of the Issue Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

GENERAL MANDATE TO REPURCHASE SHARES

In addition, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares representing up to 10% of the number of issued Shares as at the date of passing of the Shareholders' resolution in relation to the Repurchase Mandate for the period until (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiry of the period within which the next annual general meeting of the Company is required by any applicable law(s) or the Articles of Association to be held; or (iii) revocation or variation of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

LETTER FROM THE BOARD

As at the Latest Practicable Date, there were 256,057,000 Shares in issue. Subject to the passing of the ordinary resolution numbered 4(B) and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Company will be allowed to repurchase a maximum of 25,605,700 Shares pursuant to the Repurchase Mandate.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed Repurchase Mandate is set out in Appendix II to this circular. This 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 resolution at the Annual General Meeting.

RE-ELECTION OF RETIRING DIRECTORS

In accordance with articles 83(3), 84(1) and 84(2) of the Articles of Association, Dr. Gong Zhaolong, Mr. Zhu Pai, Mr. Zhou Feng, Ms. Chen Yawen, Dr. Li Jin, Dr. Lin Tat Pang and Mr. Liu Xinguang will retire by rotation, and being eligible, have offered themselves for re-election as Directors at the Annual General Meeting.

The re-appointment of the abovenamed Directors has been reviewed by the Nomination Committee which has made recommendations to the Board that the re-election be proposed for Shareholders' approval at the Annual General Meeting.

The Nomination Committee has also reviewed and assessed the independence of Dr. Li Jin, Dr. Lin Tat Pang and Mr. Liu Xinguang based on their respective confirmation of independence pursuant to the independence guidelines as set out in Rule 3.13 of the Listing Rules. Dr. Li Jin, Dr. Lin Tat Pang and Mr. Liu Xinguang are not involved in the daily management of the Company nor in any relationships which would interfere with the exercise of their independent judgment. In addition, taking into consideration of the diversity perspectives (including but not limited to gender, age, culture and educational background, professional experience, length of service, skills and knowledge) and the current public directorships held by the relevant individuals, the Board is satisfied that Dr. Li Jin, Dr. Lin Tat Pang and Mr. Liu Xinguang are of such character, integrity and experience commensurating with the office of independent non-executive Directors. The Board believes that they will be able to devote sufficient time to the Board and will continue to provide independent, balanced and objective view to the Company's affairs.

Details of the above retiring Directors who are subject to re-election at the Annual General Meeting are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules.

LETTER FROM THE BOARD

RE-APPOINTMENT OF AUDITOR

The financial statements of the Group for the year ended December 31, 2022 were audited by Ernst & Young whose term of office will expire upon the Annual General Meeting.

Upon the recommendation of the Audit Committee, the Board proposed to re-appoint Ernst & Young as the auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company.

ADOPTION OF THE SHARE OPTION SCHEME

The Company does not have any share option scheme. Although the Company has adopted the RSU Scheme, the Board believes the Share Option Scheme is proposed to provide more flexibility to the Company on rewarding and retaining talents for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. The Board proposes to adopt the Share Option Scheme to reward Eligible Participants for their contribution to the success of the Company, and to provide incentives to them to further contribute to the Company. A summary of the principal terms of the Share Option Scheme is set forth in Appendix III to this circular.

Conditions precedent of the Share Option Scheme

The adoption of the Share Option Scheme is conditional upon:

- (a) the passing of the necessary resolution(s) by the Shareholders in general meeting for approving the adoption of the Share Option Scheme; and
- (b) the Stock Exchange granting approval for the listing of and permission to deal in the Shares to be allotted and issued by the Company pursuant to the exercise of the Options in accordance with the terms and conditions of the Share Option Scheme.

As at the Latest Practicable Date, none of the aforesaid conditions of the Share Option Scheme had been fulfilled. An application will be made to the Listing Committee for the listing of, and permission to deal in, the Shares which may fall to be issued and allotted pursuant to the exercise of any Options granted under the Share Option Scheme. At the AGM, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, approve the adoption of the Share Option Scheme.

Eligible Participants

Eligible Participants include the Category A Participants and Category B Participants. The criteria for determining their eligibility are set out in the paragraphs headed “2. Who may join and Eligibility Criteria” in Appendix III to this circular.

LETTER FROM THE BOARD

The Board (including the independent non-executive Directors) is of the view that, apart from the contributions of employees and directors of the Group, the success of the Group may also come from the efforts and co-operation of the service providers and business partners, who play a part in the development and continued success of the Group's business and operations, and have contributed or may contribute to the Group in the future.

The Company is a bio-pharmaceutical company focusing on the research and development and commercialization of oncology therapies for cancer patients, especially those who require long-term care. Our core business model is to develop and commercialize oncology products and drug candidates through a combination of in-house discovery, in-licensing and co-development. The Company may from time to time need to engage Category B Participants to provide consultancy and advisory services relating to the Group's principal business, for example, engage experts in pharmaceuticals being developed by the Group, and also consultancy services to help maintain or enhance the competitiveness of the Group by for example introducing new customers or business opportunities to the Group, and management consultancy to upgrade the corporate image, digitization, and investor relations, which are desirable from a commercial or strategic perspective. In addition, to develop the business of the Group, the Group may also enter into collaborations with business partner which would provide services to the Group allow the Group to develop new business opportunities, such as promoting new commercialised products and exploring new markets. The Group develop products on an on-going basis and when the Company commercialises its products in its daily operations, it may enter into collaborations with business partners to provide supports to the sales and marketing of the products, such as introducing new customers. The Group works closely with its business partners on a continuing and recurring basis for implementation of marketing strategies and promotion and expansion of sales and business network, which enable the Group to enhance its competitiveness by way of introducing new customers or business opportunities to the Group. These service providers and/or business partners are usually seasoned people in their own fields and professionals and/or professional organisations with many business connections, which the Group may not be able to recruit them as employees. The grant of the Options to these Eligible Participants may fill the gap and to foster the relationship with them as well as allow the Company to pay such external parties a consideration comprising service fee and share-based consideration to incentivise such party with the long term value to be brought by the growth of the Company's business and market capitalisation. It is also common for pharmaceutical companies to provide equity incentives to service providers to motivate these service providers to provide quality services or innovative ideas to the development of its business.

The Group will also engage suppliers to provide services in technology, logistics, procurement, marketing, manufacturing, research and development of pharmaceutical products, human resources and public relations. In line with industry practice, the Group also collaborates with CROs that manage, conduct and support clinical trials, and engages qualified CMOs to manufacture and test drug candidates for pre-clinical and clinical supply. The number of qualified CMOs is limited and the regulatory authorities including China National Medical Products Administration (NMPA), U.S. Food and Drug Administration (FDA) and Pharmaceuticals and Medical Devices Agency of Japan (PMDA) must evaluate and/or approve any manufacturers as part of their regulatory oversight of the Group's drug candidates. The

LETTER FROM THE BOARD

CROs provide the Group with an array of products and services necessary for complex clinical trials. In addition to the scope, depth and quality of their service and product offerings, the Group places a high value on our CROs' ability to facilitate optimal site selection, timely patient recruitment and efficient conduct of complex clinical trials with high-quality standards. CROs generally provide a comprehensive suite of services to assist the Group in the implementation and management of clinical trials, including trial preparation, day-to-day site management, clinical safety management, data management, and report preparation. If the Group loses or fails to main relationships with the CMOs and/or CROs, this may incur additional costs for the Group to identify and engage qualified replacement in a timely manner. The Group also relies on distributors to provide distribution services to distribute its pharmaceutical products on a regular or recurring basis, such as hospitals. The Group's distributorship model is consistent with customary industry practice and serves to ensure efficient coverage of our sales network while controlling our cost of distribution. Distributors which cooperate with the Group are usually companies principally engaged in pharmaceutical drugs distribution business which have the required qualifications and capabilities and suited the Group's strategic marketing model. The Group has established and maintained resource sharing with our distributors to effectively execute its marketing strategies specifically tailored to each designated geographic location. These service providers are closely connected with the Group's day-to-day operations which spans across research and development, manufacturing and marketing of its products, and their contribution directly impact the results of the operations of the Group. These service providers generally have established stable and long-term relationship with the Group.

As it is important to maintain sustainable partnerships with the suppliers and distributors as mentioned above who contribute to the Group's daily operations including research and development, manufacturing process and sales and promotion of products in recurring and continuing basis, the Board considers that the Group will be able to maintain a higher flexibility in procuring services from these service providers by offering equity incentives (instead of monetary consideration) as part of their compensation package in the future.

In assessing whether the Category B Participants provide services to the Group on a continuing and recurring basis and in its ordinary and usual course of business, the Board will take into consideration: (i) the length and type of services provided and the recurrences and regularity of such services; (ii) the nature of the services provided to the Group by the Category B Participants; and (iii) whether such services form part of or are directly ancillary to the businesses conducted by the Group. With reference to the description of the services provided by the Category B Participants mentioned above, the services by each of the service providers (including the suppliers, business partners and distributors) are required by the Group on regular and recurring basis to support the integral business and daily operations of the Group from research and development, manufacturing and marketing of its products and are directly related to the business operated by the Group. The Board considered that the services provided by the Category B Participants are in the ordinary and usual course of business and on a continuing and recurring basis.

LETTER FROM THE BOARD

Having taken into account the fact that (i) the categories of Category B Participants are in line with the Group's business needs and the industry norm; (ii) certain Category B Participants may provide services akin to employees of the Group, but may not be able to serve as full-time or part-time employees of the Group; (iii) recognising the contribution of these Eligible Participants may enhance their performance and further contribution to the Group; and (iv) the invaluable contributions from these Eligible Participants support that usual ordinary course of business of the Group on a recurring and continuing basis and are essential to operations as well as the sustainable and successful development of the Group, the Board (including the independent non-executive Directors) is of the view that the inclusion of Category B Participants as Eligible Participants is fair and reasonable and aligns with the purpose of the Share Option Scheme and the long term interest of the Company and its Shareholders.

The Eligible Participants include independent non-executive Directors. Having considered that (i) equity-based remuneration is an important means of ensuring alignment between the interests of the Shareholders and Board members, including independent non-executive Directors; (ii) it is common to include independent non-executive Directors as eligible persons in share schemes; and (iii) independent non-executive Directors may provide important contributions to the Group's development and business, for example by helping it maintain a sound corporate governance framework and internal control system, the Board believes the inclusion of independent non-executive Directors as Eligible Participants and the flexibility to grant Options to independent non-executive Directors in addition to or in lieu of cash-based incentives will allow the Company to keep its remuneration package competitive in order to attract and retain talent and is in line with the purpose of the Share Option Scheme.

The Company is of the view that the independence and impartiality of the independent non-executive Directors would not be affected by any possible grant of the Options since (i) the independent non-executive Directors must continue to comply with the independence requirement under Rule 3.13 of the Listing Rules; (ii) as set out in the paragraph headed "6. Grant of Options to Connected Persons" in Appendix III, certain grants to them will require approval by the independent Shareholders; and (iii) before making any grants to any independent non-executive Director, the Board will always be mindful of the recommended best practice E.1.9 of the corporate governance code set out in Appendix 14 to the Listing Rules which recommends that issuers should generally not grant equity-based remuneration with performance-related elements to independent non-executive directors. As at the Latest Practicable Date, the Company has no plan to grant Options to any independent non-executive Director or any of their respective associates.

Scheme Mandate Limit

As at the Latest Practicable Date, there were a total of 256,057,000 Shares in issue. Assuming that there is no change in the total issued share capital of the Company between the Latest Practicable Date and the date of the AGM at which the adoption of the Share Option Scheme is to be approved, a maximum of 25,605,700 Shares may be issued upon exercise of all the Options to be granted under the Share Option Scheme and Other Schemes, representing approximately 10.0% of the total number of Shares in issue on the date of approval of the Share Option Scheme.

LETTER FROM THE BOARD

Within the Scheme Mandate Limit, the Category B Participant Limit would be 3,840,855 Shares, representing approximately 1.5% of the total number of Shares in issue on the date of approval of the Share Option Scheme.

The basis for determining the Category B Participant Limit is that (i) the potential dilution effect arising from grants to the Category B Participants; (ii) the importance of striking a balance between achieving the purpose of the Share Option Scheme and protecting the Shareholders from the dilution effect from granting a substantial number of Options to the Category B Participants; (iii) the extent of use of Category B Participants in the Group's businesses; (iv) the expected contribution to the development and growth of the Company attributable to the Category B Participants; and (v) the Company expects that a majority of Options will be granted to the Category A Participants and as such there is a need to reserve a larger portion of the Scheme Mandate Limit for grants to the Category A Participants. The Company considers that the proportionately low limit of 1.5% would not lead to excessive dilution of existing Shareholders' shareholdings while allowing for the Board to grant Options to the clearly identified categories of Category B Participants which would benefit the Company for the reasons explained in the paragraph headed "Eligible Participants" above.

Having considered the innovation-driven and technological-driven nature of the Group's principal business, the Company considers that the Category B Participant Limit is required to provide the Group with flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward and collaborate with persons who are not employees or officers of the Group, but who may have exceptional expertise in their field or who may be able to provide valuable expertise and services to the Group. Also having considered that there are no other share schemes of the Company involving grant of options over new Shares, the Board is of the view that the Category B Participant Limit is appropriate and reasonable. The Category B Participant Limit is subject to separate approval by the Shareholders at the AGM.

Vesting Period

The vesting period for Options under the Share Option Scheme shall not be less than 12 months. To ensure the practicability in fully attaining the purpose of the Share Option Scheme, the Board and the remuneration committee of the Company are of the view that (a) there are certain instances where a strict twelve-month vesting requirement would not work or would not be fair to the holder of the Option; (b) there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (c) the Company should be allowed discretion to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions depending on individual performance. Hence, the Board and the remuneration committee of the Company are of the view that the shorter vesting period prescribed in the paragraph headed "5. Grant and Acceptance of Options" in Appendix III to this circular is in line with the market practice and is appropriate and aligns with the purpose of the Share Option Scheme.

LETTER FROM THE BOARD

Performance targets and clawback mechanism

Save as determined by the Board and provided in the offer letter of grant of an Option, the Share Option Scheme does not stipulate any performance target that the Grantee is required to achieve before the relevant Option can be exercised. However, the Share Option Scheme gives the Board discretion to impose such conditions on the Options where appropriate. The performance target may include financial targets and management targets which shall be determined based on the (i) individual performance; (ii) performance of the Group; and/or (iii) performance of the departments or business line managed by the Grantee. The Directors consider that it may not always be appropriate to impose such conditions particularly when the purpose of granting the Options is to remunerate or compensate Eligible Participants for past contributions. The Directors consider it more beneficial to the Company to retain the flexibility to determine whether such conditions are appropriate in light of the particular circumstances of each grant.

As for the clawback mechanism, upon the occurrence of the events including the failure of the Grantee to perform duties effectively or is involved in serious misconduct, breach of any non-competition or non-disclosure agreement entered into with the Group, the contravention of the relevant laws and regulations of the applicable jurisdiction and/or the provisions of the Articles by the Grantee, the involvement of the Grantee in acceptance or solicitation of bribery, corruption, theft, leakage of trade and technical secrets, conducted connected transactions and other unlawful acts and misconducts, which prejudiced the interest and reputation of and caused significant negative impact to the image of the Company, the sanction by the Stock Exchange and/or subject to any disciplinary actions imposed by the SFC or conviction of any criminal offence to the Grantee, and the failure of the Grantee to discharge, or discharge properly his or her duties or fail to comply with the Company's internal policy and/or his/her employment agreement which result in serious loss in asset of the Company and other serious and adverse consequence, the Board may propose that no further Option shall be granted to a specific Grantee and the Options granted shall claw back and lapse automatically. The Board is of the view with such clawback mechanism in place, the Company would be able to claw back the equity incentives granted to Grantees culpable of misconduct, which is in line with the purpose of the Share Option Scheme and the interest of the Shareholders in general. The Directors believe the Share Option Scheme will provide the Board with flexibility in determining the applicable performance targets and any other conditions to which the specific grant of Options may be subject on a case-by-case basis, and thus will place the Group in a better position to attract human resources that are valuable to the long-term growth and development of the Group.

Others

The Company does not at present intend to appoint a trustee under the Share Option Scheme. None of the Director is and will be a trustee of the Share Option Scheme or have a direct or indirect interest in the trustee.

LETTER FROM THE BOARD

The Company understands that whilst the Share Option Scheme is not restricted to executives and employees of the Group, the adoption of the Share Option Scheme would not constitute an offer to public and prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

As at the Latest Practicable Date, the Company did not have any plan to grant any Options and had not identified any Eligible Participant to whom it would make an offer to take up the Option.

The Company will, where applicable, comply with the applicable requirements under Chapter 17 of the Listing Rules in respect of the operation of the Share Option Scheme.

AMENDMENTS TO THE RESTRICTED SHARE UNIT SCHEME

The Company has adopted the RSU Scheme on 22 June 2021 to facilitate the administration of share incentives granted to employees, pursuant to which RSU representing no more than 20% of the total number of Shares in issue on the date of listing of the Company may be delivered to eligible participants under the RSU Scheme. The number of Shares that may be delivered under the RSU Scheme are no than 51,138,400 Shares (i.e. 20% of the total number of Shares in issue on the date of listing of the Company). Details of the RSU Scheme are set out in Appendix IV “D. Share Incentive Scheme” in the prospectus of the Company dated 29 November 2022.

As at the Latest Practicable Date, an aggregate of 38,338,040 Shares were allotted and issued to three BVI entities wholly owned by Kastle Limited (the “**Trustee**”), namely Immunal Medixin US Limited, Immunal Medixin Cino L. Limited and Immunal Medixin Cino Limited (collectively, the “**ESOP Trusts**”). The voting rights attached to the 38,338,040 Shares currently held by the Trustee shall be exercised in accordance with Dr. Gong’s instructions in accordance with the trust deed.

As at the Latest Practicable Date, (i) 31,446,746 RSUs were granted to Dr. Gong, the executive Director, and certain employees of the Company, and remained unexercised, and (ii) 6,891,014 RSU which have been exercised before 31 December 2022 (including 1,265,634 RSUs exercised during the year), the underlying Shares remain in the ESOP Trusts. Therefore, out of the 38,338,040 Shares currently held by the Trustee, 280 Shares have not been granted to any grantees. These 280 Shares were issued to the Trustee as a result of capitalisation issue of the Company at the time of listing.

Pursuant to the RSU Scheme, an addition 12,790,360 Shares may be allotted. The Company undertakes not to make any further grants of RSUs under the RSU Scheme from the Latest Practicable Date, including but not limited to, through issue of new Shares or reallocate underlying Shares of the RSUs that have lapsed or grant RSUs on the 280 Shares currently held by the Trustee. It was proposed that the terms of the RSU to be amended to the effect that the overall limit of the number of Shares that may be issued and granted under the RSU Scheme shall be the 38,338,040 Shares currently held by the Trustee. No further issue of Shares will

LETTER FROM THE BOARD

be made under the RSU Scheme. Details of the proposed amendments are set out in Appendix III. In respect of the 280 Shares currently held by the Trustee and if there is any lapse of RSUs, subject to the expiry of the lock-up and compliance with applicable rules including the Listing Rules and the Takeovers Code (where applicable), the Company may repurchase the relevant Shares or the Trustee may sell the relevant Shares on the market.

As at the Latest Practicable Date, 31,446,746 RSUs were granted to Dr. Gong, the executive Director, and certain employees of the Company, and remained unexercised. A breakdown of the RSUs granted as at 31 December 2022 and as at the Latest Practicable Date is set out below:

			As at 1	Lapsed	Granted	Cancelled	Exercised	As at
	Date of	Exercise	January	during	during	during	during	31 December
	award	price	2022	the year	the year	the year	the year	2022 and
		(HKD)		(Note1)				the Latest
								Practicable Date
Gong Zhaolong	30/09/2021	2.2078	5,384,031	0	0	0	0	5,384,031
		0.001	5,384,031	0	0	0	0	5,384,031
	6/10/2022	2.2078	0	0	3,238,782	0	0	3,238,782
		0.001	0	0	10,757,039	0	0	10,757,039
Employees	30/09/2021	2.2078	5,941,587	995,240			828,847	4,117,500
		0.001	3,714,890	712,740			436,787	2,565,363
		0.04023	0					
Total			20,424,539	1,707,980	13,995,821	0	1,265,634	31,446,746

Notes:

- (1) As certain employees left before September 30, 2022, 1,707,980 RSUs were lapsed accordingly.
- (2) 6,891,014 RSU which have been exercised before 31 December 2022 (including 1,265,634 RSUs exercised during the year), the underlying Shares remain in the ESOP Trusts and subject to a lock-up as determined by ESOP administration department which shall remain in the ESOP Trusts until 30 September 2023.
- (3) The fair value of the RSU at the date of the award on 6 October 2022 was HK\$308,084,000.
- (4) All the RSUs were vested prior to the listing of the Company

Document on display

A copy of the Share Option Scheme and the RSU Scheme will be published on the websites of Stock Exchange (www.hkexnews.hk) and the Company (www.3d-medicines.com) for not less than 14 days before the date of the AGM and a copy of the Share Option Scheme and the RSU Scheme are available for inspection at the AGM.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

The forthcoming Annual General Meeting is scheduled to be held on Monday, June 26, 2023. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, June 20, 2023 to Monday, June 26, 2023, both days inclusive, during such period no transfer of Shares will be registered. In order to attend and vote at the Annual General Meeting, all duly completed share transfer documents, accompanied by the relevant share certificates, must be lodged for registration with the Hong Kong Share Registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Monday, June 19, 2023.

NOTICE OF ANNUAL GENERAL MEETING

Set out on pages AGM-1 to AGM-8 of this circular is the notice of the Annual General Meeting at which, inter alia, ordinary resolutions will be proposed to Shareholders to consider and approve (a) the granting of the Issue Mandate to issue Shares and the Repurchase Mandate to repurchase Shares, (b) the re-election of the retiring Directors, (c) the re-appointment of auditor, and (d) adoption of the Share Option Scheme.

FORM OF PROXY

A form of proxy is enclosed for use at the Annual General Meeting. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.3d-medicines.com). Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong Share Registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or via the designated website (spot-emeeting.tricor.hk) by using the username and password provided on the notification letter sent by the Company not less than 48 hours before the time fixed for holding the Annual General Meeting (i.e. not later than 10:00 a.m. on Saturday, June 24, 2023) or any adjournment thereof. Completion and delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the Annual General Meeting if they so wish and in such event the form of proxy shall be deemed to be revoked.

VOTING BY POLL

There is no Shareholder who has any material interest in the proposed resolutions, therefore none of the Shareholders is required to abstain from voting at the Annual General Meeting.

LETTER FROM THE BOARD

Pursuant to Rule 13.39(4) of the Listing Rules and article 66 of the Articles of Association, any resolution put to the vote of the Shareholders at a general meeting shall be decided on a poll, except where the chairman of the general 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. Accordingly, each of the resolutions set out in the notice will be taken by way of poll.

On a poll, every Shareholder presents in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorized representative, shall have one vote for every fully paid Share of which he/she is the holder. A Shareholder entitled to more than one vote on a poll needs not use all his/her votes or cast all the votes he/she uses in the same way. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules. 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 adoption of the Share Option Scheme and the amendments of the RSU Scheme. Accordingly, no Shareholder is required to abstain from voting on the resolution approving the adoption of the Share Option Scheme and the RSU Scheme.

RECOMMENDATION

The Directors consider that the proposed resolutions for the granting of the Issue Mandate to issue Shares, the Repurchase Mandate to repurchase Shares, the re-election of the retiring Directors, the re-appointment of auditor, the adoption of the Share Option Scheme and amendment to the RSU Scheme are in the interests of the Group and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favor of all the resolutions to be proposed at the Annual General Meeting.

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.

Yours faithfully
By order of the Board
3D Medicines Inc.
Dr. Gong Zhaolong

Chairperson of the Board and Executive Director

The following are the particulars of the retiring Directors (as required by the Listing Rules) proposed to be re-elected at the Annual General Meeting.

EXECUTIVE DIRECTOR

Dr. Gong Zhaolong

Dr. Gong Zhaolong (龔兆龍), the key founder of the Group, aged 58, has been a Director and chief executive officer since October 9, 2019 and was re-designated as an executive Director on June 25, 2021. Dr. Gong has been the chief executive officer since January 30, 2018, and the chairman of the Board since October 11, 2019. Dr. Gong is primarily responsible for the overall strategic planning, business direction and operational management of our Group. Dr. Gong also holds the following positions in the subsidiaries of our Group:

Name of subsidiary	Position	Period
Full Goal Trading Limited	Director	November 2019 to present
Integral Lane Holdings Limited	Director	November 2019 to present
3DMed Hong Kong	Director	November 2019 to present
3DMed Beijing	Executive director	October 10, 2019 to present
3DMed Sichuan	Executive director and general manager	October 25, 2019 to present
3D Medicines	Executive director and general manager	June 7, 2018 to present
3DMed Xuzhou	Chief executive officer Executive director and general manager	January 30, 2018 to present November 24, 2020 to present
3DMed Shanghai	Executive director	October 10, 2019 to present
3dMed Qingdao	Executive director and general manager	June 11, 2021 to present

Dr. Gong has around 24 years of experience in the pharmaceutical industry and supervision authority. From October 1998 to March 2008, Dr. Gong worked as a new drug reviewer of the Centre for Drug Evaluation and Research in the United States FDA. Dr. Gong then served as a general manager of Beijing Labsolutuions Pharmaceutical Technology Co., Ltd. (北京萊博賽路森藥物科技有限公司) from March 2012 to April 2013. From May 2013 to July 2014, he was new drug development and regulatory affairs vice president (新藥開發和藥政事務副總裁) of BeiGene (Beijing) Biotechnology Co., Ltd. (百濟神州(北京)生物科技股份有限公司), an indirectly wholly-owned subsidiary of BeiGene, Ltd. (“**BeiGene**”), which was subsequently listed on NASDAQ (stock code: BGNE) and the Stock Exchange (stock code: 6160). From September 2015 to January 2018, Dr. Gong worked at the Predecessor Holdco.

From September 2015 to August 2021, Dr. Gong served as an independent director of Staidson (Beijing) Biopharmaceutical Co., Ltd. (舒泰神(北京)生物製藥股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300204). Since July 2017, he has also served as an independent director of Shandong Jincheng Pharmaceutical Group Co., Ltd. (山東金城醫藥集團股份有限公司), a company also listed on the Shenzhen Stock Exchange (stock code: 300233).

Dr. Gong obtained his Bachelor degree in medicine from Peking Medical College (北京醫科大學) (currently known as Peking University Health Science Center (北京大學醫學部)) in the PRC in July 1984. He proceeded to obtain his PhD in toxicology from New York University in the United States in September 1996. Dr. Gong is a member of various industry associations, including the China Advisory Committee of the Drug Information Association, the translational medical expert committee (轉化醫學專家委員會) of the Chinese Society of Clinical Oncology, the International Innovative Drug Supervision Professional Committee of the China Pharmaceutical Innovation and Research Development Association (中國醫藥創新促進會國際創新藥物監管專業委員會), an editorial board member of the Chinese Journal of New Drugs (中國新藥雜誌) and Progress in Pharmaceutical Sciences (藥學進展).

As at the Latest Practicable Date, Dr. Gong was interested in 74,330,404 Shares, representing approximately 29.03% of the issued share capital of the Company within the meaning of Part XV of the SFO. Dr. Gong is the sole director and sole shareholder of Dragon Prosper Holdings Limited and is deemed to be interested in the Shares held by Dragon Prosper Holdings Limited. Immunal Medixin US Limited and certain other entities are share incentive platforms managed by KASTLE LIMITED as trustee, who, in accordance with the trust deed, acts in accordance with Dr. Gong's instructions when exercising voting rights attached to the Shares held by itself. Dr. Gong is deemed to be interested in the Shares held by the trustee of the Immunal Medixin US Limited. Therefore, Dr. Gong is deemed to be interest in the 35,992,364 Shares held by Dragon Prosper Holdings Limited and 38,338,040 Shares held by KASTLE LIMITED under the SFO.

Dr. Gong has entered into a service contract with the Company for an initial term of three years and will continue thereafter until terminated in accordance with the terms of the service contract. Pursuant to the service contract, Dr. Gong's remuneration may include share awards, which he may from time to time be entitled. He is also entitled to a bonus of such amount as the Board may determine in light of the Company's business performance and the Director's individual performance after confirmation with the Remuneration Committee.

Save as disclosed herein, as at the Latest Practicable Date, Dr. Gong did not hold any other position with the Company or any other member of the Group, or any directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. As at the Latest Practicable Date, Dr. Gong did not have any relationship with any Directors, senior management, substantial or Controlling Shareholders of the Company.

Save as disclosed herein, there is no other matter in relation to the re-election of Dr. Gong that needs to be brought to the attention of the Shareholders and there is no other information relating to Dr. Gong which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

NON-EXECUTIVE DIRECTORS

Mr. Zhu Pai

Mr. Zhu Pai (朱湃), aged 31, has been a Director since June 23, 2021 and was re-designated as a non-executive Director on June 25, 2021. He participates in decision-making in respect of major matters such as corporate and business strategies.

Mr. Zhu has around 6 years of experience in the asset management sector. From December 2016 to May 2018, he was the project manager of the asset management headquarters of Guosen Securities Co., Ltd (國信證券股份有限公司). From August 2016 to March 2021, Mr. Zhu has been a director of Shenzhen Jinbaihui Investment Management Co., Ltd. (深圳金柏匯投資管理有限公司). Mr. Zhu joined the Efung investment group in May 2018, and has been an authorized representative of the executive partner of Shenzhen Efung Investment Management Enterprise (Limited Partnership) (深圳市倚鋒投資管理企業(有限合夥)) since July 2018, an executive partner of Shenzhen Qiaoyue Entrepreneurship Center Enterprise (Limited Partnership) (深圳市喬悅創業中心企業(有限合夥)) since October 2019, an executive director and general manager of Shenzhen Efung Investment Group Co., Ltd. (深圳市倚鋒投資發展有限公司), and an executive director and general manager of Hainan Efung Junma Fund Management Co., Ltd. (海南倚鋒駿馬私募基金管理有限公司) since December 2020. He was also an executive director and general manager of Shenzhen Yixing Investment Management Co., Ltd. (深圳市倚鋒控股集團有限公司(曾用名:深圳易星投資管理有限公司)) from June 2018 to March 2021 and the supervisor of the foregoing company since March 2021, and a director of Shenzhen Tuwei Anchuang Technology Development Co., Ltd. (深圳市圖微安創科技開發有限公司) since May 2019. From August 2020 to September 2022, he was a director of Heyuan Biotechnology (Shanghai) Co., Ltd. (和元生物技術(上海)股份有限公司) a company listed on the Shanghai Stock Exchange STAR Market (stock code: 688238) since March 2022. Since December 2020, he has been a director of Shenzhen Shineng Ketai Energy Technology Co., Ltd. (深圳世能科泰能源技術股份有限公司).

Mr. Zhu obtained his bachelor's degree in economics from University of California, San Diego in the United States in March 2016.

As at the Latest Practicable Date, Mr. Zhu was interested in 13,817,381 Shares, representing approximately 5.40% of the issued share capital of the Company within the meaning of Part XV of the SFO.

Mr. Zhu has entered into a service contract with the Company for an initial term of three years and will continue thereafter until terminated in accordance with the terms of the service contract. Pursuant to the service contract, Mr. Zhu's remuneration may include share awards, which he may from time to time be entitled. He is also entitled to a bonus of such amount as the Board may determine in light of the Company's business performance and the Director's individual performance after confirmation with the Remuneration Committee.

Save as disclosed herein, as at the Latest Practicable Date, Mr. Zhu did not hold any other position with the Company or any other member of the Group, or any directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. As at the Latest Practicable Date, Mr. Zhu did not have any relationship with any Directors, senior management, substantial or Controlling Shareholders of the Company.

Save as disclosed herein, there is no other matter in relation to the re-election of Mr. Zhu that needs to be brought to the attention of the Shareholders and there is no other information relating to Mr. Zhu which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Zhou Feng

Mr. Zhou Feng (周峰), aged 40, has been a Director since October 9, 2019, and was re-designated as a non-executive Director on June 25, 2021. He participates in decision-making in respect of major matters such as corporate and business strategies.

Mr. Zhou has around 11 years of experience in corporate finance. From June 2011 to August 2013, he was an analyst of China International Capital Corporation Limited (中國國際金融有限公司). From August 2013 to June 2015, he was a senior fund manager at Sinopharm Capital Co., Limited (國藥資本管理有限公司). He was a vice president at Bank of America Merrill Lynch (Asia Pacific) Limited from May 2015 to June 2016 before joining Guoxin Venture Capital Management (Shenzhen) Co., Ltd. (國新風險投資管理(深圳)有限公司) as an executive director from May 2017 to December 2022.

Mr. Zhou obtained his bachelor's degree in accounting from Fudan University (復旦大學) in July 2005.

As at the Latest Practicable Date, Mr. Zhou did not hold any Shares within the meaning of Part XV of the SFO.

Mr. Zhou has entered into a service contract with the Company for an initial term of three years and will continue thereafter until terminated in accordance with the terms of the service contract. Pursuant to the service contract, Mr. Zhou's remuneration may include share awards, which he may from time to time be entitled. He is also entitled to a bonus of such amount as the Board may determine in light of the Company's business performance and the Director's individual performance after confirmation with the Remuneration Committee.

Save as disclosed herein, as at the Latest Practicable Date, Mr. Zhou did not hold any other position with the Company or any other member of the Group, or any directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. As at the Latest Practicable Date, Mr. Zhou did not have any relationship with any Directors, senior management, substantial or Controlling Shareholders of the Company.

Save as disclosed herein, there is no other matter in relation to the re-election of Mr. Zhou that needs to be brought to the attention of the Shareholders and there is no other information relating to Mr. Zhou which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

Ms. Chen Yawen

Ms. Chen Yawen (陳雅雯), aged 32, has been a Director since July 12, 2022, and was re-designated as a non-executive Director on the same date. She participates in decision making in respect of major matters such as corporate and business strategies.

Ms. Chen has involved herself in business incubation programmes and venture capital. For instance, from October 2018 to December 2020, she consulted and incubated projects with Xinli001.com (壹心理), a startup business providing online mental health services and networks for more than 20 million users in China. From 2020 to 2021, Ms. Chen served as an investment advisor at Waveray Capital (潮信投資), a China and US-based venture firm focusing on biomedical technology. Since February 2021, she has been an investment director of Fang Fund Partners (芳晟股權投資基金), primarily focused on sustainability investing.

Ms. Chen obtained her bachelor's degree in computer science and art history from Carleton College in the United States in June 2015.

As at the Latest Practicable Date, Ms. Chen did not hold any Shares within the meaning of Part XV of the SFO.

Ms. Chen has entered into a service contract with the Company for an initial term of three years and will continue thereafter until terminated in accordance with the terms of the service contract. Pursuant to the service contract, Ms. Chen's remuneration may include share awards, which she may from time to time be entitled. She is also entitled to a bonus of such amount as the Board may determine in light of the Company's business performance and the Director's individual performance after confirmation with the Remuneration Committee.

Save as disclosed herein, as at the Latest Practicable Date, Ms. Chen did not hold any other position with the Company or any other member of the Group, or any directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. As at the Latest Practicable Date, Ms. Chen did not have any relationship with any Directors, senior management, substantial or Controlling Shareholders of the Company.

Save as disclosed herein, there is no other matter in relation to the re-election of Ms. Chen that needs to be brought to the attention of the Shareholders and there is no other information relating to Ms. Chen which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Li Jin

Dr. Li Jin, aged 57, was appointed as an independent non-executive Director on June 25, 2021 (with effect from Listing Date). He is responsible for providing independent advice and judgment to our Board.

Dr. Li has been the chairman of the board and general manager of Beijing Orbiopharm Co., Ltd. (北京歐博方醫藥科技有限公司) since August 2015, chairman of the board and manager of Beijing Yuanbofang Co., Ltd. (北京元博方醫藥科技有限公司) since February 2014, and chairman of the board of Qingdao Orbiopharm Co., Ltd. (青島歐博方醫藥科技有限公司) since November 2013 and Qingdao Pet Love Animal Hospital Management Co., Ltd. (青島寵之愛動物醫院管理有限公司) since August 2018. He has also served as a director in Pharmacodia Pharma Intelligence (Beijing) Technology Co., Ltd. (藥渡智慧(北京)醫藥科技有限公司) since July 2017, and Beijing Zhongguancun Shangdi Biotechnology Development Co., Ltd. (北京中關村上地生物科技發展有限公司) since September 2021. Since December 2018, he has served as an independent director at Chengdu Easton Biopharmaceuticals Co., Ltd (成都苑東生物製藥股份有限公司), a company listed on the Shanghai Stock Exchange STAR Market (stock code: 688513).

Dr. Li obtained his Ph.D. in chemistry from the University of Wisconsin-Milwaukee in the United States in May 1999. He has published more than 25 papers and 14 book chapters in the chemistry field, and is the inventor of more than 30 patents. He also obtained the Fund Practicing Qualification Certificate (基金從業資格證) in September 2018 from the Asset Management Association of China (中國證券投資基金業協會), and the independent director certificate issued by the Shanghai Stock Exchange in November 2018.

As at the Latest Practicable Date, Dr. Li did not hold any Shares within the meaning of Part XV of the SFO.

Dr. Li has entered into a letter of appointment with the Company for an initial term of three years and will continue thereafter until terminated in accordance with the terms of the letter of appointment. Such remuneration will be reviewed annually by the Board and the Remuneration Committee.

Save as disclosed herein, as at the Latest Practicable Date, Dr. Li did not hold any other position with the Company or any other member of the Group, or any directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. As at the Latest Practicable Date, Dr. Li did not have any relationship with any Directors, senior management, substantial or Controlling Shareholders of the Company.

Save as disclosed herein, there is no other matter in relation to the re-election of Dr. Li that needs to be brought to the attention of the Shareholders and there is no other information relating to Dr. Li which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

Dr. Lin Tat Pang

Dr. Lin Tat Pang (連達鵬), aged 66, was appointed as an independent non-executive Director on June 25, 2021 (with effect from Listing Date). He is responsible for providing independent advice and judgment to our Board.

Dr. Lin has 42 years of experience in accounting, finance and public offerings. Dr. Lin served as assistant accountant, accounting manager and chief accountant in Sun Hung Kai Securities Limited during 1980 to 1988. He was an executive director at Sun Hung Kai Investment Services Limited and Sun Hung Kai Forex & Bullion Co. Limited from December 1989 to December 1992. From November 1990 to November 1992, he was the company secretary of Sun Hung Kai & Co. Limited (stock code: 86), a company listed on the Hong Kong Stock Exchange. Subsequently, he worked for Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange between December 1992 and March 2013, and his last position was senior consultant to the Listing, Listing & Regulatory Affairs Division of Hong Kong Exchanges and Clearing Limited.

Dr. Lin was an adjunct professor of Huazhong University of Science and Technology Law School (華中科技大學法學院) in the PRC from May 2009 to May 2012, and a visiting professor of the same university from December 2011 to December 2014. He was also a visiting professor of the Southwest University of Political Science and Law (西南政法大學) in the PRC from May 2012 to May 2015. From October 2015 to June 2020, he was a part-time lecturer at the Faculty of Business, the City University of Macau.

Dr. Lin also serves as an independent non-executive director of three companies listed on the Hong Kong Stock Exchange. He has been an independent non-executive director of China Aluminum Cans Holdings Limited (stock code: 6898) since June 2013, and that of Leadway Technology Investment Group Limited (formerly known as HNA Technology Investments Holdings Limited) (stock code: 2086) since December 2017, and that of CT Vision S.L. (International) Holdings Limited (stock code: 994) since June 2022.

Dr. Lin obtained his Doctor of Law, Master of Law and Bachelor of Law from Peking University (北京大學) in the PRC in 2009, 1998 and 1992 respectively. He also completed his Postgraduate Certificate in Hong Kong Law in City University of Hong Kong (previously known as City Polytechnic of Hong Kong) in November 1993. Dr. Lin has been a member of the Hong Kong Institute of Certified Public Accountants since May 1983 and a fellow of the Association of Chartered Certified Accountants, United Kingdom since August 1987. He has been also a member of the Chartered Institute of Arbitrators, United Kingdom since February 2000.

As at the Latest Practicable Date, Dr. Lin did not hold any Shares within the meaning of Part XV of the SFO.

Dr. Lin has entered into a letter of appointment with the Company for an initial term of three years and will continue thereafter until terminated in accordance with the terms of the letter of appointment. Such remuneration will be reviewed annually by the Board and the Remuneration Committee.

Save as disclosed herein, as at the Latest Practicable Date, Dr. Lin did not hold any other position with the Company or any other member of the Group, or any directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. As at the Latest Practicable Date, Dr. Lin did not have any relationship with any Directors, senior management, substantial or Controlling Shareholders of the Company.

Save as disclosed herein, there is no other matter in relation to the re-election of Dr. Lin that needs to be brought to the attention of the Shareholders and there is no other information relating to Dr. Lin which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Liu Xinguang

Mr. Liu Xinguang (劉信光), aged 61, was appointed as an independent non-executive Director on June 25, 2021 (with effect from Listing Date). He is responsible for providing independent advice and judgment to our Board.

From October 1988 to September 1994, he worked as a civil servant in the Guangshan County Committee of the Communist Party in Henan Province. From October 1994 to November 1997, he was a reporter at Henan Economic Daily (河南經濟日報). From December 1997 to December 1999, he was the head of the news department at Henan Business Daily (河南商報), which belongs to Xinhua News Agency.

Mr. Liu has around 21 years of experience in investment banking and stock investments. From October 2001 to August 2003, he was a vice president of Bestar Investment Consultant Co., Ltd. (北京博星證券投資顧問有限公司). Since September 2004, he has been a vice president of Beijing Global Bank Securities Investment Co., Ltd. (北京環球銀證投資有限公司). From July 2014 to August 2020, he served as an independent director of Zhejiang Yinlun Machinery Co., Ltd (浙江銀輪機械股份有限公司), a company listed on the Shenzhen stock exchange (stock code: 002126). Since April 2019, he has been an independent director of Angel Yeast Co., Ltd. (安琪酵母股份有限公司), a company listed on the Shanghai stock exchange (stock code: 600298). Since October 2018, he has been an expert member of the Independent Board Committee of Association of Listed Companies (中國上市公司協會獨立董事委員會). Since April 2022, he has been an independent director of Hubei Yihua Chemical Industry Co.,

Ltd. (湖北宜化化工股份有限公司), a company listed on the Shenzhen stock exchange (stock code: 000422). Since November 2022, he has been an independent director of Hubei Mailyard Share Co., Ltd. (湖北美爾雅股份有限公司), a company listed on the Shanghai stock exchange (stock code: 600107).

Mr. Liu obtained his college diploma in Chinese from Henan University in the PRC in June 1988. He obtained the Fund Practicing Qualification Certificate (基金從業資格證) in 2015 and the Securities Practitioner Qualification Certificate (證券從業資格證) in 2004 from the Asset Management Association of China (中國證券投資基金業協會).

As at the Latest Practicable Date, Mr. Liu did not hold any Shares within the meaning of Part XV of the SFO.

Mr. Liu has entered into a letter of appointment with the Company for an initial term of three years and will continue thereafter until terminated in accordance with the terms of the letter of appointment. Such remuneration will be reviewed annually by the Board and the Remuneration Committee.

Save as disclosed herein, as at the Latest Practicable Date, Mr. Liu did not hold any other position with the Company or any other member of the Group, or any directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. As at the Latest Practicable Date, Mr. Liu did not have any relationship with any Directors, senior management, substantial or Controlling Shareholders of the Company.

Save as disclosed herein, there is no other matter in relation to the re-election of Mr. Liu that needs to be brought to the attention of the Shareholders and there is no other information relating to Mr. Liu which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the proposed Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the number of issued Shares was 256,057,000 Shares of nominal value of HK\$0.001 each which have been fully paid. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or purchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 25,605,700 Shares which represent 10% of the issued Shares during the period ending on the earlier of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiry of the period within which the next annual general meeting of the Company is required by any applicable law(s) or the Articles of Association to be held; or (iii) the passing of an ordinary resolution by Shareholders in general meeting of the Company revoking or varying such mandate.

REASONS FOR AND FUNDING OF REPURCHASES

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

Repurchase of the Shares must be funded out of funds legally available for such purpose in accordance with the Articles of Association and the applicable laws of the Cayman Islands. The Directors may not repurchase the Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, the Directors may make repurchases with profits of the Company or out of a new issuance of shares made for the purpose of the repurchase or, if authorized by the Articles of Association and subject to the applicable laws of the Cayman Islands, out of capital and, in the case of any premium payable on the repurchase, out of profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorized by the Articles of Association and subject to the applicable laws of the Cayman Islands, out of capital.

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 repurchases would be in the best interests of the Company. The Directors believe that if the Repurchase Mandate is exercised in full, it may not have a material adverse impact on the working capital and gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at December 31, 2022, being the date to which the latest published audited consolidated financial statements of the Company were made up. The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

GENERAL

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, their respective close associates, have any present intention to sell any Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

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

No core connected person has notified the Company that he or she has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Dr. Gong Zhaolong is deemed to be interested in 74,330,404 Shares under the SFO, representing approximately 29.03% of the issued Shares. In the event that the Directors should exercise in full the Repurchase Mandate, such interests will be increased to approximately 32.25% of the issued Shares.

To the best knowledge and belief of the Directors, such increase would give rise to an obligation to make a mandatory offer under the Takeovers Code. The Directors have no present intention to repurchase the Shares to the extent that will trigger the obligations under the Takeovers Code to make a mandatory offer. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase of Shares pursuant to the Repurchase Mandate.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the total number of issued shares of the Company would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

SHARE REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company during the six months prior to the Latest Practicable Date (whether on the Stock Exchange or otherwise).

SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange from the Listing Date to the Latest Practicable Date were as follows:

Month	Highest prices <i>HKD</i>	Lowest prices <i>HKD</i>
2022		
December	43.40	27.70
2023		
January	61.00	38.00
February	84.25	54.05
March	82.80	62.50
April	78.00	64.00
May (up to the Latest Practicable Date)	83.90	55.00

A. PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

The following is a summary of the principal terms of the Share option Scheme but does not form part of, nor was it intended to be, part of the Share Option Scheme nor should it be taken as affecting the interpretation of the Share Option Scheme:

1. PURPOSE OF THE SHARE OPTION SCHEME

The Share Option Scheme is a share incentive scheme and is established to enable the Group to (a) recognise and acknowledge the contributions that Eligible Participants have or may have made or may make to the Group (whether directly or indirectly); (b) attract and retain and appropriately remunerate the best possible quality of Employees and other Eligible Participants; (c) motivate the Eligible Participants to optimise their performance and efficiency for the benefit of the Group; (d) enhance its business and employee relations; and/or (e) retain maximum flexibility as to the range and nature of rewards and incentives which the Group can offer to Eligible Participants.

2. WHO MAY JOIN AND ELIGIBILITY CRITERIA

The Eligible Participants are the Category A Participants and the Category B Participants.

In determining the basis of eligibility for Category A Participants, the factors in assessing whether any person is eligible to participate in the Share Option Scheme include: (i) the performance of the such Eligible Participants; (ii) their time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (iii) their length of engagement with the Group; and (iv) their contribution or potential contribution to the development and growth of the Group.

A Category B Participant refers to a person who provides services to the Company and its subsidiaries on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, and fall into any of the following categories, provided that placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity shall be excluded.

In assessing whether the Category B Participants provide services to the Group on a continuing and recurring basis and in its ordinary and usual course of business, the Board will take into consideration: (i) the length and type of services provided and the recurrences and regularity of such services; (ii) the nature of the services provided to the Group by the Category B Participants; and (iii) whether such services form part of or are directly ancillary to the businesses conducted by the Group.

(1) Consultants and advisors

- (a) (i) Consultants refer to those who apply their specialised skills and knowledge (x) to provide consultancy services and related professional services to the Group on areas relating to the Group's principal business activities that are being carried out by the Group from time to time (including for example experts in pharmaceuticals being developed by the Group from time to time, and the research and development, commercialization, marketing and upgrading of those pharmaceuticals); and (y) to help maintain or enhance the competitiveness of the Group by for example introducing new customers or business opportunities to the Group, and management consultancy to upgrade the corporate image, digitization, and investor relations, which are desirable from a commercial or strategic perspective.
- (ii) Similar to consultants, advisors refer to those who apply their specialised skills and knowledge to provide advisory services in the two main areas set out in (i) above. They may be veterans in their own fields or professionals with many business connections which the Group may not be able to recruit them as employees.
- (b) In determining its eligibility, the Board shall, in its absolute discretion, take into account:
 - (i) the performance of such Category B Participant including its capability, expertise and technical know-how;
 - (ii) its experience and network in the relevant industry;
 - (iii) the frequency of collaboration and length of business relationship with the Group;
 - (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 and the relevant replacement costs);
 - (v) the background, reputation and track record of such Category B Participant;
 - (vi) the potential and/or actual contribution to the business affairs of the Group, and in particular, whether such Category B Participant 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 Category B Participant;

- (vii) the business opportunities and external connections that Category B Participant has introduced or will potentially introduce to the Group; and
- (viii) other factors, including but not limited to the synergy between the Category B Participant and the Group.

(2) Suppliers and distributors

- (a) (i) Suppliers refer to the same category of Category B Participant 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 pharmaceutical products, human resources and public relations with which the Group would consider important to maintain a close business relationship on an ongoing basis.
 - (ii) Distributors refer to those who are engaged in businesses would be businesses that supply the Group with services in connection with distribution of its pharmaceutical products on a regular or recurring basis with which the Group would consider important to maintain a close business relationship on an ongoing basis.
- (b) In determining its eligibility, the Board shall, in its absolute discretion, take into account:
- (i) individual performance of the relevant Category B Participant, including but not limited to the reliability and quality of the services supplied;
 - (ii) the scale of the Category B Participant's collaboration and business dealings 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);
 - (iii) the ability of the Category B Participant to maintain the quality of services;
 - (iv) the performance and background of the Category B Participant including whether the Category B Participant has a proven track record of delivering quality services and their knowledge, experience and network in the relevant industry;
 - (v) the replacement cost of such Category B Participants (including the continuity and stability of provision of the necessary services);

- (vi) potential/actual contribution to the financial performance and business development of the Group, evaluated in terms of revenue generated from such supply, the contract value and relative concentration in the particular supply category for the relevant engagement period (or the corresponding growth related compared with that of preceding period);
- (vii) the length of business relationship between Category B Participant and the Group and the frequency of services supplied; and
- (viii) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant Category B Participant, and/or the synergy between the relevant suppliers and the Group.

(3) Business partners

- (a) Business partners refer to those engaged or are interested to be engaged in the pharmaceutical industry. The cooperation with these Category B Participants would allow the Group to develop new business opportunities, such as promoting new commercialised products and exploring new markets. They could help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group.
- (b) In determining its eligibility, the Board shall, in its absolute discretion, take into account:
 - (i) individual performance of the relevant business partners, including but not limited to the reliability and quality of the services supplied;
 - (ii) their knowledge, experience and network in the relevant industry;
 - (iii) the frequency of collaboration and length of business relationship with the Group;
 - (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) the background, reputation and track record of the relevant business partner;
 - (vi) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such business and/or joint venture partner 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 business partner; and

- (vii) the replacement cost of such business partners (including continuity and stability of supply or provision of such services);
- (viii) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant business partner, and/or the synergy between the relevant business and/or joint venture partner and the Group.

3. CONDITIONS

The Share Option Scheme shall take effect upon the fulfilment of the following conditions:

- (a) the passing of the necessary resolution(s) by the Shareholders in general meeting for approving the adoption of the Share Option Scheme; and
- (b) the Stock Exchange granting approval for the listing of and permission to deal in the Shares to be allotted and issued by the Company pursuant to the exercise of the Options in accordance with the terms and conditions of the Share Option Scheme.

4. DURATION OF THE SHARE OPTION SCHEME

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the effective date, the date in which the conditions as stated in paragraph 3 headed “3. Conditions”, have been fulfilled (the “**Effective Date**”), after which no further Options may be offered or granted under the Share Option Scheme but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the terms and conditions of the Share Option Scheme.

5. GRANT AND ACCEPTANCE OF OPTIONS

Subject to the terms of the Share Option Scheme, the Board shall be entitled at any time on a business day within 10 years commencing on the Effective Date to make an Offer to any Eligible Participant as the Board may in its absolute discretion select. An Offer shall be made to an Eligible Participant in writing on a business day in such form as the Board may from time to time determine.

The Offer letter shall specify the following:

- (a) the name and address of the Eligible Participant;
- (b) the number of Shares to which the Option to be granted to the Eligible Participant relates;

- (c) the procedure for acceptance of the Option and the last date by which the Offer shall be accepted, which shall be not earlier than three business days from the date of the Offer, except that for any Offer which is made within the last three business days before the expiry of the life of the Share Option Scheme, the Offer shall remain open for acceptance on a business day by the Eligible Participant concerned for a period of no longer than the remaining life of the Share Option Scheme;
- (d) the exercise period, the Exercise Price and the manner of payment of the Exercise Price;
- (e) such other terms and conditions of the Offer as may be imposed by the Board at its discretion either on a case-by-case basis or generally as are not inconsistent with the Share Option Scheme; and
- (f) a statement requiring the Eligible Participant to undertake to hold the Option on and subject to the terms on which it is to be granted and to be bound by the provisions of the Share Option Scheme.

An Offer shall be deemed to have been accepted when the Company receives a duplicate Offer letter duly signed from the Grantee together with a remittance of HK\$1.00 (or such other nominal sum in any currency as the Board may determine) in favour of the Company as consideration for the grant thereof. Such remittance shall in no circumstances be refundable. Once accepted, the Option shall be deemed to have been granted as from the date on which it was offered to the relevant Eligible Participant. No Offer shall be capable of or open for acceptance after the expiry of ten (10) years from the Effective Date.

Subject to the provisions of the Share Option Scheme and any applicable laws and regulations of Hong Kong or other relevant jurisdictions (including but not limited to the Listing Rules) (the “**Applicable Laws**”), the Board may, on a case-by-case basis and at its absolute discretion when offering the grant of an Option, impose any conditions, restrictions or limitations in relation thereto in addition to those expressly set forth in the Share Option Scheme as it may think fit (which shall be stated in the Offer letter) including (without prejudice to the generality of the foregoing):

- (a) the continuing eligibility of the Grantee under the Share Option Scheme, and in particular, where the Board determines that the Grantee has failed or otherwise is or has been unable to meet such continuing eligibility criteria, the Option (to the extent not already exercised) shall lapse, subject to the requirements under the Share Option Scheme;
- (b) the continuing compliance of such terms and conditions that may be attached to the grant of the Option, failing which the Option (to the extent not already exercised) shall lapse unless otherwise determined to the contrary by the Board, subject to the requirements under the Share Option Scheme;

- (c) the vesting period of the Options which shall not be less than 12 months, save and except that Options to be granted to a Category A Participant may be subject to a vesting period of less than 12 months (or no vesting period) in the following circumstances:
- (i) grants of “make-whole” Options to new joiners to replace the share awards or share options they forfeited when leaving the previous employer;
 - (ii) grants of Options to a Category A Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
 - (iii) grants of Options that are made in batches during a year for administrative and compliance reasons which may be subject to any changes made to the applicable laws, regulations and rules in the jurisdictions which the Category A Participants and the Group are subject to and not connected with the performance of the relevant Category A Participant, which include Options that should have been granted earlier if not for such administrative or compliance requirements but had to wait for subsequent batch, in which case the vesting date may be adjusted to take account of the time from which the Options would have been granted if not for such administrative or compliance requirements, which allows flexibility for the Company to reward Category A Participants in case of delays due to administrative or compliance requirements. In the event of any administrative or compliance requirements which give rise to a shorter vesting period of the Options granted to any Category A Participant, the Company will make further announcement as and when appropriate;
 - (iv) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period 12 months; or
 - (v) grants of Options with a total vesting and holding period of more than 12 months;
- (d) conditions, restrictions or limitations relating to the achievement of operating or financial targets (the “**Performance Conditions**”). For the avoidance of doubt, there is no Performance Conditions stipulated under the terms of the Share Option Scheme which a Grantee is required to achieve before any Option granted under the Share Option Scheme can be exercised. The terms of the Share Option Scheme, however, do provide that the Board has the discretion to require at the time of grant of an Option any particular Grantee to achieve such Performance Conditions as the Board may then specify in the grant before any Option granted under the Share Option Scheme to such Grantee can be exercised;

- (e) a clawback mechanism under which upon the occurrence of any of the following in relation to the Grantee, the Board may propose that no further Options shall be granted to such Grantee and shall clawback the options granted to such Grantee and such Options shall lapse automatically:
 - (i) the Grantee has failed to perform duties effectively or is involved in serious misconduct or malfeasance or has breached any non-competition or non-disclosure agreement entered into with the Group;
 - (ii) the Grantee has contravened the relevant laws and regulations of the applicable jurisdiction and/or the provisions of the Articles;
 - (iii) the Grantee has, during his/her tenure of office, been involved in acceptance or solicitation of bribery, corruption, theft, leakage of trade and technical secrets, conducted connected transactions and other unlawful acts and misconducts, which prejudiced the interest and reputation of and caused significant negative impact to the image of the Company;
 - (iv) the Grantee has been sanctioned by the Stock Exchange, or was subject to any disciplinary actions imposed by the Securities and Futures Commission or has been convicted of any criminal offence;
 - (v) the Grantee has failed to discharge, or failed to discharge properly, his/her duties, or fail to comply with the Company's internal policy and/or his/her employment agreement and thereby resulting in serious loss in asset to our Company and other serious and adverse consequence.

6. GRANT OF OPTIONS TO CONNECTED PERSONS

Without prejudice to the terms and conditions stipulated in the terms of the Share Option Scheme:

- (a) any grant of Options to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates shall be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of such Options); and
- (b) where any grant of Options to an independent non-executive Director or a substantial shareholder of the Company or any of their respective associates would result in the Shares issued and to be issued in respect of all options and awards granted under the Share Option Scheme or Other Schemes (excluding any Options lapsed in accordance with the terms of the Share Option Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of Options shall be approved by the Shareholders in general meeting. The Company shall send a circular to its shareholders containing such information as required under the Applicable Laws and Rules 17.04(5). The relevant Grantee, his or her associates and all core connected persons of the Company shall abstain from voting in favour at such general meeting. The Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

7. EXERCISE PRICE

The Exercise Price in respect of any particular Option under the Share Option Scheme shall be a price determined by the Board and stated in the Offer letter, which 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 date of the Offer; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the Offer; and (c) the nominal value of a Share.

8. TRANSFERABILITY OF OPTIONS

An Option shall be personal to the Grantee. No Option shall be transferred or assigned, and no Grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest over or in relation to any Option in favour of any third party, provided that the Board may at its absolute discretion allow a Grantee to transfer or assign an Option to a vehicle (such as a trust or a private company) for the benefit of the Grantee and/or any of the family members of such Grantee for estate planning or tax planning purposes (the "**Permitted Transferee**") if:

- (a) the Grantee provides all such information in relation to the proposed transferee or assignee as the Board may request for the purpose of establishing to the Board's satisfaction that the proposed transferee or assignee is a Permitted Transferee;
- (b) each of the Grantee and the proposed transferee or assignee undertakes and warrants that the proposed transferee or assignee (i) will not in any way sell, transfer, assign, charge, mortgage, encumber or create any interest over or in relation to any Option so transferred or assigned to it in favour of any third party (unless such third party is also a Permitted Transferee and all the conditions in this paragraph which shall apply mutatis mutandis to such further transfer or assignment are satisfied); and (ii) will at all times be a Permitted Transferee; and
- (c) a waiver is granted by the Stock Exchange to permit such a transfer or assignment.

9. EXERCISE OF OPTION

Subject to the Applicable Laws and as provided herein, an Option may be exercised by the Grantee at any time during the applicable exercise period, which is the period not more than ten (10) years from the commencement date notified by the Board to each Grantee which the Board may in its absolute discretion determine, provided that:

- (a) in the event of death of the Grantee (being an individual) before exercising the Option in full, his or her personal representative(s) may exercise the Option (to the extent exercisable and not already exercised as at the date of his or her death) either in full or in part within 1 month following his or her death or such longer period as the Board may determine;

- (b) in the event of the Grantee being a Category A Participant at the time of the grant of the relevant Option ceasing to be a Category A Participant by reason of Disability, the Grantee may exercise the Option (to the extent exercisable and not already exercised as at the date of such cessation) either in full or in part within 1 month following such cessation or such longer period as the Board may determine;
- (c) subject to paragraphs 9(d) and (e) below, in the event of the Grantee being a Category A Participant at the time of the grant of the relevant Option ceasing to be a Category A Participant for any reason other than his or her death or Disability, bankruptcy or culpable termination, the Grantee may exercise the Option (to the extent exercisable and not already exercised as at the date of such cessation) either in full or in part within 1 month following such cessation or such longer period as the Board may determine;
- (d) in the event of a general offer (whether by way of takeover offer or scheme of arrangement or otherwise in like manner) being made to all the holders of Shares (or all such holders other than the offeror and/or any person acting in concert with the offeror) and such offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite resolutions of Shareholders in general meeting (in the case of a scheme of arrangement), the Company shall forthwith give notice thereof to all Grantees, and thereupon the Grantees may exercise the Options (to the extent exercisable and not already exercised as at the date on which the offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite resolutions of Shareholders in general meeting (in the case of a scheme of arrangement)) either in full or in part at any time up to the close of such offer (or any revised offer) unless the Board shall determine to the contrary (in the case of a takeover offer) or within such period as shall be notified by the Company to the Grantees (in the case of a scheme of arrangement);
- (e) in the event of a notice being given by the Company to its shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall forthwith give notice thereof to all Grantees, and thereupon the Grantees may exercise the Options (to the extent exercisable and not already exercised as at the date of the notice to the Grantee) either in full or in part not later than three business days (excluding any period(s) of closure of the Company's share register) immediately preceding the date of the proposed Shareholders' meeting, and the Company shall, as soon as possible and in any event no later than the business day (excluding any period(s) of closure of the Company's share register) immediately preceding the date of the proposed Shareholders' meeting, allot and issue such number of Shares to the Grantees which falls to be issued upon such exercise; and
- (f) in the event of a compromise or arrangement between the Company and its members or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company (other than any scheme of arrangement referred to in paragraph 9(d) above or any relocation schemes as contemplated in Rule 7.14(3) of

the Listing Rules), the Company shall give notice thereof to all Grantees on the same date as it gives notice of the meeting to its members or creditors to consider such a scheme, and thereupon the Grantees may exercise the Options (to the extent exercisable and not already exercised as at the date of the notice to the Grantee) either in full or in part not later than three business days (excluding any period(s) of closure of the Company's share register) immediately preceding the date of the proposed meeting, and the Company shall, as soon as possible and in any event no later than the business day (excluding any period(s) of closure of the Company's share register) immediately preceding the date of the proposed meeting, allot and issue such number of Shares to the Grantees which falls to be issued on such exercise.

The Shares to be allotted and issued upon the exercise of an Option shall be subject to all the provisions of the Articles and the Applicable Laws in force as at the allotment date and shall rank *pari passu* in all respects with the existing fully paid Shares in issue on the allotment date and accordingly shall entitle the holder to participate in all dividends or other distributions paid or made on or after the allotment date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor is before the allotment date.

10. LAPSE OF OPTION

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

- (a) the expiry of the exercise period;
 - (b) the expiry of any of the periods referred to in paragraphs 9(a) to (f);
 - (c) subject to paragraph 9(e), the date of the commencement of the winding-up of the Company;
 - (d) the date when the proposed compromise or arrangement becomes effective in respect of the situation contemplated in paragraph 9(f);
 - (e) in the case of the Grantee being a Category A Participant, the date on which he or she ceases to be a Category A Participant by reason of culpable termination;
 - (f) the occurrence of bankruptcy of the Grantee, unless otherwise resolved to the contrary by the Board;
 - (g) the date on which the Grantee commits a breach of any terms or conditions attached to the grant of the Option, unless otherwise resolved to the contrary by the Board;
- and

- (h) the date on which the Board resolves that the Grantee has failed or otherwise is or has been unable to meet the continuing eligibility criteria as may be prescribed under the Share Option Scheme.

11. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

Subject to the terms and conditions in the Share Option Scheme,

- (a) the total number of Shares which may be issued in respect of all options and awards to be granted under the Share Option Scheme and Other Schemes (the “**Scheme Mandate Limit**”) shall not, in aggregate, exceed 25,605,700¹ Shares, which represents 10.0% of the Shares in issue as at the adoption date of the Share Option Scheme; and
- (b) the total number of Shares which may be issued in respect of all options and awards to be granted to all Category B Participants under the Share Option Scheme and Other Schemes shall not, in aggregate, exceed 3,840,855¹ Shares, which represents 1.5% of the Shares in issue as at the Adoption Date and 10.0% of the Scheme Mandate Limit (the “**Category B Participant Limit**”),

provided that if the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit or the Category B Participant Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all options and awards to be granted under the Share Option Scheme and Other Schemes under the Scheme Mandate Limit or the Category B Participant Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share. Options lapsed in accordance with the terms of the Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit or the Category B Participant Limit.

Subject to the terms and condition under the Share Option Scheme, the Company may seek approval by its shareholders in general meeting for renewing the Scheme Mandate Limit and/or the Category B Participant Limit (the “**Renewal Mandate**”) separately from time to time, provided that:

- (a) if the Renewal Mandate is sought within three years from the adoption date of the Share Option Scheme or the date on which the last Renewal Mandate was granted (as the case may be), any Controlling Shareholders of the Company and their associates (or if there is no Controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and

¹ The number of Shares stated herein is calculated based on the number of Shares in issue of the Company as at the Latest Practicable Date, which may be subject to further changes. The number of Shares which represents 10.0% of the Shares in issue and 1.5% of the Shares in issue will be confirmed at the adoption date of the Share Option Scheme.

their respective associates) shall abstain from voting in favour of the relevant resolution at the general meeting; and the Company shall comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules, unless the Renewal Mandate is sought immediately after an issue of securities by the Company to its shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the relevant class of shares in issue) upon renewal is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share;

- (b) the total number of Shares which may be issued in respect of all options and awards to be granted under the Share Option Scheme and Other Schemes after renewal of the Scheme Mandate Limit shall not exceed 10.0% of the Shares in issue as at the date on which the Renewal Mandate is obtained;
- (c) if the Company conducts a share consolidation or subdivision after the Renewal Mandate is obtained, the maximum number of Shares that may be issued in respect of all options and awards to be granted under the Share Option Scheme and Other Schemes under the renewed Scheme Mandate Limit or the Category B Participant Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share; and
- (d) the Company shall send a circular to its shareholders containing the number of Options that were already granted under the then existing Scheme Mandate Limit and the then existing Category B Participant Limit and the reason for the renewal.

The Company may seek separate approval by its shareholders in general meeting for granting Options beyond the Scheme Mandate Limit or the renewed Scheme Mandate Limit provided that:

- (a) the Options in excess of the Scheme Mandate Limit or the renewed Scheme Mandate Limit shall be granted only to the Eligible Participants specifically identified by the Company before such Shareholders' approval is sought;
- (b) the Company shall issue a circular to its Shareholders containing the name of each specified Eligible Participant who may be granted such Options, the number and terms of the Options to be granted to each such specified Eligible Participant, and the purpose of granting Options to each such specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose;
- (c) the number and terms of Options to be granted to each such specified Eligible Participant shall be fixed before such Shareholders' approval; and

- (d) for the purpose of calculating the minimum Exercise Price in respect of any Options to be so granted to each such specified Eligible Participant, the date of the Board meeting for proposing such grant shall be taken as the date of the Offer of such Options.

Where any grant of Option to an Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards granted under the Share Option Scheme and Other Schemes to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the Share Option Scheme and Other Schemes) in the 12-month period up to and including the date of such grant representing in aggregate over 1.0% of the Shares in issue as at the date of such grant, such grant shall be subject to the following requirements:

- (a) approval of the Shareholders in general meeting with such Eligible Participant and his or her close associates (or associates if such Eligible Participant is a connected person of the Company) abstaining from voting;
- (b) the Company shall send a circular to its Shareholders disclosing the identity of such Eligible Participant, the number and terms of the further Options to be granted (and those previously granted to such Eligible Participant in the 12-month period), the purpose of granting further Options to such Eligible Participant and an explanation as to how the terms of the further Options serve such purpose;
- (c) the number and terms of the further Options to be granted to such Eligible Participant shall be fixed before the Shareholders' approval mentioned in (a) above; and
- (d) for the purpose of calculating the minimum Exercise Price in respect of the further Options to be so granted to such Eligible Participant, the date of the Board meeting for proposing such grant of further Options shall be taken as the date of the Offer of such Options.

12. REORGANISATION OF CAPITAL STRUCTURE

In the event of any alteration in the capital structure of the Company while any Option remains exercisable, and such event arises from, including a capitalisation issue, rights issue, subdivision or consolidation of Shares, or reduction of capital of the Company, the Board may, if it deems appropriate, direct that such corresponding adjustments (if any) be made in:

- (a) the number of Shares subject to the Options so far as unexercised; and/or
- (b) the Exercise Price.

Any adjustments required under this paragraph shall be made in accordance with the following requirements:

- (a) the adjustments shall give a Grantee the same proportion of the equity capital, rounded to the nearest whole Share, as that to which that Grantee was previously entitled, but no such adjustments may be made to the extent that Shares would be issued at less than their nominal value; and
- (b) the adjustments shall be made in accordance with the Listing Rules and any other requirements or guidance by the Stock Exchange from time to time (including the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 relating to share option schemes), if applicable.

In respect of any adjustments required under this paragraph (other than any made on a capitalisation issue), the auditors or an independent financial adviser appointed by the Company shall certify the Directors in writing that the adjustments satisfy the requirements set out in this paragraph.

13. ALTERATION

Any change to the terms of the Options granted to a Grantee (except where the changes take effect automatically under the existing terms of the Share Option Scheme) shall be approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders (as the case may be).

The Share Option Scheme may be altered in any respect by resolution of the Board save for the following alterations which may be effected only with the prior approval of the shareholders of the Company in general meeting:

- (a) any alterations to the terms and conditions of the Share Option Scheme which are of a material nature;
- (b) any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Grantees; and
- (c) any change to the authority of the Board to alter the terms of the Share Option Scheme, provided always that the amended terms of the Share Option Scheme shall continue to comply with the relevant provisions of the Listing Rules and any other Applicable Laws.

14. TERMINATION

The Company by resolution in general meeting or the Board may at any time terminate the operation of the Share Option Scheme and in such event, no further Options may be offered or granted under the Share Option Scheme but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior to the termination or otherwise as may be required in accordance with the terms and conditions of the Share Option Scheme.

15. CANCELLATION

Any Option may be cancelled in whole or in part and at any time:

- (a) if agreed between the Company and the relevant Grantee; or
- (b) if the Board offers to grant to the Grantee replacement Options of equivalent value of the Options being cancelled; or
- (c) if the Company pays or procures to be paid to the Grantee an amount equal to the cash value of the Options being cancelled as at the date of cancellation as determined by the Board by reference to the difference between the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the date of the cancellation and the Exercise Price.

Where an Option granted to a Grantee is cancelled and a new grant is made to the same Grantee under the Share Option Scheme, such new grant may only be made under the Scheme Mandate Limit (or the renewed Scheme Mandate Limit) and, if applicable, the Category B Participant Limit (or the renewed Category B Participant Limit) available at the time of such new grant. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (or the renewed Scheme Mandate Limit) and the Category B Participant Limit (or the renewed Category B Participant Limit).

B. PROPOSED AMENDMENTS TO THE RSU SCHEME

The following is a summary of the proposed amendments of the principal terms of the RSU Scheme proposed to be approved and adopted by an ordinary resolution of the Shareholders at the AGM.

Clause	Existing RSU Scheme	Proposed amendments to the RSU Scheme
3.5	<p>The Shares with respect to the RSU(s) that may be delivered under this Scheme will be the Company's issued Ordinary Shares which are held by trustee entity for the purpose of this Scheme. The overall limit on the number of Shares which may be granted and yet to be exercised under this Scheme of the Company at any time must not exceed such number of Shares representing 20% of the total number of Shares in issue on the date of the commencement of dealings in the Shares on the Stock Exchange (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option (as defined in the Prospectus) and the options which may be granted under the Post-IPO Share Option Scheme (as defined in the Prospectus) (the "Scheme Limit"). No RSU may be granted under any schemes of the Company (or its subsidiaries) if this will result in the Scheme Limit being exceeded.</p>	<p>The Shares with respect to the RSU(s) that may be delivered under this Scheme will be the Company's issued <u>38,338,040</u> Ordinary Shares which are held by trustee entity for the purpose of this Scheme (the "<u>Scheme Limit</u>"). The overall limit on the number of Shares which may be granted and yet to be exercised under this Scheme of the Company at any time must not exceed <u>the Scheme Limit</u>. such number of Shares representing 20% of the total number of Shares in issue on the date of the commencement of dealings in the Shares on the Stock Exchange (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option (as defined in the Prospectus) and the options which may be granted under the Post-IPO Share Option Scheme (as defined in the Prospectus) (the "Scheme Limit"). No RSU may be granted under any schemes of the Company (or its subsidiaries) if this will result in the Scheme Limit being exceeded.</p>

NOTICE OF ANNUAL GENERAL MEETING



3D Medicines Inc.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1244)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting of 3D Medicines Inc. (the “**Company**”) will be held at Units 5906-5912, 59/F, The Center, 99 Queen’s Road Central, Hong Kong on Monday, June 26, 2023 at 10:00 a.m. for the purposes of considering and, if thought fit, passing with or without modifications, the following resolutions as ordinary resolutions.

Unless otherwise specified, capitalized terms used in this notice and the following resolutions shall have the same meanings as those defined in the circular of the Company dated June 2, 2023 (the “**Circular**”).

Ordinary Resolutions

1. To receive and adopt the audited consolidated financial statements of the Company for the year ended December 31, 2022 and the reports of the directors and auditors thereon.
2. To re-elect directors of the Company (the “**Directors**”) and authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration;
 - (a) To re-elect Dr. Gong Zhaolong as an executive Director;
 - (b) To re-elect Mr. Zhu Pai as a non-executive Director;
 - (c) To re-elect Mr. Zhou Feng as a non-executive Director;
 - (d) To re-elect Ms. Chen Yawen as a non-executive Director;
 - (e) To re-elect Dr. Li Jin as an independent non-executive Director;
 - (f) To re-elect Dr. Lin Tat Pang as an independent non-executive Director;
 - (g) To re-elect Mr. Liu Xinguang as an independent non-executive Director; and
 - (h) To authorise the Board to fix the remuneration of the Directors.

NOTICE OF ANNUAL GENERAL MEETING

3. To re-appoint Ernst & Young as auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Board to fix their remuneration.
4. To consider and, if thought fit, pass with or without modification the following resolutions as ordinary resolutions:

(A) **“That:**

- (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as defined hereinafter) of all the powers of the Company to allot, issue and/or otherwise deal with additional shares of HK\$0.001 each in the share capital of the Company (“**Shares**”) or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of the Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period (as defined hereinafter) to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) and issued by the Directors during the Relevant Period (as defined hereinafter) pursuant to the approval in paragraph (i) above, otherwise than pursuant to:
 - (1) any Rights Issue (as defined hereinafter);
 - (2) the grant or exercise of any option under any share option scheme of the Company (if applicable) or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the Directors, officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for Shares or rights to acquire Shares;
 - (3) any scrip dividend or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company; or

NOTICE OF ANNUAL GENERAL MEETING

- (4) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into Shares, shall not exceed the aggregate of the following two items:
 - (a) 20% of the number of issued shares of the Company as at the date of passing this resolution; (if the Board is so authorised by resolution numbered 4(C)) the aggregate number of shares of the Company purchased by the Company subsequent to the passing of resolution numbered 4(B) (up to a maximum equivalent to 10% of the number of issued shares of the Company as at the date of passing resolution numbered 4(B)), and the approval shall be limited accordingly; and
 - (b) that this resolution shall be limited by the applicable rules and requirements of the Stock Exchange as amended from time to time, including the restrictions for using the issuance mandate to issue (i) securities convertible into new Shares for cash consideration, if the initial conversion price of such convertible securities is lower than the Benchmarked Price (as hereinafter defined) of the Shares at the time of the relevant placing; and (ii) warrants, options or similar rights to subscribe for new Shares or securities convertible into new Shares for cash consideration;
- (iv) in the event the Company conducts a share consolidation or subdivision, the maximum number of Shares that may be issued 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
- (v) for the purpose of this resolution:–
 - (a) “Benchmarked Price” means the higher of (1) the closing price on the date of the relevant placing agreement or other agreement involving the proposed issue of securities under the general mandate to be approved under this resolution; and (2) the average closing price in the 5 trading days immediately prior to the earlier of: (i) the date of announcement of the placing or the proposed transaction or arrangement involving the proposed issue of securities under the general mandate to be approved under this resolution; (ii) the date of the placing agreement or other agreement involving the proposed issue of securities under the general mandate to be approved under this resolution; and (iii) the date on which the placing or subscription price is fixed;

NOTICE OF ANNUAL GENERAL MEETING

- (b) “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:–
- (1) the conclusion of the next annual general meeting of the Company;
 - (2) the expiry of the period within which the next annual general meeting of the Company is required by any applicable law(s) or the articles of association of the Company (“**Articles of Association**”) to be held; or
 - (3) the passing of an ordinary resolution by the shareholders of the Company (“**Shareholders**”) in general meeting of the Company revoking or varying the authority given to the Directors by this resolution; and
- (c) “Rights Issue” means an offer of shares of the Company or an issue of warrants, options or other securities giving rights to subscribe for Shares, open for a period fixed by the Directors to holders of shares of the Company on the register of members on a fixed record date in proportion to their then holdings of such Shares of the Company (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”

(B) “**That:**

- (i) subject to paragraph (ii) below of this resolution, the exercise by the Directors during the Relevant Period (as defined hereinafter) of all the powers of the Company to repurchase 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 Code on Share Buy-backs and, subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), be and is hereby generally and unconditionally approved;
- (ii) the aggregate number of the Shares to be repurchased by the Company pursuant to the approval in paragraph (i) above of this resolution during the Relevant Period shall not exceed 10% of the number of issued shares of the Company as at the date of passing of this resolution, and the said approval shall be limited accordingly;

NOTICE OF ANNUAL GENERAL MEETING

(iii) subject to the passing of each of the paragraphs (i) and (ii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this resolution which had been granted to the directors of the Company and which are still in effect be and are hereby revoked; and

(iv) for the purpose of this resolution:

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

(a) the conclusion of the next annual general meeting of the Company;

(b) the expiry of the period within which the next annual general meeting of the Company is required by any applicable law(s) or the Articles of Association to be held; or

(c) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”

(C) “**That** conditional upon the resolutions numbered 4(A) and 4(B) set out in this notice being passed, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and/or otherwise deal with new shares of the Company and to make or grant offers, agreements and/or options which might require the exercise of such powers pursuant to the resolution numbered 4(A) set out in this notice be and is hereby extended by the addition to the number of the issued shares of the Company which may be allotted or agreed conditional or unconditionally to be allotted by the directors of the Company pursuant to such general mandate of an amount representing the number of the issued shares of the Company repurchased by the Company under the authority granted pursuant to resolution numbered 4(B) set out in this notice, provided that such extended amount shall represent up to 10% of the number of issued shares of the Company as at the date of passing of the said resolutions.”

To consider and, if thought fit, pass with or without modification the following resolutions as ordinary resolutions:

5. “**That** subject to and conditional upon the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the shares of the Company to be allotted and issued pursuant to the exercise of options under the share option scheme of the Company (the “**Share Option Scheme**”), the rules of which are contained in the document marked “A” produced to the meeting and for the purposes of identification signed by the chairman thereof, the Share Option Scheme be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to allot and issue from time to time such number of shares of the Company as may be required to be allotted and issued pursuant to the exercise of the options under the Share Option Scheme and subject to the Listing Rules and to do all acts and

NOTICE OF ANNUAL GENERAL MEETING

to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Share Option Scheme, including but without limitation: (i) to administer the Share Option Scheme under which options will be granted to participants eligible under the Share Option Scheme to subscribe for the shares of the Company, including but not limited to determining and granting the options in accordance with the terms of the Share Option Scheme; (ii) to modify and/or amend the Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Share Option Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Listing Rules; (iii) to make application at 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 listing of and permission to deal in any shares of the Company which may hereafter from time to time be allotted and issued pursuant to the exercise of options under the Share Option Scheme; and (iv) to consent, 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 Share Option Scheme.”

6. “**That** the Scheme Mandate Limit (as defined in the Share Option Scheme) on the total number of Shares which may be issued in respect of all options and awards to be granted to eligible participants under all the share schemes of the Company (i.e. 10.0% of the Shares in issue as at the date of passing 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 Scheme Mandate Limit.”

7. “**That** the Category B Participant Limit (as defined in the Share Option Scheme) on the total number of Shares that may be issued in respect of all options and awards to be granted to Category B Participants (as defined in the Share Option Scheme) under all the shares schemes of the Company (i.e. 1.5% of the Shares in issue 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 Category B Participant Limit.”

NOTICE OF ANNUAL GENERAL MEETING

8. “That the proposed amendments to the restricted share unit scheme of the Company (the “**RSU Scheme**”), which are contained in the document marked “B” produced to the meeting and for the purposes of identification signed by the chairman thereof, be and are hereby approved and adopted in all respects, and that Directors be and are hereby authorised to do all such acts and execute all such documents as he/she may deem necessary or expedient in order to give full effect to the amendment of the RSU Scheme.”

By order of the Board

3D Medicines Inc.

Dr. Gong Zhaolong

Chairperson of the Board and Executive Director

Hong Kong, June 2, 2023

Registered office:

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Corporate Headquarters:

No. 3 and No. 5, Laiyang Road
Qingdao, Shandong, PRC

Principal place of business in Hong Kong:

14/F, Golden Centre
188 Des Voeux Road Central
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (i) A shareholder entitled to attend and vote at the above meeting is entitled to appoint one or more proxy(ies) to attend, speak and vote in his/her stead. The proxy does not need to be a shareholder of the Company.
- (ii) Where there are joint registered holders of any shares, any one of such persons may vote at the above meeting (or at any adjournment of it), either personally or by proxy, in respect of such shares as if he/she were solely entitled thereto but the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (iii) In order to be valid, the completed form of proxy must be deposited at the Hong Kong share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong together with the power of attorney or other authority (if any) or via the designated website (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company under which it is signed or a certified copy of that power of attorney or authority (such certification to be made by either a notary public or a solicitor qualified to practice in Hong Kong), at least 48 hours before the time appointed for holding the above meeting (i.e. not later than 10:00 a.m. on Saturday, June 24, 2023) or any adjournment thereof (as the case may be). The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.
- (iv) The register of members of the Company will be closed from Tuesday, June 20, 2023 to Monday, June 26, 2023, both days inclusive, in order to determine the eligibility of shareholders to attend the above meeting, during which period no share transfers will be registered. To be eligible to attend the above meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Hong Kong Share Registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Monday, June 19, 2023.
- (v) In respect of resolutions numbered 2 above, details of the directors of the Company proposed for re-election are set out in Appendix I to the Circular.
- (vi) In respect of the resolution numbered 4(A) above, the directors of the Company wish to state that they have no immediate plans to issue any new shares of the Company referred therein. Approval is being sought from the shareholders of the Company as a general mandate for the purposes of the Listing Rules.
- (vii) In respect of resolution numbered 4(B) above, the directors of the Company wish to state that they will exercise the powers conferred by the repurchase mandate to repurchase shares of the Company in circumstances which they deem appropriate and for the benefits of shareholders of the Company. The explanatory statement containing the information necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own shares, as required by the Listing Rules, is set out in Appendix II to the Circular.
- (viii) Pursuant to Rule 13.39(4) of the Listing Rules, voting for all the resolutions set out in this notice will be taken by poll at the above meeting.

As at the date of this notice, the Board of Directors of the Company comprises Dr. GONG Zhaolong as executive Director, Mr. ZHU Pai, Mr. ZHOU Feng and Ms. CHEN Yawen as non-executive Directors, and Dr. LI Jin, Dr. LIN Tat Pang and Mr. LIU Xinguang as independent non-executive Directors.