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

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

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GENOR BIOPHARMA HOLDINGS LIMITED

嘉和生物藥業(開曼)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6998)

- (1) PROPOSED ADOPTION OF THE 2023 SHARE PLANS AND
TERMINATION OF THE EXISTING SHARE PLANS;
(2) PROPOSED GRANT OF OPTIONS UNDER THE
2023 SHARE OPTION PLAN;
(3) PROPOSED GRANT OF RSUS UNDER THE 2023 RSU PLAN;
AND
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

The notice convening the EGM of Genor Biopharma Holdings Limited to be held at Room 401-17, Building 6, 690 Bibo Road, Pudong New District, Shanghai, China on Friday, 27 October 2023 at 10:00 a.m. is set out in this circular.

Whether or not you are able to attend the EGM, please complete and sign the enclosed form of proxy for use at the EGM in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the EGM (i.e. not later than 10:00 a.m. on Wednesday, 25 October 2023 (Hong Kong time)) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM if you so wish.

This circular together with the form of proxy are also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.genorbio.com>).

12 October 2023

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DEFINITIONS

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

“2020 Share Option Plan”	the 2020 Share Option Plan adopted by the Company on 18 September 2020;
“2021 RSU Plan”	the 2021 RSU Plan adopted by the Company on 3 June 2021;
“2023 Share Option Plan”	the 2023 Share Option Plan proposed to be approved by the Shareholders at the EGM;
“2023 Share Plans”	collectively, the 2023 Share Option Plan and the 2023 RSU Plan;
“2023 RSU Plan”	the 2023 RSU Plan proposed to be approved by the Shareholders at the EGM;
“Administrator”	the compensation committee of the Company or its delegates which administer the operation of the Pre-IPO Share Option Plan, the 2020 Share Option Plan, the 2021 RSU Plan, the 2023 Share Option Plan (after its adoption) and the 2023 RSU Plan (after its adoption);
“Adoption Date”	being the date on which the 2023 Share Option Plan or the 2023 RSU Plan (as the case may be) is conditionally adopted by the Shareholders;
“Applicable Laws”	all applicable laws, regulations, ordinances or requirements of the relevant regulatory authorities including without limitation the Company Ordinance (Chapter 622 of the laws of Hong Kong), the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) or the Listing Rules;
“Articles of Association”	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time;
“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Award(s)”	award(s) of RSU(s) granted to a grantee pursuant to the terms of the 2021 RSU Plan or the 2023 RSU Plan;
“Board”	the board of directors of the Company;

DEFINITIONS

“Business Day(s)”	any day on which the Stock Exchange is open for the business of dealing in securities;
“CEO”	chief executive officer of the Company;
“Company”	Genor Biopharma Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
“Compensation Committee”	the compensation committee of the Board;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Dr. Guo”	Dr. Guo Feng, an executive Director and the CEO;
“Effective Date”	the date on which the 2023 Share Option Plan or the 2023 RSU Plan (as the case may be) becomes effective upon fulfilling the conditions;
“EGM”	an extraordinary general meeting of the Company to be held at Room 401-17, Building 6, 690 Bibo Road, Pudong New District, Shanghai, China on Friday, 27 October 2023 at 10:00 a.m. to approve, among others, the proposed adoption of the 2023 Share Plans and the Proposed Grants;
“Eligible Participant(s)”	person(s) eligible to participate in the 2023 Share Plans;
“Exercise Period”	the period during which an Option is exercisable by a Grantee pursuant to the terms of the 2023 Share Option Plan;
“Exercise Price”	the price per Share at which a Grantee may subscribe the Shares upon exercise of an Option pursuant to the terms of the 2023 Share Option Plan;

DEFINITIONS

“Existing Share Plans”	collectively, the 2020 Share Option Plan and the 2021 RSU Plan;
“Grant Agreement”	with respect to an Eligible Participant, a written agreement to be entered into by the Company and the Eligible Participant in respect of the grant of Options/Awards under the 2023 Share Plans (as the case may be);
“Grant Date”	the date on which an Option is granted to an Eligible Participant pursuant to the terms of the 2023 Share Option Plan, which shall be a Business Day;
“Grantee”	any Eligible Participant who enters into a Grant Agreement in accordance with the terms of the 2023 Share Plans;
“Group”	the Company and its subsidiaries from time to time; and a “member of the Group” shall mean any one of the aforesaid companies;
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong Special Administrative Region;
“Latest Practicable Date”	9 October 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“Listing Committee”	has the meaning ascribed to it under the Listing Rules;
“Listing Date”	7 October 2020, the date on which the Shares are listed and traded on the Stock Exchange;
“Listing Rules”	the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented, or otherwise modified from time to time;
“NDA”	new drug application;
“NMPA”	China National Medical Products Administration (國家藥品監督管理局), successor to the China Food and Drug Administration (國家食品藥品監督管理總局);

DEFINITIONS

“Option(s)”	option(s) granted to a grantee to subscribe for Shares pursuant to the terms of the 2020 Share Option Plan or the 2023 Share Option Plan;
“Pre-IPO Share Option Plan”	the Pre-IPO Share Option Plan adopted by the Company on 19 August 2019 and amended and restated on 16 April 2020 and 31 July 2020;
“Proposed Grants”	the proposed grants of 5,579,054 Options under the 2023 Share Option Plan and 4,210,000 RSUs under the 2023 RSU Plan to Dr. Guo;
“RSU(s)”	restricted share unit(s) granted under the 2021 RSU Plan or may be granted under the 2023 RSU Plan;
“Share(s)”	ordinary share(s) in the share capital of the Company, currently with a par value of US\$0.00002 each;
“Shareholder(s)”	holder(s) of the Share(s);
“Share Plans”	all effective share plans of the Company which are governed by Chapter 17 of the Listing Rules, including the 2023 Share Plans;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiaries”	has the meaning ascribed to it in the Listing Rules;
“US\$”	United States Dollars, the lawful currency of the United States of America;
“%”	per cent.

LETTER FROM THE BOARD



GENOR BIOPHARMA HOLDINGS LIMITED

嘉和生物藥業(開曼)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6998)

Executive Director:

Dr. Guo Feng (郭峰) (*Chief Executive Officer and Chairman*)

Non-executive Directors:

Dr. Lyu Dong (呂東)

Mr. Chen Yu (陳宇)

Mr. Liu Yi (劉逸)

Independent Non-executive Directors:

Mr. Zhou Honghao (周宏灝)

Mr. Fung Edwin (馮冠豪)

Mr. Chen Wen (陳文)

Registered Office:

Maples Corporate Services Limited
PO Box 309, Ugland House
Grand Cayman KY1-1104
Cayman Islands

*Principal Place of Business and
Head Office in the PRC:*

Room 401-17, Building 6
690 Bibo Road
Pudong New District
Shanghai 201203
China

*Principal Place of Business in
Hong Kong:*

5/F Manulife Place
348 Kwun Tong Road
Kowloon
Hong Kong

12 October 2023

To the Shareholders

Dear Sir/Madam,

- (1) PROPOSED ADOPTION OF THE 2023 SHARE PLANS AND
TERMINATION OF THE EXISTING SHARE PLANS;
(2) PROPOSED GRANT OF OPTIONS UNDER THE
2023 SHARE OPTION PLAN;
(3) PROPOSED GRANT OF RSUS UNDER THE 2023 RSU PLAN;
AND
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information in respect of, among other matters, (i) the proposed adoption of the 2023 Share Plans and termination of the Existing Share Plans; (ii) the proposed grant of Options under the 2023 Share Option Plan; and (iii) the proposed grant of RSUs under the 2023 RSU Plan, and giving the Shareholders notice of the EGM at which resolutions will be proposed for the Shareholders to consider and, if thought fit, approve the aforesaid matters.

LETTER FROM THE BOARD

2. PROPOSED ADOPTION OF THE 2023 SHARE PLANS AND TERMINATION OF THE EXISTING SHARE PLANS

The 2020 Share Option Plan was adopted by the Company on 18 September 2020 and is valid for a period of 10 years commencing from its effective date (i.e. 7 October 2020, being the Listing Date), subject to early termination as determined by the Board and/or the Administrator. The maximum number of Options that can be granted by the Company under the 2020 Share Option Plan is 48,109,150. As at the Latest Practicable Date, there are 25,441,567 outstanding Options (to the extent not already exercised) which shall continue to be valid and exercisable in accordance with the terms of the 2020 Share Option Plan and the relevant grant agreement. The Directors confirm that prior to the EGM, the Company will not grant any further Options under the 2020 Share Option Plan.

The 2021 RSU Plan was adopted by the Company on 3 June 2021 and is valid for a period of 10 years commencing from its adoption date, subject to early termination as determined by the Board. The maximum number of RSUs that can be granted by the Company under the 2021 RSU Plan is 14,730,911. As at the Latest Practicable Date, there are 10,754,343 unvested RSUs which shall continue to be valid and shall vest in accordance with the terms of the 2021 RSU Plan and the relevant grant agreement. The Directors confirm that prior to the EGM, the Company will not grant any further RSUs under the 2021 RSU Plan.

In light of the amendments to Chapter 17 of the Listing Rules which took effect from 1 January 2023, certain terms of the Existing Share Plans no longer comply with the new Listing Rules requirements. As such, the Company proposes to adopt the 2023 Share Plans (comprising the 2023 Share Option Plan and 2023 RSU Plan) and terminate the Existing Share Plans. Conditional upon adoption of the 2023 Share Plans at the EGM, the Existing Share Plans shall be terminated with effect from the adoption of the 2023 Share Plans without Shareholders' separate approval.

A summary of the principal terms of the 2023 Share Plans is set out below. Further details of the terms of the 2023 Share Plans are set out in Appendix I and Appendix II in this circular.

Purposes of the 2023 Share Plans

The purposes of the 2023 Share Option Plan are (i) to advance the interests of the Company by motivating the Eligible Participants to contribute to the Company's growth and development; and (ii) to enable the Company to recruit, incentivise and retain key employees.

The purposes of the 2023 RSU Plan are (i) to advance the interests of the Company by motivating the Eligible Participants to contribute to the Company's growth and development; (ii) to recruit, incentivise and retain key employees; (iii) to recognise the contributions by the Eligible Participants with an opportunity to acquire a proprietary interest in the Company; and (iv) to motivate the Eligible Participants to maximise the value of the Company for the benefits of both the Eligible Participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Eligible Participants directly to the Shareholders through ownership of Shares.

LETTER FROM THE BOARD

Conditions Precedent of the 2023 Share Option Plan

The adoption of the 2023 Share Option Plan is conditional upon:

- (a) passing of the necessary resolution(s) by the Shareholders at the EGM; and
- (b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares which may fall to be allotted and issued upon exercise of the Options that may be granted under the 2023 Share Option Plan.

Conditions Precedent of the 2023 RSU Plan

The adoption of the 2023 RSU Plan is conditional upon:

- (a) passing of the necessary resolution(s) by the Shareholders at the EGM; and
- (b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares which may fall to be allotted and issued upon vesting of the RSUs that may be granted under the 2023 RSU Plan.

Duration of the 2023 Share Plans

Subject to any early termination as determined by the Board, the 2023 Share Plans shall be valid and effective for a period of ten (10) years commencing from the Effective Date, after which no further Option/Award shall be granted under the 2023 Share Plans but the provisions of the 2023 Share Plans shall remain in full force and effect in all other respects. In particular, all Options/Awards granted during the term of the 2023 Share Plans shall continue to be valid, and shall be administered in accordance with the 2023 Share Plans and the relevant Grant Agreement.

Eligible Participants

Eligible Participants are persons eligible to participate in the 2023 Share Plans and shall comprise director(s) (including executive director(s), non-executive director(s) and independent non-executive director(s)) and employee(s) (whether full-time or part-time) of any member of the Group, including any person who is granted Options/Award under the 2023 Share Plans as an inducement to enter into employment contracts with any member of the Group.

In determining the eligibility of an Eligible Participant, the Administrator may take into account various factors that it in its sole and absolute discretion considers relevant in assessing his contribution to the long-term development and growth of the Group, including (i) individual performance; (ii) time commitment; (iii) responsibilities or employment conditions according to the prevailing market practice and industry standard; (iv) the length of engagement with the Group; and (v) the actual and/or potential contribution to the development and growth of the Group.

LETTER FROM THE BOARD

Overall Mandate Limit, the 2023 Share Option Plan Mandate Limit and the 2023 RSU Plan Mandate Limit

Subject to refreshment of the 2023 Share Option Plan Mandate Limit and/or the 2023 RSU Plan Mandate Limit, the total number of Shares which may be issued in respect of all Options and Awards to be granted under the 2023 Share Plans, shall not exceed 27,414,364 Shares, representing approximately 5.41% of the Shares in issue as at the Latest Practicable Date (the “**Overall Mandate Limit**”), among which, the total number of Shares which may be issued in respect of all Options to be granted under the 2023 Share Option Plan shall not exceed 21,449,808 Shares, representing approximately 4.23% of the Shares in issue as at the Latest Practicable Date (the “**2023 Share Option Plan Mandate Limit**”) and the total number of Shares which may be issued in respect of all RSUs to be granted under the 2023 RSU Plan shall not exceed 5,964,556 Shares, representing approximately 1.18% of the Shares in issue as at the Latest Practicable Date (the “**2023 RSU Plan Mandate Limit**”).

As at the Latest Practicable Date, there were 506,636,841 Shares in issue. Assuming that there is no change in the number of Shares in issue between the period from the Latest Practicable Date to the Adoption Date (both dates inclusive), each of the Overall Mandate Limit, the 2023 Share Option Plan Mandate Limit and the 2023 RSU Plan Mandate Limit would represent approximately 5.41%, 4.23% and 1.18% of the Shares in issue as at the Adoption Date respectively.

Individual Limit

Where any grant of Options/Awards to an Eligible Participant would result in the Shares issued and to be issued in respect of all Options and Awards under all Share Plans granted to such Eligible Participant (excluding any Options and Awards lapsed in accordance with the terms of all Share Plans) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue as at the date of such grant, such grant shall be separately approved by the Shareholders in general meeting with such Eligible Participant and his close associates (or associates if such Eligible Participant is a connected person of the Company) abstaining from voting. The Company shall send a circular to its Shareholders containing the information required under Chapter 17 of the Listing Rules. The number and terms of such further Options to be granted to such Eligible Participant shall be fixed before the Shareholders’ approval.

Vesting Period

The vesting period of the Options/Awards shall not be less than twelve (12) months, save and except that Options/Awards to be granted to an Eligible Participant may be subject to a vesting period of less than twelve (12) months (or no vesting period) in the following circumstances:

- (a) grants of “make-whole” Options/Awards to a new joiner to replace the Options/Awards he forfeited when leaving his previous employers;
- (b) grants to an Eligible Participant whose employment is terminated due to death or disability or occurrence of any out of control event;

LETTER FROM THE BOARD

- (c) grants with performance-based vesting conditions in lieu of time-based vesting criteria;
- (d) grants that are made in batches during a year for administrative and compliance reasons. They may include Options/Awards that should have been granted earlier but had to wait for a subsequent batch. In such cases, the vesting periods may be shorter to reflect the time from which the Options/Awards would have been granted; and
- (e) grants with a mixed or accelerated vesting schedule such as where the Options/Awards may vest evenly over a period of 12 months.

To ensure the practicability in fully attaining the purpose of the 2023 Share Plans, the Board and the Compensation Committee are of the view that (i) there are certain instances where a strict twelve-month vesting requirement would not work or would not be fair to the holders of the Options and Awards; (ii) there is a need for the Company to retain flexibility in certain cases to provide a competitive remuneration package to attract and retain individuals to work for the Group, to provide for succession planning and the effective transition of employee responsibilities and to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (iii) the Company should be allowed discretions 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 such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances. Hence, the Board and the Compensation Committee are of the view that the shorter vesting period prescribed in the circumstances set out above is in line with the market practice and is appropriate and aligns with the purpose of the 2023 Share Plans.

Performance Targets

The Administrator may, on a case-by-case basis and at its sole and absolute discretion, specify in the relevant Grant Agreement performance targets to be fulfilled before any Option/Award granted shall vest, relating to (i) the Grantee's annual performance evaluation results determined under the Company's employee performance evaluation system for the preceding fiscal year prior to the relevant vesting date, and the Options/Awards to be vested on the relevant vesting date may be adjusted based on the Grantee's annual performance results; (ii) the Grantee's fulfilment of milestones with respect to, including but not limited to, the drug discovery status, clinical development status, launching status, business development partnering status, manufacturing status and/or commercialisation status of the Company's drug candidates; and/or (iii) any other performance targets as the Administrator determines as appropriate.

Amount Payable for Application or Acceptance of Options/Awards

The Grantee shall not be required to pay any amount for the application or acceptance of the grant of Options/Awards.

Exercise Period of Options

The Administrator may in its sole and absolute discretion determine the Exercise Period of the Option(s), but in all circumstances the Exercise Period shall not be more than ten (10) years from the Grant Date.

LETTER FROM THE BOARD

Exercise Price of the Options

The Exercise Price of the Options granted under the 2023 Share Option Plan 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 Grant Date; and
- (b) the average closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the Grant Date.

Purchase Price of RSUs

No purchase price is to be paid by the Grantee upon vesting of the RSUs under the 2023 RSU Plan.

Voting, Dividend, Transfer and Other Rights

The Shares to be allotted and issued upon exercise of the Options/upon vesting of the RSUs shall be subject to all provisions of the Articles of Association and the Applicable Laws in force as at the date of allotment and issuance of such Shares and shall rank *pari passu* in all respects with the existing fully paid Shares in issue as at the date the name of the Grantee is registered on the register of members of the Company, including voting, dividend, transfer and other rights, save that the Grantee shall not have any right to participate in all dividends or other distributions the record date of which is prior to such registration. Please also refer to the paragraph headed "8. TRANSFERABILITY OF OPTIONS", "8. TRANSFERABILITY OF AWARDS" and "12. RIGHTS ON GENERAL OR PARTIAL OFFER, WINDING-UP AND OTHER ARRANGEMENTS" in Appendix I and Appendix II respectively for other rights attached to the Options/RSUs themselves.

Reorganisation of Capital Structure

In the event of any change in the share capital structure of the Company whilst any Option remains exercisable under the 2023 Share Option Plan or any RSU remains unvested under the 2023 RSU Plan, whether by way of capitalisation issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company, other than any alteration in the share capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party or any member of the Group is a party, the Administrator shall make (and shall notify the Grantee where applicable) such corresponding adjustments (if any) in:

- (a) the number of Shares subject to the Options so far as unexercised/the RSUs so far as unvested; and/or

LETTER FROM THE BOARD

(b) the Exercise Price relating to Options so far as unexercised.

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

I. Capitalisation issue or rights issue

(a) the number of Shares subject to the Options so far as unexercised/the RSUs so far as unvested

$$Q = Q_0 \times F$$

Where

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

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

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

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

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

M = entitlement per existing Share

R = subscription price

(b) the Exercise Price relating to Options so far as unexercised

$$P = P_0 \times \frac{1}{F}$$

Where

P = Exercise Price after adjustment

P₀ = Exercise Price before adjustment

For F, please see the definition in I(a) above

LETTER FROM THE BOARD

II. Consolidation or subdivision of share capital

- (a) the number of Shares subject to the Options so far as unexercised/the RSUs so far as invested

$$Q = Q_0 \times F$$

Where

Q = number of Shares subject to the Options so far as unexercised/the RSUs so far as invested after adjustment

Q₀ = number of Shares subject to the Options so far as unexercised/the RSUs so far as invested before adjustment

F = consolidation or subdivision factor

- (b) the Exercise Price relating to Options so far as unexercised

$$P = P_0 \times \frac{1}{F}$$

Where

P = Exercise Price after adjustment

P₀ = Exercise Price before adjustment

For F, please see the definition in II(a) above

In respect of any such adjustments, other than any made on a capitalisation issue, an independent financial adviser or the auditors of the Company shall certify in writing to the Administrator that the adjustments give a Grantee the same proportion of the equity capital, rounded to the nearest whole Share, as that to which that Grantee was previously entitled, but no such adjustments may be made to the extent that a Share would be issued at less than their nominal value.

LETTER FROM THE BOARD

Black-out Period

The Company shall not grant any Option/Award under the 2023 Share Plans:

- (a) after inside information has come to its knowledge until (and including) the Business Day after it has announced such inside information;
- (b) during the period commencing one (1) month immediately before the earlier of:
 - (i) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement, provided that such period shall also cover any period of delay in publishing such results announcement; or

- (c) to a Director on any day on which its financial results are published and:
 - (i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
 - (ii) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,

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

Transferability

Any Option/Award shall be personal to the Grantee and shall not be assignable or transferable. No Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whether legal or beneficial in favour of any third party over or in relation to any Option/Award or attempt so to do, unless a waiver is granted by the Stock Exchange.

LETTER FROM THE BOARD

Lapse and Cancellation

An Option (to the extent not already exercised) shall lapse automatically on the earliest of the expiry of the Exercise Period or the occurrence of certain events as specified under the 2023 Share Option Plan. Subject to the consent from the relevant Grantee, the Administrator may at its sole and absolute discretion cancel Options previously granted to and yet to be exercised (whether or not vested) by a Grantee.

An unvested RSU shall lapse automatically on the earliest of the occurrence of certain events as specified under the 2023 RSU Plan. Subject to the consent from the relevant Grantee, the Administrator may at its sole and absolute discretion cancel RSUs previously granted but not yet vested to a Grantee.

Alternation

The terms of the 2023 Share Plans may be altered in any respect by resolution of the Board or the Administrator to the extent allowed by the Listing Rules except that the following alterations must be approved by the Shareholders in general meeting:

- (a) any alterations to the terms and conditions of the 2023 Share Plans 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 Eligible Participants;
- (c) any change to the authority of the Directors or the Administrators to alter the terms of the 2023 Share Plans.

The terms of the 2023 Share Plans specify the basis of determining the eligibility of Eligible Participants and allow the Company, where it considers appropriate, to specify the performance targets which must be achieved before the Options/Awards can be exercised or vested by a Grantee. Whilst there is a general rule under the 2023 Share Plans that the vesting period shall not be less than 12 months, the 2023 Share Plans have nonetheless retained flexibility by setting out exceptional circumstances where there may be shorter vesting periods. The 2023 Share Plans also provide clawback mechanisms where the Company would be able to clawback the Options/Awards. The Company believes that the terms of the 2023 Share Plans will provide it with flexibility in setting the terms and conditions of grants which are most appropriate taking into account the individual circumstances of the relevant Eligible Participants and therefore facilitate the Company's aim to offer meaningful incentives to recruit, incentivise and retain key employees and help it achieve the objectives of increasing the value of the Group, and hence align with the purpose of the 2023 Share Plans.

LETTER FROM THE BOARD

3. PROPOSED GRANT OF OPTIONS UNDER THE 2023 SHARE OPTION PLAN

On 31 August 2023, conditional upon the 2023 Share Option Plan taking effect and the approval of Shareholders at the EGM disclosed below, the Company proposed to grant a total of 5,579,054 Options to Dr. Guo, an executive Director and the CEO, pursuant to the 2023 Share Option Plan.

Terms of the proposed grant of Options are as follows:

Date of grant	:	31 August 2023
Name of grantee	:	Dr. Guo (an executive Director and the CEO)
Number of Options granted	:	5,579,054 Options (each Option shall entitle the holder thereof to subscribe for one (1) Share)
Amount payable on acceptance of the Options granted	:	Nil
Exercise price of the Options granted	:	HK\$1.50, which is the highest of: (a) the closing price of HK\$1.50 per Share as stated in the Stock Exchange's daily quotations sheet on the date of grant; and (b) the average closing price of HK\$1.49 per Share as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the date of grant.
Exercise period of the Options	:	from the relevant date of vesting of the Options to ten (10) years from the Date of Grant
Vesting period of the Options	:	<u>Performance-based Options</u>

The 3,626,385 Options granted shall vest conditional upon fulfillment of the performance targets and subject to the clawback/lapse mechanism disclosed below, and shall vest in 4 equal tranches of 25% each on 2 September 2024, 2 September 2025, 2 September 2026 and 2 September 2027.

LETTER FROM THE BOARD

Milestone-based Options

The 1,952,669 Options granted shall vest conditional upon fulfillment of the milestones or on the first anniversary of the date of grant, whichever is later, and subject to the clawback/lapse mechanism disclosed below, and shall vest in 5 tranches of 25%, 25%, 25%, 15% and 10% each upon fulfilment of each milestone.

Performance targets : Performance-based Options

The vesting of Options is conditional upon the relevant grantee having fulfilled the performance evaluation conducted under the Company's employee performance evaluation system, and the Options to be vested on the relevant vesting date shall be adjusted based on the grantee's annual performance results for the preceding fiscal year prior to the relevant vesting date as follows:

- (a) 100% of the Options that can be vested on the relevant vesting date shall vest, if annual performance of the grantee is rated "B+" or above;
- (b) 60% of the Options that can be vested on the relevant vesting date shall vest, if annual performance of the grantee is rated "B"; and
- (c) none of the Options shall vest, if the annual performance of the grantee is rated under "B".

The Administrator shall determine at its discretion the grantees' level of performance with respect to each fiscal year under the Company's employee performance evaluation system and such determination shall be binding and conclusive upon the grantees.

Milestone-based Options

The vesting of the Options is conditional upon fulfillment of milestones with respect to the drug discovery status, clinical development status, launching status, business development partnering status, manufacturing status and/or commercialisation status of the Company's drug candidates as set out in the relevant grant agreement entered into between the relevant grantee and the Company (the "**Share Option Milestone Targets**").

LETTER FROM THE BOARD

If, upon the expiration of ten (10) years from the date of grant, the relevant grantee fails to achieve the Share Option Milestone Targets, any unvested Options granted to him shall automatically and immediately lapse.

Clawback/lapse mechanism : In the event the contractual relationship between a grantee with the Company is terminated under the situations of (i) retirement; (ii) permanent physical or mental disability; (iii) death; (iv) resignation; (v) employment or service contract not renewed due to the grantee's personal reason; (vi) employment or service contract terminated due to unsatisfactory performance or incompetence, the right to all unvested Options shall automatically and immediately lapse. Subject to and conditional upon compliance with the applicable laws by the Company, the vested but unexercised Options shall automatically lapse three (3) months after the occurrence of the situation. Upon request by the relevant member of the Group, such Grantee shall enter into non-competition and confidentiality agreements before the expiry of such Grantee's employment or service relationship with such member of the Group. In the event that the Grantee fails to enter into the non-competition or confidentiality agreement as requested or violates the same, the vested but unexercised Options shall automatically and immediately lapse. In the case of death of the Grantee, subject to the requirements set out in the 2023 Share Option Plan, the inheritor of the Grantee shall inherit the legitimate rights and interests of the vested but unexercised Options under the applicable laws and exercise his inherited vested but unexercised Options according to the relevant Grant Agreement.

In the event the contractual relationship between a grantee with the Company is terminated due to (i) behaviors including corruption, bribery, theft, revealing of the Company's confidential secrets, negligence or misconduct or any other law offence behaviors that have caused serious damage to the Company or have brought the Company into disrepute; (ii) criminal behaviors investigated for criminal responsibility according to acts; or (iii) other causes as stipulated in the 2023 Share Option Plan, all unexercised Options regardless vested or not shall lapse. The Company will reserve the rights to take legal actions, including but not limited to claw back all profits made by such grantee by selling such Shares acquired from exercising the Options granted, for dealing with such situations.

LETTER FROM THE BOARD

In the event that the grantee is on medical leave for more than three (3) consecutive months, the grantee's right to 20% of the vested Options shall automatically and immediately lapse.

- Lock-up : The grantee may only sell, give, assign, hypothecate, pledge, encumber, grant a security interest in or otherwise dispose of, or suffer to exist (whether by operation of law or otherwise) any encumbrance on the Shares (collectively, "**Deal with the Shares**") acquired from exercising the Options after one year of the grantee's employment or service with a member of the Group in accordance with the applicable laws and the Trading Policy ("**Internal Lock-Up Period**"). However, if the lock-up periods required by any applicable laws is longer than the Internal Lock-Up Period, the grantee may only Deal with the Shares after such lock-up periods as required. Provided, however, if the grantee needs to sell his Shares under the 2023 Share Option Plan on the Stock Exchange, unless otherwise waived by the Administrator, he is required to get the approval from the Administrator, besides the compliance with the Applicable Laws. Provided, further, any grantee who holds a position at the level of associate director or above may only sell 50% of the Shares held by him or her immediately prior to such sale every calendar year in the first three years following the Internal Lock-Up Period.
- Financial Assistance : There are no arrangements for the Company or any of its subsidiaries to provide financial assistance to Dr. Guo to facilitate the purchase of Shares under the 2023 Share Option Plan.

LETTER FROM THE BOARD

4. PROPOSED GRANT OF RSUS UNDER THE 2023 RSU PLAN

On 31 August 2023, conditional upon the 2023 RSU Plan taking effect and the approval of Shareholders at the EGM disclosed below, the Company proposed to grant a total of 4,210,000 RSUs to Dr. Guo, an executive Director and the CEO, pursuant to the 2023 RSU Plan.

Terms of the proposed grant of RSUs are as follows:

Date of Grant	:	31 August 2023
Name of grantee	:	Dr. Guo (an executive Director and the CEO)
Number of RSUs granted	:	4,210,000 RSUs (each RSU represents one (1) Share)
Amount payable on acceptance of the RSUs granted	:	Nil
Closing price of the Shares on the date of grant	:	HK\$1.50 per Share
Vesting period of the RSUs	:	<u>Performance-based RSUs</u>

The 2,736,500 RSUs granted shall vest conditional upon the fulfillment of the performance targets and subject to the clawback/lapse mechanism disclosed below, and shall vest in 4 equal tranches of 25% each on 2 September 2024, 2 September 2025, 2 September 2026 and 2 September 2027.

Milestone-based RSUs

The 1,473,500 RSUs granted shall vest conditional upon fulfillment of the milestones or on the first anniversary of the date of grant of the RSUs, whichever is later, and subject to the clawback/lapse mechanism disclosed below, and shall vest in 5 tranches of 25%, 25%, 25%, 15% and 10% each upon fulfilment of each milestone.

Performance targets	:	<u>Performance-based RSUs</u>
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The vesting of RSUs is conditional upon the relevant grantee having fulfilled the performance evaluation conducted under the Company's employee performance evaluation system, and the RSUs to be vested on the relevant vesting date shall be adjusted based on the grantee's annual performance results for the preceding fiscal year prior to the relevant vesting date as follows:

- (a) 100% of the RSUs that can be vested on the relevant vesting date shall vest, if annual performance of the grantee is rated "B+" or above;

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- (b) 60% of the RSUs that can be vested on the relevant vesting date shall vest, if annual performance of the grantee is rated “B”; and
- (c) none of the RSUs shall vest, if the probation review is failed or annual performance of the grantee is rated under “B”.

The Administrator shall determine at its discretion the grantees’ level of performance with respect to each fiscal year under the Company’s employee performance evaluation system and such determination shall be binding and conclusive upon the grantees.

Milestone-based RSUs

The vesting of the RSUs is conditional upon fulfillment of the milestones with respect to the drug discovery status, clinical development status, launching status, business development partnering status, manufacturing status and/or commercialisation status of the Company’s drug candidates as set out in the relevant grant agreement entered into between the relevant grantee and the Company (the “**RSUs Milestone Targets**”).

If, upon the expiration of ten (10) years from the date of grant, the relevant grantee fails to achieve the RSUs Milestone Targets, the right to any unvested RSUs granted to him shall automatically and immediately lapse.

Clawback/lapse mechanism : In the event the contractual relationship between a grantee with the Company is terminated under the situations of (i) retirement; (ii) permanent physical or mental disability; (iii) death; (iv) resignation; (v) employment or service contract not renewed due to the Grantee’s personal reason; or (vi) employment or service contract terminated due to unsatisfactory performance or incompetence, the right to all unvested RSUs shall automatically and immediately lapse. In the case of death of the Grantee, subject to the requirements set out in the 2023 RSU Plan, the inheritor of the grantee shall inherit the legitimate rights and interests of the vested RSUs under the Applicable Laws.

LETTER FROM THE BOARD

In the event the contractual relationship between a grantee with the Company is terminated due to (i) behaviors including corruption, bribery, theft, revealing of the Company's confidential secrets, negligence or misconduct or any other law offence behaviors that have caused serious damage to the Company or have brought the Company into disrepute; (ii) criminal behaviors investigated for criminal responsibility according to acts; or (iii) other causes as stipulated in the 2023 RSU Plan, all unvested RSUs shall lapse. The Company will reserve the rights to take legal actions, including but not limited to claw back all profits made by such grantee by selling such Shares acquired from vesting of the RSUs granted, for dealing with such situations.

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

- Lock-up : The grantee may only sell, give, assign, hypothecate, pledge, encumber, grant a security interest in or otherwise dispose of, or suffer to exist (whether by operation of law or otherwise) any encumbrance on the Shares (collectively, "**Deal with the Shares**") acquired from exercising the Options after one year of the grantee's employment or service with a member of the Group in accordance with the applicable laws and the Trading Policy ("**Internal Lock-Up Period**"). However, if the lock-up periods required by any applicable laws is longer than the Internal Lock-Up Period, the grantee may only Deal with the Shares after such lock-up periods as required. Provided, however, if the grantee needs to sell his Shares under the 2023 Share Option Plan on the Stock Exchange, unless otherwise waived by the Administrator, he is required to get the approval from the Administrator, besides the compliance with the Applicable Laws. Provided, further, any grantee who holds a position at the level of associate director or above may only sell 50% of the Shares held by him or her immediately prior to such sale every calendar year in the first three years following the Internal Lock-Up Period.
- Financial Assistance : There are no arrangements for the Company or any of its subsidiaries to provide financial assistance to Dr. Guo to facilitate the purchase of Shares under the 2023 RSU Plan.

LETTER FROM THE BOARD

After the Proposed Grants, 15,870,754 underlying Shares will be available for future grants under the 2023 Share Option Plan and 1,754,556 underlying Shares will be available for future grants under the 2023 RSU Plan.

5. REASONS FOR THE PROPOSED GRANTS

Dr. Guo's background and qualifications

Dr. Guo has been responsible for the overall management, business and strategy of the Company since April 2020 as CEO and an executive Director. He was appointed the chairman of the Board in November 2021. Dr. Guo also holds positions in various subsidiaries of the Company, namely, director of Genor Biopharma Co., Ltd., executive director of Yuxi Genor Biotechnology Co., Ltd., director of Genor Biopharma (HK) Limited and director of Genor Biopharma PTY LTD. Dr. Guo has accumulated over 20 years of experience in the biopharmaceutical industry, particularly in management and research and development. Dr. Guo obtained a Ph.D. in clinical pharmacology from the University of Toronto in Canada.

Dr. Guo's contribution to the Group

The Group is committed to creating an innovative, platform-based and integrated company capable of drug innovation, research and development, pre-clinical study, clinical development, registration, and Chemistry, Manufacturing and Control (CMC) development.

Under the leadership of Dr. Guo, the Company has clearly and firmly implemented the strategy of "Focus, Optimisation, Acceleration and Expansion" in the industry and market environment, which have been full of changes and challenges in recent years. The Company has optimised and restructured to achieve highly efficient operation. In particular:

- (a) NDA submission of GB491 (Lerociclib) has been officially accepted by NMPA, as the second domestic CDK4/6 product to have its NDA application accepted by NMPA;
- (b) rapidly pushed key innovative pipelines to clinical trials and successfully obtained clinical Proof of Concept data of GB261 (CD20/CD3, BsAb), with potential best-in-class CD20/CD3;
- (c) successfully set up the R&D platform for early discovery of highly differentiated T-cell engager, bi-specific/multi-specific antibodies in immune-oncology and BsADC, and actively developed the global innovation pipeline of first-in-class/best-in-class products; and
- (d) maintained healthy financial performance to support the stable operation of the Group.

The aforementioned past contributions by Dr. Guo to the Company have paved the way for the Company's future growth and development. In particular, the Company will continuously seek the acceleration of clinical advancement and diversification of market expansion. The Company is actively pushing forward commercial cooperation in respect of GB491 and the clinical trials progress in respect of GB261, which would require Dr. Guo's continuous leadership in the Company. With his extensive experience in the biopharmaceutical industry, the Board believed that the Proposed Grants to Dr. Guo would serve to incentivise Dr. Guo to further contribute to the long-term growth of the Group by further leveraging on his industry expertise and extensive knowledge of the Company's drug candidate pipelines at the Board level, and to align his interests with those of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

The basis of determining the terms of the Proposed Grants to Dr. Guo

Pursuant to the terms of reference of the Compensation Committee, the Compensation Committee is delegated with the responsibility to make recommendations to the Board on the remuneration packages of individual executive directors and senior management, including benefits in kind, pension rights and compensation payments. The remuneration for the executive Director comprises basic salary, allowance benefits, performance bonus and share options. The Proposed Grants to Dr. Guo constitutes part of his remuneration package, and was determined by the Board with the recommendation from the Compensation Committee, with reference to the Company's performance, the prevailing market conditions and the performance and contribution of Dr. Guo.

The Proposed Grants to Dr. Guo represent long-term incentive portion of his remuneration package, supplementing his annual cash compensation. The Proposed Grants, when compared to cash compensation, would not impose a financial burden on the Group. In addition, all Options and RSUs granted to Dr. Guo under the Proposed Grants are split into tranches, among which, the performance-based Options and RSUs would vest upon fulfilment of performance targets with a vesting period of four years, while the milestone-based Options and RSUs are vested conditional upon fulfilment of the milestones with respect to drug discovery status, clinical development status, launching status, business development partnering status, manufacturing status and/or commercialisation status of the Company's drug candidates which are in line with the milestones of the Company's development plans. Such vesting period and conditions would incentivise Dr. Guo for his persistent devotions and leadership in achieving the long-term growth of the Group and thereby aligning his interest with the long-term interest of the Group.

In summary, in determining the Proposed Grants to Dr. Guo, the Board has considered (i) his time commitment and responsibilities as an executive Director and the CEO; (ii) the significant contribution of Dr. Guo to the Group; (iii) that given Dr. Guo's leading role and his extensive industrial experience and management skill, his continued contribution to the Group is of critical importance to the further development of the Group; and (iv) the Proposed Grants will be satisfied by the issue and allotment of new Shares, and thus, will not impose additional pressure on the Group's cash flow which is significant to the Group's development at the present stage, the Board is of the view that the Proposed Grants are appropriate for recognition of Dr. Guo's past performance which is in line with purpose of the 2023 RSU Plan of recognising the contribution of Dr. Guo and the purpose of the 2023 Share Plans of enabling the Company to retain and incentivise Dr. Guo to continue making significant contributions to the Group in the future. The Proposed Grants also align Dr. Guo's long-term interest with that of the Shareholders.

In view of the above, the Board (including all the independent non-executive Directors but excluding Dr. Guo, who had abstained from voting on the board resolutions in relation to the Proposed Grants) is of the view that the terms of the Proposed Grants are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

6. EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company as at the Latest Practicable Date and immediately upon the exercise of all Options and vesting of all RSUs (including those under the Proposed Grants) granted to Dr. Guo in full (assuming there will be no other change in the number of issued Shares in the Company):

Name of Shareholders	As at the Latest Practicable Date		Immediately upon the exercise of all Options and vesting of all RSUs (including those under the Proposed Grants) granted to Dr. Guo in full	
	Number of Shares	As a percentage of the total issued Shares ^(Note 1)	Number of Shares	As a percentage of the total issued Shares
Hillhouse Investment Management, Ltd. ^(Note 2)	127,989,103	25.26%	127,989,103	24.32%
Dr. Guo	1,448,959 ^(Note 3)	0.29%	21,158,108 ^(Note 3)	4.02%
Public Shareholders	377,198,779	74.45%	377,198,779	71.66%
Total issued Shares	506,636,841	100%	526,345,990	100%

Notes:

- (1) The calculation is based on the total number of 506,636,841 Shares in issue as at the Latest Practicable Date. Certain figures included in the table above have been rounded to the nearest two decimal places. Any discrepancies between the total shown and the sum of the amounts listed are due to rounding.
- (2) HHJH Holdings Limited, the beneficial owner of 126,239,103 Shares, is wholly-owned by HH BIO Investment Fund, L.P. (“**HH BIO**”). While the general partner of HH BIO is HH BIO Holdings GP, Ltd., all investment related decisions of HH BIO, including but not limited to acquisition and disposition of the investments, requires prior approval of its sole limited partner, Hillhouse Fund IV, L.P. (“**Hillhouse Fund IV**”), pursuant to a limited partnership agreement governing HH BIO. Hillhouse Investment Management, Ltd. acts as the sole management company of Hillhouse Fund IV. HM Healthcare Management Services, Ltd., the beneficial owner of 1,750,000 Shares, is indirectly controlled by an entity, the sole management company of which is Hillhouse Investment Management, Ltd.. Therefore, Hillhouse Investment Management, Ltd. is deemed to be interested in the 126,239,103 Shares held by HHJH Holdings Limited and the 1,750,000 Shares held by HM Healthcare Management Services, Ltd..
- (3) As at the Latest Practicable Date, assuming the exercise of all Options and vesting of all RSUs (including those under the Proposed Grants) granted to Dr. Guo in full, Dr. Guo will be interested in a total of 21,158,108 Shares, of which:
 - (i) 1,448,959 Shares are held by Dr. Guo as a beneficial owner;
 - (ii) 4,920,095 Shares represent Dr. Guo’s entitlement to receive pursuant to the exercise of options held by MaplesFS (BVI) Limited under the Pre-IPO Share Option Plan on behalf of AKQM Partner Trust;
 - (iii) 5,000,000 Shares represent Dr. Guo’s entitlement to receive pursuant to the exercise of Options under the 2020 Share Option Plan;
 - (iv) 5,579,054 Shares represent Dr. Guo’s entitlement to receive pursuant to the exercise of Options under the Proposed Grants; and
 - (v) 4,210,000 Shares represent Dr. Guo’s entitlement to receive pursuant to the vesting of RSUs under the Proposed Grants.

LETTER FROM THE BOARD

7. LISTING RULES IMPLICATION

The Proposed Grants have been approved by the independent non-executive Directors in accordance with Rule 17.04(1) of the Listing Rules. Dr. Guo has abstained from voting on the board resolutions in relation to such Proposed Grants.

As the Proposed Grants of 5,579,054 Options and 4,210,000 RSUs to Dr. Guo would result in the total number of Shares issued and to be issued in respect of all Options and Awards granted to Dr. Guo (excluding any Options and Awards lapsed in accordance with the terms of all Share Plans) in the 12-month period up to and including the date of grant (i.e. 31 August 2023) (being a total of 14,789,054 Shares, comprising the grant of 5,000,000 Options on 25 May 2023 and the Proposed Grants of 5,579,054 Options and 4,210,000 RSUs to Dr. Guo) representing in aggregate approximately 2.92%, and over 1%, of the Shares in issue as at 31 August 2023, the Proposed Grants of 5,579,054 Options and 4,210,000 RSUs to Dr. Guo shall be separately approved by the Shareholders in the EGM with Dr. Guo and his associates (Dr. Guo held 1,448,959 Shares, representing approximately 0.29% of the Shares in issue as at the Latest Practicable Date, and none of Dr. Guo's associates held any Shares as at the Latest Practicable Date) abstaining from voting pursuant to Rule 17.03D(1) of the Listing Rules.

In addition, as the proposed grant of 4,210,000 RSUs to Dr. Guo would result in the total number of Shares issued and to be issued in respect of all Awards granted to Dr. Guo (excluding any Awards lapsed in accordance with the terms of the 2021 RSU Plan and the 2023 RSU Plan (after its adoption)) in the 12-month period up to and including the date of grant (i.e. 31 August 2023) (being a total of 4,210,000 Shares) representing in aggregate approximately 0.83%, and over 0.1%, of the Shares in issue as at 31 August 2023, the proposed grant of 4,210,000 RSUs to Dr. Guo shall be approved by the Shareholders in the EGM with Dr. Guo and his associates (Dr. Guo held 1,448,959 Shares, representing approximately 0.29% of the Shares in issue as at the Latest Practicable Date, and none of Dr. Guo's associates held any Shares as at the Latest Practicable Date) abstaining from voting pursuant to Rule 17.03D(1) of the Listing Rules and with all core connected persons of the Company abstaining (each of HHJH Holdings Limited and HM Healthcare Management Services, Ltd. held 126,239,103 Shares and 1,750,000 Shares, representing approximately 24.92% and 0.35% of the Shares in issue as at the Latest Practicable Date) from voting in favour of the relevant resolution at the EGM pursuant to Rule 17.04(2) and (4) of the Listing Rules.

8. CLOSURE OF REGISTER OF MEMBERS

For determining Shareholders' entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 24 October 2023 to Friday, 27 October 2023, both dates inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the EGM, all transfer of Shares accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 20 October 2023.

LETTER FROM THE BOARD

9. EGM AND PROXY ARRANGEMENT

The notice of the EGM is set out on pages 55 to 58 of this circular.

Pursuant to the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the EGM in the manner prescribed under the Listing Rules.

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.genorbio.com>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the EGM (i.e. not later than 10:00 a.m. on Wednesday, 25 October 2023 (Hong Kong time)) or any adjournment thereof (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM if you so wish.

10. 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.

11. DOCUMENTS ON DISPLAY

A copy of each of the 2023 Share Plans will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.genorbio.com>) for display for a period of not less than 14 days before the date of the EGM. In addition, such copies of the 2023 Share Plans will be made available for inspection at the EGM.

LETTER FROM THE BOARD

12. RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that (i) the proposed adoption of the 2023 Share Plans and termination of the Existing Share Plans, and (ii) the Proposed Grants to Dr. Guo under the 2023 Share Option Plan and the 2023 RSU Plan are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

Yours faithfully,

For and on behalf of the Board

Genor Biopharma Holdings Limited

Dr. Guo Feng

Executive Director, Chief Executive Officer and Chairman

The following is a summary of the principal rules of the 2023 Share Option Plan but does not form part of, nor was it intended to be, part of the 2023 Share Option Plan nor should it be taken as effecting the interpretation of the 2023 Share Option Plan:

1. PURPOSES OF THE 2023 SHARE OPTION PLAN

The purposes of the 2023 Share Option Plan are (a) to advance the interests of the Company by motivating the Eligible Participants to contribute to the Company's growth and development; and (b) to enable the Company to recruit, incentivise and retain key employees.

2. CONDITIONS

The 2023 Share Option Plan shall take effect upon: (a) passing of the necessary resolution(s) by the Shareholders in general meeting; and (b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares which may fall to be allotted and issued upon exercise of the Options that may be granted under the 2023 Share Option Plan.

3. WHO MAY JOIN AND ELIGIBILITY CRITERIA

Eligible Participants shall comprise director(s) (including executive director(s), non-executive director(s) and independent non-executive director(s)) and employee(s) (whether full-time or part-time) of any member of the Group, including any person who is granted Options under the 2023 Share Option Plan as an inducement to enter into employment contracts with any member of the Group.

In determining the eligibility of an Eligible Participant, the Administrator may take into account various factors that it in its sole and absolute discretion considers relevant in assessing his contribution to the long-term development and growth of the Group, including: (a) individual performance; (b) time commitment; (c) responsibilities or employment conditions according to the prevailing market practice and industry standard; (d) the length of engagement with the Group; and (e) the actual and/or potential contribution to the development and growth of the Group.

4. DURATION OF THE 2023 SHARE OPTION PLAN

Subject to paragraph 14, the 2023 Share Option Plan shall be valid and effective for a period of ten (10) years commencing from the date on which the conditions referred to in paragraph 2 above are fulfilled (the "**Effective Date**"), after which no further Option shall be granted under the 2023 Share Option Plan but the provisions of 2023 Share Option Plan shall remain in full force and effect in all other respects. In particular, all Options granted during the term of the 2023 Share Option Plan shall continue to be valid, and shall be administered in accordance with the 2023 Share Option Plan and the relevant Grant Agreement.

5. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

Subject to the terms and conditions in the 2023 Share Option Plan, the total number of Shares which may be issued in respect of all options and awards to be granted under all Share Plans, shall not exceed 27,414,364 Shares, representing approximately 5.41% of the Shares in issue as at the Adoption Date (assuming that there is no change in the number of Shares in issue between the period from the Latest Practicable Date to the Adoption Date (both dates inclusive)) (the “**Overall Mandate Limit**”), among which, the total number of Shares which may be issued in respect of all Options to be granted under the 2023 Share Option Plan shall not exceed 21,449,808 Shares, representing approximately 4.23% of the Shares in issue as at the Adoption Date (assuming that there is no change in the number of Shares in issue between the period from the Latest Practicable Date to the Adoption Date (both dates inclusive)) (the “**2023 Share Option Plan Mandate Limit**”).

Options and awards lapsed in accordance with the terms of all Share Plans shall not be regarded as utilised for the purpose of calculating the Overall Mandate Limit or the 2023 Share Option Plan Mandate Limit.

If the Company conducts a share consolidation or subdivision after the 2023 Share Option Plan Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all options to be granted under the 2023 Share Option Plan Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

The Company may seek approval by its Shareholders in general meeting for refreshing the 2023 Share Option Plan Mandate Limit:

- (a) after three (3) years from the Adoption Date or the date of the Shareholders’ approval for the last refreshment of the 2023 Share Option Plan Mandate Limit; or
- (b) within any of the aforementioned three-year period subject to the following requirements (the “**Refreshing Requirements**”):
 - (i) any controlling shareholders of the Company and their associates (or if there is no controlling shareholder of the Company, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) shall abstain from voting in favour of the relevant resolution at the general meeting; and
 - (ii) the Company shall comply with the requirements under rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules.

The Refreshing Requirements do not apply if the refreshment is made immediately after an issue of securities by the Company to its Shareholders on a pro rata basis as set out in rule 13.36(2)(a) of the Listing Rules such that the unused part of the 2023 Share Option Plan Mandate Limit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the 2023 Share Option Plan Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.

After the refreshment of the 2023 Share Option Plan Mandate Limit, the total number of Shares which may be issued in respect of all options and awards to be granted under all Share Plans shall not exceed 10% of the Shares in issue as at the date of such approval of the refreshment of the 2023 Share Option Plan Mandate Limit. The Company shall send a circular to its Shareholders containing the information required under Chapter 17 of the Listing Rules.

The Company may seek separate approval by its Shareholders in general meeting for granting Options beyond the 2023 Share Option Plan Mandate Limit, provided that:

- (a) the Options in excess of the 2023 Share Option Plan Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought;
- (b) the Company shall send a circular to its Shareholders containing the information required under Chapter 17 of the Listing Rules;
- (c) the number and terms of Options to be granted to each such specified Eligible Participant shall be fixed before the Shareholders' approval; and
- (d) in respect of any Options to be so granted under this paragraph, the date of the Board meeting for proposing such grant shall be taken as the Grant Date for the purpose of calculating the Exercise Price of such Options.

Where any grant of Options to an Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards under all Share Plans granted to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of all Share Plans) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue as at the date of such grant, such grant shall be subject to the following requirements:

- (a) separate approval by the Shareholders in general meeting with such Eligible Participant and his close associates (or associates if such Eligible Participant is a connected person of the Company) abstaining from voting;
- (b) the Company shall send a circular to its Shareholders containing the information required under Chapter 17 of the Listing Rules;
- (c) the number and terms of such further Options to be granted to such Eligible Participant shall be fixed before the Shareholders' approval; and
- (d) in respect of any Options to be so granted under this paragraph, the date of the Board meeting for proposing such grant shall be taken as the Grant Date for the purpose of calculating the Exercise Price of such Options.

Any grant of Options to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates under the 2023 Share Option Plan shall be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of such Options).

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 all Share Plans (excluding any options and awards lapsed in accordance with the terms of all Share Plans) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue as at the date of such grant, such further grant of Options shall be subject to the following requirements:

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

The foregoing requirements also apply to any change in the terms of such Options granted under this sub-paragraph (except where the changes take effect automatically under the existing terms of the 2023 Share Option Plan).

6. GRANT AND ACCEPTANCE OF OPTIONS

Subject to the terms of the 2023 Share Option Plan and the Applicable Laws, the Administrator shall, from time to time on a Business Day during the term of the 2023 Share Option Plan, make a grant to any Eligible Participant as the Administrator may in its sole and absolute discretion select. Upon entering into a Grant Agreement with the Company, an Eligible Participant shall become a Grantee and shall be regarded as having accepted the grant of Option(s) in accordance with the terms of the 2023 Share Option Plan and the relevant Grant Agreement. The Grantee shall not be required to pay any amount for the application or acceptance of the grant of Option(s).

The Exercise Price of the Options 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 Grant Date; and (b) the average closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the Grant Date.

The vesting period of the Options shall not be less than twelve (12) months, save and except that Options to be granted to an Eligible Participant may be subject to a vesting period of less than twelve (12) months (or no vesting period) in the following circumstances:

- (a) grants of “make-whole” Options to a new joiner to replace the Options he forfeited when leaving his previous employers;
- (b) grants to an Eligible Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (c) grants with performance-based vesting conditions in lieu of time-based vesting criteria;
- (d) grants that are made in batches during a year for administrative and compliance reasons. They may include Options that should have been granted earlier but had to wait for a subsequent batch. In such cases, the vesting periods may be shorter to reflect the time from which the Options would have been granted; and
- (e) grants with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of 12 months.

Subject to the terms of the 2023 Share Option Plan and the Applicable Laws, the Administrator may, on a case-by-case basis and at its sole and absolute discretion, impose any conditions, restrictions or limitations in relation to any grant of Options in addition to those expressly set forth in the 2023 Share Option Plan as it may think fit (which shall be specified in the Grant Agreement) including but not limited to (without prejudice to the generality of the foregoing):

- (a) performance targets to be fulfilled before any Option granted shall vest, relating to (i) the Grantee’s annual performance evaluation results determined under the Company’s employee performance evaluation system for the preceding fiscal year prior to the relevant vesting date, and the Options to be vested on the relevant vesting date may be adjusted based on the Grantee’s annual performance results; (ii) the Grantee’s fulfilment of milestones with respect to, including but not limited to, the drug discovery status, clinical development status, launching status, business development partnering status, manufacturing status and/or commercialisation status of the Company’s drug candidates; and/or (iii) any other performance targets as the Administrator determines as appropriate;
- (b) the Exercise Period of any Option;
- (c) lock-up periods or restriction on disposals of the Shares acquired from exercising the Options granted; and
- (d) such special terms necessary or appropriate to accommodate differences in the Applicable Laws, tax policy, or custom applicable in the jurisdiction in which an Eligible Participant resides, is employed or provides its service in order to assure the viability of Options granted to the Eligible Participants in various jurisdictions.

The Company shall not grant any Option:

- (a) after inside information has come to its knowledge until (and including) the Business Day after it has announced such inside information;
- (b) during the period commencing one (1) month immediately before the earlier of:
 - (i) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement, provided that such period shall also cover any period of delay in publishing such results announcement; or

- (c) to a Director on any day on which its financial results are published and:
 - (i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
 - (ii) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,

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

7. EXERCISE OF OPTIONS

The Administrator may in its sole and absolute discretion determine the Exercise Period of the Option(s), but in all circumstances the Exercise Period shall not be more than ten (10) years from the Grant Date. Exercise of any Option shall be at all times subject to the terms of the 2023 Share Option Plan and the relevant Grant Agreement and any Applicable Laws.

Unless the Administrator expressly provides otherwise, no Option shall be deemed to have been exercised until the Administrator approves such exercise and receives a notice of exercise (in such form as the Administrator may from time to time specify) from the appropriate person accompanied by a remittance for the full amount of the aggregate Exercise

Price for the Shares in respect of which the notice is given. An Option exercised by any person other than the Grantee shall not be deemed to have been exercised until the Administrator approves such exercise and has received such evidence as it may require that the person exercising the Option has the right to do so. Upon the request by the Grantee, the Company may issue Shares in respect of which the notice is given to a third party to hold on trust for the Grantee on the condition that the Grantee provides evidence satisfactory to the Administrator that the third party will comply with the terms of the 2023 Share Option Plan and the relevant Grant Agreement.

Where the exercise of an Option is to be accompanied by a remittance for the full amount of the aggregate Exercise Price, the remittance shall be made by cash or cheque in a currency acceptable to the Administrator, or, by such other legally permissible means, if any, as may be acceptable to the Administrator, in each case, in accordance with the Applicable Laws. A Grantee may be required to provide evidence that any currency used to pay the exercise price of any Option were acquired and taken out of the jurisdiction in which the Grantee resides in accordance with the Applicable Laws. In the event the Exercise Price for an Option is paid in RMB or other foreign currency, as permitted by the Administrator and to the extent permitted under the Applicable Laws, the amount payable will be determined by conversion from USD or HKD at the official rate promulgated by the People's Bank of China for RMB, or for jurisdictions other than the Peoples Republic of China, the exchange rate as selected by the Administrator on the date of exercise.

The Shares to be allotted and issued upon exercise of the Options shall be subject to all provisions of the Articles of Association and the Applicable Laws in force as at the date of allotment and issuance of such Shares and shall rank *pari passu* in all respects with the existing fully paid Shares in issue as at the date the name of the Grantee is registered on the register of members of the Company, including voting, dividend, transfer and other rights, save that the Grantee shall not have any right to participate in all dividends or other distributions the record date of which is prior to such registration. No fractional Shares shall be allotted under the 2023 Share Option Plan.

8. TRANSFERABILITY OF OPTIONS

Any Option shall be personal to the Grantee and shall not be assignable or transferable. No Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whether legal or beneficial in favour of any third party over or in relation to any Option or attempt so to do, unless a waiver is granted by the Stock Exchange. Notwithstanding the foregoing, in the event of death of a Grantee, the vested but unexercised Options of the deceased Grantee may be assigned to his executor or administrator (as the case may be) (the “**Personal Representative**”). The production to the Company of any document evidencing the grant of probate or the grant of letters of administration (as the case may be) of a deceased Grantee may be accepted by the Company even if the deceased is domiciled outside the

Cayman Islands if the document evidencing the grant of probate or the grant of letters of administration is issued by a foreign court which had competent jurisdiction in the matter. Any permitted assignment of Options shall only be made in a manner that is not prohibited by Applicable Laws.

9. LAPSE AND CLAWBACK MECHANISM OF OPTIONS

In the event the employment or service relationship between a Grantee and any member of the Group is terminated under the following situations, the following corresponding clawback mechanism would apply:

- (a) (i) retirement; (ii) permanent physical or mental disability; (iii) death; (iv) resignation; (v) employment or service contract not renewed due to the Grantee's personal reason; or (vi) employment or service contract terminated due to unsatisfactory performance or incompetence, the right to all unvested Options shall automatically and immediately lapse. Subject to and conditional upon compliance with the Applicable Laws by the Company, the vested but unexercised Options shall automatically lapse three (3) months after the occurrence of the situation. Upon request by the relevant member of the Group, such Grantee shall enter into non-competition and confidentiality agreements before the expiry of such Grantee's employment or service relationship with such member of the Group. In the event that the Grantee fails to enter into the non-competition or confidentiality agreement as requested or violates the same, the vested but unexercised Options shall automatically and immediately lapse. In the case of death of the Grantee, subject to the requirements set out in paragraph 8 above, the inheritor of the Grantee shall inherit the legitimate rights and interests of the vested but unexercised Options under the Applicable Laws and exercise his inherited vested but unexercised Options according to the relevant Grant Agreement.

- (b) (i) behaviors including corruption, bribery, theft, revealing of the Company's confidential secrets, negligence or misconduct or any other law offence behaviors that have caused serious damage to the Company or have brought the Company into disrepute; (ii) criminal behaviors investigated for criminal responsibility according to acts; or (iii) other Causes, all unexercised Options regardless vested or not shall lapse. The Company will reserve the rights to take legal actions, including but not limited to claw back all profits made by such Grantee by selling such Shares acquired from exercising the Options granted, for dealing with such situations.

For the purpose of this paragraph 8, “Cause” shall have the following meaning:

In the case of any Grantee who is party to an employment or service contract with any member of the Group that contains a definition of “Cause”, the definition set forth in such contract shall apply with respect to such Grantee under the 2023 Share Option Plan.

In the case of any other Grantee, “Cause” shall mean, as determined by the Administrator in its reasonable judgment, (i) a substantial failure of the Grantee to perform his duties and responsibilities to any member of the Group or substantial negligence in the performance of such duties and responsibilities; (ii) the commission by the Grantee of a felony or a crime involving moral turpitude; (iii) the commission by the Grantee of theft, fraud, embezzlement, material breach of trust or any material act of dishonesty involving any member of the Group; (iv) a significant violation by the Grantee of the code of conduct of any material policy of any member of the Group, or of any statutory or common law duty of loyalty to any member of the Group; (v) material breach of any of the terms of the 2023 Share Option Plan or the Grant Agreement; or (vi) other conduct by the Grantee that could be expected to be harmful to the business, interests or reputation of any member of the Group.

In the event that the Grantee is on medical leave for more than three (3) consecutive months, the Grantee’s right to 20% of the vested Options shall automatically and immediately lapse.

In the event that the Grantee is on maternity leave or work injury sick leave in accordance with the applicable employment and labour laws (including but not limited to the Labour Law of the PRC and Special Provisions on Labour Protection for Female Employees), the Grantee’s Options, whether or not vested or exercised, shall not be affected or otherwise prejudiced.

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

- (a) the expiry of the Exercise Period;
- (b) the date on which the Grantee commits a breach of paragraph 8 above;
- (c) the expiry of the periods referred to in this paragraph 9;
- (d) the expiry of the periods referred to in paragraph 12;
- (e) the date the compromise or arrangement referred to in paragraph 12 becomes effective;
- (f) the date of the commencement of the winding-up of the Company in respect of the situation contemplated in paragraph 12;

- (g) if an Option was granted subject to certain conditions, restrictions or limitation, the date on which the Administrator resolves that the Grantee has failed to satisfy or comply with such conditions, restrictions or limitation; and
- (h) the occurrence of such event or expiry of such period as may have been specifically provided for in the Grant Agreement, if any.

10. CANCELLATION OF OPTIONS

Subject to the consent from the relevant Grantee, the Administrator may at its sole and absolute discretion cancel Options previously granted to and yet to be exercised (whether or not vested) by, a Grantee. The Grantee whose Options are cancelled pursuant to this paragraph 10 may be granted new Options in accordance with the terms of the 2023 Share Option Plan, provided that there are sufficient unused Options (excluding such cancelled Options) available for such re-grant under the 2023 Share Option Plan Mandate Limit. The Options cancelled shall be regarded as utilised for the purpose of calculating the 2023 Share Option Plan Mandate Limit.

11. REORGANISATION OF CAPITAL STRUCTURE

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

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

Any Required 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 a Share would be issued at less than their nominal value (the “**Adjustment Requirements**”).

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

I. Capitalisation issue or rights issue

- (a) the number of Shares subject to the Options so far as unexercised

$$Q = Q_0 \times F$$

Where

Q = number of Shares subject to the Options so far as unexercised after adjustment

Q₀ = number of Shares subject to the Options so far as unexercised before adjustment

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

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

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

M = entitlement per existing Share

R = subscription price

- (b) the Exercise Price relating to Options so far as unexercised

$$P = P_0 \times \frac{1}{F}$$

Where

P = Exercise Price after adjustment

P₀ = Exercise Price before adjustment

For F, please see the definition in I(a) above

II. Consolidation or subdivision of share capital

- (a) the number of Shares subject to the Options so far as unexercised

$$Q = Q_0 \times F$$

Where

Q = number of Shares subject to the Options so far as unexercised after adjustment

Q₀ = number of Shares subject to the Options so far as unexercised before adjustment

F = consolidation or subdivision factor

- (b) the Exercise Price relating to Options so far as unexercised

$$P = P_0 \times \frac{1}{F}$$

Where

P = Exercise Price after adjustment

P₀ = Exercise Price before adjustment

For F, please see the definition in II(a) above.

In respect of any Required Adjustments, other than any made on a capitalisation issue, an independent financial adviser or the auditors of the Company shall certify in writing to the Administrator that the adjustments satisfy the Adjustment Requirements.

References to Shares in the 2023 Share Option Plan shall be construed to include any shares or securities resulting from a Required Adjustment.

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

In the event of a general or partial offer (whether by way of takeover offer, repurchase offer or scheme of arrangement or otherwise in like manner) is made to all Shareholders (other than the offeror and/or any person controlled by the offeror and/or any party acting in concert with the offeror) to acquire all or part of the issued Shares and such offer, having been approved in accordance with the Applicable Laws and other applicable regulatory requirements, becomes or is declared unconditional (within the meaning of the Takeovers Code), all Options (to the extent exercisable as at the date on which the offer becomes or is declared unconditional and not exercised and to the extent unvested (which shall become vested forthwith)) shall be exercised to their full extent within fourteen (14) calendar days after the date on which such offer becomes or is declared unconditional.

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

In the event a notice is given by the Company to its Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company when the Company is solvent, the Company shall on the day of such notice to each Shareholder or as soon as practicable thereafter, give notice thereof to all Grantees (together with a notice of the existence of this sub-paragraph). Thereupon all unvested Options shall vest immediately, and each Grantee shall exercise all or any of his Options (to the extent exercisable as of the date of the notice from the Company and not exercised) by giving notice in writing to the Company no later than two (2) Business Days prior to the proposed general meeting of the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given, whereupon the Company shall, as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Grantee credited as fully paid, which Shares shall rank *pari passu* with all other Shares in issue as at the date prior to the passing the resolution to wind-up the Company to participate in the distribution of assets of the Company available in liquidation.

13. ALTERATION

The terms of the 2023 Share Option Plan may be altered in any respect by resolution of the Board or the Administrator to the extent allowed by the Listing Rules except that the following alterations must be approved by the Shareholders in general meeting:

- (a) any alterations to the terms and conditions of the 2023 Share Option Plan 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 Eligible Participants;
- (c) any change to the authority of the Directors or the Administrators to alter the terms of the 2023 Share Option Plan.

Any amendment to the terms of the Options granted to a Grantee (except where the changes take effect automatically under the existing terms of the 2023 Share Option Plan) shall be approved by the Board, the compensation committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the compensation committee, the independent non-executive Directors and/or the Shareholders (as the case may be).

The amended terms of the 2023 Share Option Plan or the Options granted shall comply with the relevant requirements of the Chapter 17 of the Listing Rules.

14. TERMINATION

The 2023 Share Option Plan shall terminate on the earlier of: (a) the end of the life of the 2023 Share Option Plan as set out in paragraph 4; and such date of early termination as determined by the Board, following which no further Option shall be granted under the 2023 Share Option Plan, but the provisions of the 2023 Share Option Plan shall remain in full force and effect in all other respects. In particular, all Options granted prior to the termination shall continue to be valid, and shall be administered in accordance with the 2023 Share Option Plan and the relevant Grant Agreement.

The following is a summary of the principal rules of the 2023 RSU Plan but does not form part of, nor was it intended to be, part of the 2023 RSU Plan nor should it be taken as effecting the interpretation of the 2023 RSU Plan:

1. PURPOSES OF THE 2023 RSU PLAN

The purposes of the 2023 RSU Plan are (a) to advance the interests of the Company by motivating the Eligible Participants to contribute to the Company's growth and development; (b) to recruit, incentivise and retain key employees; (c) to recognise the contributions by the Eligible Participants with an opportunity to acquire a proprietary interest in the Company; and (d) to motivate the Eligible Participants to maximise the value of the Company for the benefits of both the Eligible Participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Eligible Participants directly to the Shareholders through ownership of Shares.

2. CONDITIONS

The 2023 RSU Plan shall take effect upon: (a) passing of the necessary resolution(s) by the Shareholders in general meeting; and (b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares which may fall to be allotted and issued upon vesting of the RSUs that may be granted under the 2023 RSU Plan.

3. DURATION

Subject to paragraph 14, the 2023 RSU Plan shall be valid and effective for a period of ten (10) years commencing from the date on which the conditions referred to in paragraph 2 above are fulfilled (the "**Effective Date**"), after which no further Award shall be granted under the 2023 RSU Plan but the provisions of the 2023 RSU Plan shall remain in full force and effect in all other respects. In particular, all Awards granted during the term of the 2023 RSU Plan shall continue to be valid, and shall be administered in accordance with the 2023 RSU Plan and the relevant Grant Agreement.

4. WHO MAY JOIN AND ELIGIBILITY CRITERIA

Eligible Participants are persons eligible to participate in the 2023 RSU Plan and shall comprise director(s) (including executive director(s), non-executive director(s) and independent non-executive director(s)) and employee(s) (whether full-time or part-time) of any member of the Group, including any person who is granted Awards under the 2023 RSU Plan as an inducement to enter into employment contracts with any member of the Group.

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

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

5. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

Subject to the terms and conditions in the 2023 RSU Plan, the total number of Shares which may be issued in respect of all options and awards to be granted under all Share Plans, shall not exceed 27,414,364 Shares, representing approximately 5.41% of the Shares in issue as at the Adoption Date (assuming that there is no change in the number of Shares in issue between the period from the Latest Practicable Date to the Adoption Date (both dates inclusive)) (the “**Overall Mandate Limit**”), among which, the total number of Shares which may be issued in respect of all Awards to be granted under the 2023 RSU Plan shall not exceed 5,964,556 Shares, representing approximately 1.18% of the Shares in issue as at the Adoption Date (assuming that there is no change in the number of Shares in issue between the period from the Latest Practicable Date to the Adoption Date (both dates inclusive)) (the “**2023 RSU Plan Mandate Limit**”).

Options and awards lapsed in accordance with the terms of all Share Plans shall not be regarded as utilised for the purpose of calculating the Overall Mandate Limit or the 2023 RSU Plan Mandate Limit.

If the Company conducts a share consolidation or subdivision after the 2023 RSU Plan Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all awards to be granted under the 2023 RSU Plan Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

The Company may seek approval by its Shareholders in general meeting for refreshing the 2023 RSU Plan Mandate Limit:

- (a) after three (3) years from the Adoption Date or the date of the Shareholders' approval for the last refreshment of the 2023 RSU Plan Mandate Limit; or
- (b) within any of the aforementioned three-year period subject to the following requirements (the "**Refreshing Requirements**"):
 - (i) any controlling shareholders of the Company and their associates (or if there is no controlling shareholder of the Company, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) shall abstain from voting in favour of the relevant resolution at the general meeting; and
 - (ii) the Company shall comply with the requirements under rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules.

The Refreshing Requirements do not apply if the refreshment is made immediately after an issue of securities by the Company to its Shareholders on a pro rata basis as set out in rule 13.36(2)(a) of the Listing Rules such that the unused part of the 2023 RSU Plan Mandate Limit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the 2023 RSU Plan Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.

After the refreshment of the 2023 RSU Plan Mandate Limit, the total number of Shares which may be issued in respect of all options and awards to be granted under all Share Plans shall not exceed 10% of the Shares in issue as at the date of such approval of the refreshment of the 2023 RSU Plan Mandate Limit. The Company shall send a circular to its Shareholders containing the information required under Chapter 17 of the Listing Rules.

The Company may seek separate approval by its Shareholders in general meeting for granting Awards beyond the 2023 RSU Plan Mandate Limit, provided that:

- (a) the Awards in excess of the 2023 RSU Plan Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought;
- (b) the Company shall send a circular to its Shareholders containing the information required under Chapter 17 of the Listing Rules; and
- (c) the number and terms of Awards to be granted to each such specified Eligible Participant shall be fixed before the Shareholders' approval.

Where any grant of Awards to an Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards under all Share Plans granted to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of all Share Plans) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue as at the date of such grant, such grant shall be subject to the following requirements:

- (a) separate approval by the Shareholders in general meeting with such Eligible Participant and his close associates (or associates if such Eligible Participant is a connected person of the Company) abstaining from voting;
- (b) the Company shall send a circular to its Shareholders containing the information required under Chapter 17 of the Listing Rules; and
- (c) the number and terms of such further Awards to be granted to such Eligible Participant shall be fixed before the Shareholders' approval.

Any grant of Awards to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates under the 2023 RSU Plan shall be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of such Awards).

Where any grant of Awards (excluding grant of options) to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their associates would result in the Shares issued and to be issued in respect of all Awards granted (excluding any Awards lapsed in accordance with the terms of the 2023 RSU Plan) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue as at the date of such grant, such further grant of Awards shall be subject to the following requirements:

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

The foregoing requirements also apply to any change in the terms of such Awards granted under this sub-paragraph (except where the changes take effect automatically under the existing terms of the 2023 RSU Plan).

Where any grant of Awards to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted under all Share Plans (excluding any options and awards lapsed in accordance with the terms of all Share Plans) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue as at the date of such grant, such further grant of Awards shall be subject to the following requirements:

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

The foregoing requirements also apply to any change in the terms of such Awards granted under this sub-paragraph (except where the changes take effect automatically under the existing terms of the 2023 RSU Plan).

6. GRANT AND ACCEPTANCE OF AWARDS

Subject to the terms of the 2023 RSU Plan and the Applicable Laws, the Administrator shall, from time to time on a Business Day during the term of the 2023 RSU Plan, make a grant to any Eligible Participant as the Administrator may in its sole and absolute discretion select.

Upon entering into a Grant Agreement with the Company, an Eligible Participant shall become a Grantee and shall be regarded as having accepted the grant of Award(s) in accordance with the terms of the 2023 RSU Plan and the relevant Grant Agreement. The Grantee shall not be required to pay any amount for the application or acceptance of the grant of Award(s).

No purchase price is to be paid by the Grantee upon vesting of the RSUs under the 2023 RSU Plan.

The vesting period of the Awards shall not be less than twelve (12) months, save and except that Awards to be granted to an Eligible Participant may be subject to a vesting period of less than twelve (12) months (or no vesting period) in the following circumstances:

- (a) grants of “make-whole” Awards to a new joiner to replace the Awards he forfeited when leaving his previous employers;
- (b) grants to an Eligible Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (c) grants with performance-based vesting conditions in lieu of time-based vesting criteria;

- (d) grants that are made in batches during a year for administrative and compliance reasons. They may include Awards that should have been granted earlier but had to wait for a subsequent batch. In such cases, the vesting periods may be shorter to reflect the time from which the Awards would have been granted; and
- (e) grants with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of 12 months.

Subject to the terms of the 2023 RSU Plan and the Applicable Laws, the Administrator may, on a case-by-case basis and at its sole and absolute discretion, impose any conditions, restrictions or limitations in relation to any grant of Awards in addition to those expressly set forth in the 2023 RSU Plan as it may think fit (which shall be specified in the Grant Agreement) including but not limited to (without prejudice to the generality of the foregoing):

- (a) performance targets to be fulfilled before any Award granted shall vest, relating to (i) the Grantee's annual performance evaluation results determined under the Company's employee performance evaluation system for the preceding fiscal year prior to the relevant vesting date, and the Award to be vested on the relevant vesting date may be adjusted based on the Grantee's annual performance results; (ii) the Grantee's fulfilment of milestones with respect to, including but not limited to, the drug discovery status, clinical development status, launching status, business development partnering status, manufacturing status and/or commercialisation status of the Company's drug candidates; and/or (iii) any other performance targets as the Administrator determines as appropriate;
- (b) lock-up periods or restriction on disposals of the Shares acquired from vesting of the RSUs granted; and
- (c) such special terms necessary or appropriate to accommodate differences in the Applicable Laws, tax policy, or custom applicable in the jurisdiction in which an Eligible Participant resides, is employed or provides its service in order to assure the viability of RSUs granted to the Eligible Participants in various jurisdictions.

The Company shall not grant any Award:

- (a) after inside information has come to its knowledge until (and including) the Business Day after it has announced such inside information;
- (b) during the period commencing one (1) month immediately before the earlier of:
 - (i) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement, provided that such period shall also cover any period of delay in publishing such results announcement; or

- (c) to a Director on any day on which its financial results are published and:
- (i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
 - (ii) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,

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

7. VESTING OF RSUS

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

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

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

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

The Shares to be allotted and issued upon vesting of the RSUs shall be subject to all provisions of the Articles of Association and the Applicable Laws in force as at the date of allotment and issuance of such Shares and shall rank *pari passu* in all respects with the existing fully paid Shares in issue as at the date the name of the Grantee is registered on the register of members of the Company, including voting, dividend, transfer and other rights, save that the Grantee shall not have any right to participate in all dividends or other distributions the record date of which is prior to such registration. No fractional Shares shall be allotted and issued under the 2023 RSU Plan.

8. TRANSFERABILITY OF AWARDS

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

9. LAPSE AND CLAWBACK MECHANISM OF UNVESTED RSUS

In the event the employment or service relationship between a Grantee and any member of the Group is terminated under the following situations, the following corresponding clawback mechanism would apply:

- (a) (i) retirement; (ii) permanent physical or mental disability; (iii) death; (iv) resignation; (v) employment or service contract not renewed due to the Grantee’s personal reason; or (vi) employment or service contract terminated due to unsatisfactory performance or incompetence, the right to all unvested RSUs shall automatically and immediately lapse. In the case of death of the Grantee, subject to the requirements set out in paragraph 8, the inheritor of the Grantee shall inherit the legitimate rights and interests of the vested RSUs under the Applicable Laws.

- (b) (i) behaviors including corruption, bribery, theft, revealing of the Company’s confidential secrets, negligence or misconduct or any other law offence behaviors that have caused serious damage to the Company or have brought the Company into disrepute; (ii) criminal behaviors investigated for criminal responsibility according to acts; or (iii) other Causes, all unvested RSUs shall lapse. The Company will reserve the rights to take legal actions, including but not limited to claw back all profits made by such Grantee by selling such Shares acquired from vesting of the RSUs granted, for dealing with such situations.

For the purpose of this paragraph 9, “**Cause**” shall have the following meaning:

In the case of any Grantee who is party to an employment or service contract with any member of the Group that contains a definition of “**Cause**”, the definition set forth in such contract shall apply with respect to such Grantee under the 2023 RSU Plan.

In the case of any other Grantee, “Cause” shall mean, as determined by the Administrator in its reasonable judgment, (i) a substantial failure of the Grantee to perform his duties and responsibilities to any member of the Group or substantial negligence in the performance of such duties and responsibilities; (ii) the commission by the Grantee of a felony or a crime involving moral turpitude; (iii) the commission by the Grantee of theft, fraud, embezzlement, material breach of trust or any material act of dishonesty involving any member of the Group; (iv) a significant violation by the Grantee of the code of conduct of any material policy of any member of the Group, or of any statutory or common law duty of loyalty to any member of the Group; (v) material breach of any of the terms of the 2023 RSU Plan or the Grant Agreement; or (vi) other conduct by the Grantee that could be expected to be harmful to the business, interests or reputation of any member of the Group.

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

In the event that the Grantee is on maternity leave or work injury sick leave in accordance with the applicable employment and labour laws (including but not limited to the Labour Law of the PRC and Special Provisions on Labour Protection for Female Employees), the Grantee’s RSUs, whether or not vested, shall not be affected or otherwise prejudiced.

An unvested RSU shall lapse automatically on the earliest of:

- (a) the date on which the Grantee commits a breach of paragraph 8;
- (b) the expiry of the periods referred to in this paragraph 9;
- (c) the expiry of the periods referred to in paragraph 12;
- (d) the date the compromise or arrangement referred to in paragraph 12 becomes effective;
- (e) the date of the commencement of the winding-up of the Company in respect of the situation contemplated in paragraph 12;
- (f) if a RSU was granted subject to certain conditions, restrictions or limitation, the date on which the Administrator resolves that the Grantee has failed to satisfy or comply with such conditions, restrictions or limitation;
- (g) in respect of a Grantee being a Service Provider (whether individual or corporation), the date on which the Board resolves that such Grantee fails to comply with any provisions of the relevant contracts, or breaches its fiduciary duty under the common law; and

- (h) the occurrence of such event or expiry of such period as may have been specifically provided for in the Grant Agreement, if any.

10. CANCELLATION OF UNVESTED RSUS

Subject to the consent from the relevant Grantee, the Administrator may at its sole and absolute discretion cancel RSUs previously granted but not yet vested to a Grantee. The Grantee whose RSUs are cancelled pursuant to this paragraph 10 may be granted new RSUs in accordance with the terms of the 2023 RSU Plan, provided that there are sufficient unused RSUs (excluding such cancelled RSUs) available for such re-grant under the 2023 RSU Plan Mandate Limit. The RSUs cancelled shall be regarded as utilised for the purpose of calculating the 2023 RSU Plan Mandate Limit.

11. REORGANISATION OF CAPITAL STRUCTURE

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

Any Required 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 a Share would be issued at less than their nominal value (the “**Adjustment Requirements**”).

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

I. Capitalisation issue or rights issue

$$Q = Q_0 \times F$$

Where

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

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

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

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

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

M = entitlement per existing Share

R = subscription price

II. Consolidation or subdivision of share capital

$$Q = Q_0 \times F$$

Where

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

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

F = consolidation or subdivision factor

In respect of any Required Adjustments, other than any made on a capitalisation issue, an independent financial adviser or the auditors of the Company shall certify in writing to the Administrator that the adjustments satisfy the Adjustment Requirements.

References to Shares in the 2023 RSU Plan shall be construed to include any shares or securities resulting from a Required Adjustment.

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

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

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

In the event a notice is given by the Company to its Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company when the Company is solvent, the Company shall on the day of such notice to each Shareholder or as soon as practicable thereafter, give notice thereof to all Grantees (together with a notice of the existence of this sub-paragraph). Thereupon all unvested RSUs shall vest immediately in the respective Grantee, and the Company shall, as soon as possible and in any event no later than the Business Day immediately prior to the date

of the proposed general meeting referred to above, allot and issue the relevant Shares to the Grantee credited as fully paid, which Shares shall rank pari passu with all other Shares in issue as at the date prior to the passing the resolution to wind-up the Company to participate in the distribution of assets of the Company available in liquidation.

13. ALTERATION

The terms of the 2023 RSU Plan may be altered in any respect by resolution of the Board or the Administrator to the extent allowed by the Listing Rules except that the following alterations must be approved by the Shareholders in general meeting:

- (a) any alterations to the terms and conditions of the 2023 RSU Plan 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 Eligible Participants;
- (c) any change to the authority of the Directors or the Administrators to alter the terms of the 2023 RSU Plan.

Any amendment to the terms of the Awards granted to a Grantee (except where the changes take effect automatically under the existing terms of the 2023 RSU Plan) shall be approved by the Board, the compensation committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Awards was approved by the Board, the compensation committee, the independent non-executive Directors and/or the Shareholders (as the case may be).

The amended terms of the 2023 RSU Plan or the Awards granted shall comply with the relevant requirements of the Chapter 17 of the Listing Rules.

14. TERMINATION

The 2023 RSU Plan shall terminate on the earlier of: (a) the end of the life of the 2023 RSU Plan as set out in paragraph 3; and (b) such date of early termination as determined by the Board, following which no further Award shall be granted under the 2023 RSU Plan, but the provisions of the 2023 RSU Plan shall remain in full force and effect in all other respects. In particular, all Awards granted prior to the termination shall continue to be valid, and shall be administered in accordance with the 2023 RSU Plan and the relevant Grant Agreement.

NOTICE OF EXTRAORDINARY GENERAL MEETING



GENOR BIOPHARMA HOLDINGS LIMITED

嘉和生物藥業(開曼)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6998)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (“EGM”) of Genor Biopharma Holdings Limited (the “**Company**”) will be held at Room 401-17, Building 6, 690 Bibo Road, Pudong New District, Shanghai, China on Friday, 27 October 2023 at 10:00 a.m. and to consider and, if thought fit, pass, with or without amendments, the following resolutions:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the approval for the listing of, and permission to deal in, the shares of the Company (the “**Shares**”) which may fall to be allotted and issued pursuant to the exercise of any options that may be granted under the 2023 share option plan of the Company (the rules of which are contained in the document marked “A” produced to the EGM and initialed by the chairman of the EGM for the purpose of identification) (the “**2023 Share Option Plan**”), the 2023 Share Option Plan be and is hereby approved and adopted and the directors (the “**Directors**”) and the compensation committee (the “**Compensation Committee**”) of the Company be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2023 Share Option Plan including without limitation:
 - (i) to administer the 2023 Share Option Plan;
 - (ii) to modify and/or amend the 2023 Share Option Plan from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2023 Share Option Plan relating to modification and/or amendment and subject to Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”);

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (iii) to allot and issue from time to time such number of Shares as may be required to be allotted and issued pursuant to the exercise of the options granted under the 2023 Share Option Plan;
 - (iv) to make application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in any Shares which may thereafter from time to time be allotted and issued pursuant to the exercise of the options granted under the 2023 Share Option Plan; and
 - (v) to consent, if they deem fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the 2023 Share Option Plan.”
- 2. “**THAT** the plan mandate limit of the 2023 Share Option Plan (being 21,449,808 Shares) be and is hereby approved and adopted.”
- 3. “**THAT:**
 - (a) 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 which may fall to be allotted and issued pursuant to the vesting of the restricted share units (the “**RSUs**”) that may be granted under the 2023 restricted share unit plan (the rules of which are contained in the document marked “**B**” produced to the EGM and initialed by the chairman of the EGM for the purpose of identification) (the “**2023 RSU Plan**”), the 2023 RSU Plan be and is hereby approved and adopted and the Directors and the Compensation Committee be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2023 RSU Plan including without limitation:
 - (i) to administer the 2023 RSU Plan;
 - (ii) to modify and/or amend the 2023 RSU Plan from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2023 RSU Plan relating to modification and/or amendment and subject to Chapter 17 of the Listing Rules;
 - (iii) to allot and issue from time to time such number of Shares as may be required to be allotted and issued pursuant to the vesting of the RSUs granted under the 2023 RSU Plan;
 - (iv) to make application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in any Shares which may thereafter from time to time be allotted and issued pursuant to the vesting of the RSUs granted under the 2023 RSU Plan; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (v) to consent, if they deem fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the 2023 RSU Plan.”
4. “**THAT** the plan mandate limit of the 2023 RSU Plan (being 5,964,556 Shares) be and is hereby approved and adopted.”
5. “**THAT** conditional upon the 2023 Share Option Plan taking effect, the grant of 5,579,054 options to Dr. Guo Feng (“**Dr. Guo**”), an executive director and chief executive officer of the Company, under the 2023 Share Option Plan to subscribe for 5,579,054 Shares at the exercise price of HK\$1.50 per Share and on the terms and conditions set out in the circular to the shareholders of the Company dated 12 October 2023 (the “**Circular**”) be and is hereby confirmed and approved, and that any one Director of the Company be and is hereby authorised to do all such acts and/or execute all such documents as may be necessary or expedient in order to give effect to the foregoing.”
6. “**THAT** conditional upon the 2023 RSU Plan taking effect, the grant of 4,210,000 RSUs to Dr. Guo under the 2023 RSU Plan on the terms and conditions set out in the Circular be and is hereby confirmed and approved, and that any one Director of the Company be and is hereby authorised to do all such acts and/or execute all such documents as may be necessary or expedient in order to give effect to the foregoing.”

By Order of the Board
Genor Biopharma Holdings Limited
Dr. Guo Feng
Executive Director, Chief Executive Director and Chairman

Hong Kong, 12 October 2023

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Listing Rules. The results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the above meeting. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the above meeting (i.e. not later than 10:00 a.m. on Wednesday, 25 October 2023 (Hong Kong time)) or any adjournment thereof (as the case may be). Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining shareholders' entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Tuesday, 24 October 2023 to Friday, 27 October 2023, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the meeting, all transfer of Shares accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 20 October 2023.

In the event that the meeting is adjourned to a date later than Friday, 27 October 2023 due to bad weather conditions or other reasons, the period of closure of the register of members of the Company for determination of shareholders' entitlement to attend and vote at the above meeting will remain the same as stated above.

As at the date of this notice, the Board comprises Dr. GUO Feng as an executive Director; Dr. LYU Dong, Mr. CHEN Yu and Mr. LIU Yi as non-executive Directors; and Mr. ZHOU Honghao, Mr. FUNG Edwin and Mr. CHEN Wen as independent non-executive Directors.