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

This circular appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



Jenscare
健世科技

Jenscare Scientific Co., Ltd.
寧波健世科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 9877)

- (1) PROPOSED GRANTING OF REPURCHASE MANDATE TO
REPURCHASE H SHARES;
(2) PROPOSED ADOPTION OF
THE H SHARE AWARD AND TRUST SCHEME;
(3) PROPOSED AUTHORIZATION TO THE BOARD AND/OR
THE DELEGATEE(S) TO HANDLE MATTERS PERTAINING TO
THE H SHARE AWARD AND TRUST SCHEME;
(4) PROPOSED SALE OF EQUITY INTEREST IN THE TARGET COMPANY;
AND
(5) NOTICE OF THE 2023 SECOND EXTRAORDINARY GENERAL MEETING**

Capitalized terms used in this cover page shall have the same meanings as defined in this circular.

A notice convening the EGM of Jenscare Scientific Co., Ltd. to be held at Meeting Room, 3/F, Block 5, B Area, No. 777 Binhai 4th Road, Hangzhou Bay New Area, Ningbo, Zhejiang Province, PRC on Friday, December 15, 2023 at 2:00 p.m. is set out on pages EGM-1 to EGM-4 of this circular.

A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Company (www.jenscare.com). If you are not able to attend the EGM, please complete and return the form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof, and deposit it together with the notarized power of attorney or other document of authorization to (i) the Company's headquarters in the PRC at Block 5, B Area, No. 777 Binhai 4th Road, Hangzhou Bay New Area, Ningbo, Zhejiang Province, PRC (for holders of Unlisted Shares); or (ii) the H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares).

Completion and return of the form of proxy will not preclude you from attending and voting at the EGM should you so wish and in such event, the proxy shall be deemed to be revoked.

Reference to times and dates in this circular are to Hong Kong local times and dates.

November 29, 2023

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DEFINITIONS

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

“Adoption Date”	the date on which the Shareholders approve the H Share Scheme
“Articles” or “Articles of Association”	the articles of association of the Company as amended from time to time
“Award”	an award granted by the Board and/or the Delegatee(s) to a Selected Participant, pursuant to the H Share Scheme, which may vest in the form of Award Shares or the actual selling price of the Award Shares in cash, as the Board and/or the Delegatee(s) may determine in accordance with the terms of the H Share Scheme Rules
“Award Letter”	letter issued by the Company to each Selected Participant in such form as the Board and/or the Delegatee(s) may from time to time determine, specifying the Grant Date, the manner of acceptance of the Award, the value of the Award and/or number of Award Shares underlying the Award (with the basis on which the number of Award Shares underlying the Award is arrived at), the vesting criteria and conditions, and the Vesting Date and such other details, terms and conditions as they may consider necessary and in compliance with the H Share Scheme
“Award Period”	the period commencing on the Adoption Date, and ending on the Business Day immediately prior to the 5th anniversary of the Adoption Date
“Award Shares”	the H Shares granted to a Selected Participant as an Award under the H Share Scheme
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities

DEFINITIONS

“Company” or “our Company”	Jenscare Scientific Co., Ltd. (寧波健世科技股份有限公司), a joint stock company incorporated in the PRC with limited liability on March 23, 2021, whose H Shares are listed on the main board of the Stock Exchange (Stock Code: 9877) or, where the context requires (as the case may be), its predecessor Ningbo Jenscare Biotechnology Co., Ltd (寧波健世生物科技有限公司), a limited liability company established in the PRC on November 8, 2011
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Delegatee(s)”	the person(s) or board committee(s) to which the Board will delegate its authority
“Director(s)”	the directors of the Company or any one of them
“Disposal”	the transfer of approximately 22.48% of the equity interests in the Target Company by the Company to the Purchaser pursuant to the proposed Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement in relation to the Disposal to be entered into between the Company, the Purchaser and the Target Company subject to approval by way of a special resolution by the Shareholders at the EGM and upon satisfaction of the conditions precedent contained therein
“Domestic Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and are unlisted Shares which are currently not listed or traded in any stock exchange
“EGM”	the 2023 second extraordinary general meeting of the Company to be held on December 15, 2023

DEFINITIONS

“Eligible Participant(s)”	any full-time PRC or non-PRC employee of any member of the Group, who is a Director, senior management, key operating team member or employee; however, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the H Share Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board and/or the Delegatee(s), in compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the H Share Scheme and such individual shall therefore be excluded therefrom
“Global Offering”	the global offering (Hong Kong Public Offering and the International Offering) of the H Shares, details of which are set forth in the Prospectus
“Grant Date”	the date of an Award Letter, on which the grant of an Award is made to a Selected Participant
“Group”	the Company and its subsidiaries from time to time, and the expression member of the Group shall be construed accordingly
“HK\$”	the lawful currency in Hong Kong
“H Share(s)”	overseas listed foreign invested ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed and traded on the Stock Exchange
“H Share Award and Trust Scheme” or “H Share Scheme”	the H Share Award and Trust Scheme proposed to be adopted by the Company subject to the approval by the Shareholders at the EGM
“H Share Scheme Limit”	the maximum size of the H Share Scheme, being the maximum number of H Shares that will be acquired by the Trustee through on-market transactions from time to time at the prevailing market price, and in any case not more than 13,159,063 H Shares
“H Share Scheme Rules”	the rules governing the operation of the H Share Scheme as well as the implementation procedure (as amended from time to time)

DEFINITIONS

“H Shareholder(s)”	the holder(s) of H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	November 23, 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“on-market”	the acquisition of H Shares of the Company through one or more transactions through the facilities of the Stock Exchange in accordance with the Listing Rules and any other applicable laws and regulations
“PRC”	the People’s Republic of China, for the purpose of this circular, excluding the regions of Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus of the Company dated September 23, 2022
“Purchaser”	Shanghai Lingqie Medical Technology Co., Ltd. (上海瓊挈醫療科技有限公司), a limited liability company established under the laws of the PRC on November 6, 2023
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors as set out in item 3 of the notice of the EGM
“Returned Shares”	such Award Shares which failed to be vested and/or are lapsed, cancelled or forfeited in accordance with the terms of the H Share Scheme, or such H Shares being deemed to be returned shares under the H Share Scheme Rules
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	24,975,868 ordinary shares of the Target Company to be sold by the Company to the Purchaser, representing approximately 22.48% of the equity interests of the Target Company

DEFINITIONS

“Selected Participant(s)”	any Eligible Participant who, in accordance with the H Share Scheme Rules, is approved for participation in the H Share Scheme, and has been granted any Award thereunder or (where the context so permits) any person who is entitled in accordance with the H Share Scheme Rules to any Award in consequence of the death of the original Selected Participants
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, comprising Domestic Share(s), Unlisted Foreign Share(s) and H Share(s)
“Shareholder(s)”	the holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC from time to time
“Target Company”	Starway Medical Technology, Inc. (北京華醫聖傑科技有限公司), a limited liability company established under the laws of the PRC on February 6, 2002
“Trust”	the trust constituted by the Trust Deed to service the H Share Scheme
“Trust Deed”	the trust deed to be entered into between the Company and the Trustee (as may be restated, supplemented and amended from time to time)
“Trustee”	the trustee appointed by the Company for the purpose of the Trust, and initially, Trident Trust Company (HK) Limited, a company incorporated in Hong Kong and having its registered office at 14/F, Golden Centre, 188 Des Voeux Road Central, Hong Kong

DEFINITIONS

“Unlisted Foreign Share(s)”	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid for in currency other than RMB by foreign investors and are not listed on any stock exchange
“Unlisted Share(s)”	Domestic Shares and Unlisted Foreign Shares
“Valuation Benchmark Date”	June 30, 2023
“Valuation Report”	the asset valuation report in respect of the appraised value of the entire equity interest held by the Company in the Target Company as at the Valuation Benchmark Date issued by the Valuer
“Valuer”	Shanghai Lixin Appraisal Co., Ltd. (上海立信資產評估有限公司), an independent third-party valuer appointed by the Company
“Vesting Date”	the date or dates, as determined from time to time by the Board and/or the Delegatee(s) on which the Award (or part thereof) is to vest in the relevant Selected Participant as set out in the relevant Award Letter
“Vesting Period”	the vesting period(s) of the Awards granted under the H Share Scheme
“%”	percent

LETTER FROM THE BOARD



Jenscare
健世科技

Jenscare Scientific Co., Ltd. 寧波健世科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 9877)

Executive Directors:

Mr. LV Shiwen (Chairman)
Mr. PAN Fei

Non-executive Directors:

Mr. TAN Ching
Mr. ZHENG Jiaqi
Ms. XIE Youpei
Mr. CHEN Xinxing

Independent Non-executive Directors:

Dr. LIN Shoukang
Ms. DU Jiliu
Dr. MEI Lehe

*Registered office, headquarters and
principal place of business in the PRC:*

Block 5, B Area
No. 777 Binhai 4th Road
Hangzhou Bay New Area
Ningbo, Zhejiang Province
PRC

*Principal place of business in
Hong Kong:*

40/F, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

November 29, 2023

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED GRANTING OF REPURCHASE MANDATE TO
REPURCHASE H SHARES;
(2) PROPOSED ADOPTION OF
THE H SHARE AWARD AND TRUST SCHEME;
(3) PROPOSED AUTHORIZATION TO THE BOARD AND/OR
THE DELEGATEE(S) TO HANDLE MATTERS PERTAINING TO
THE H SHARE AWARD AND TRUST SCHEME;
(4) PROPOSED SALE OF EQUITY INTEREST IN THE TARGET COMPANY;
AND
(5) NOTICE OF THE 2023 SECOND EXTRAORDINARY GENERAL MEETING**

I. INTRODUCTION

Reference is made to the announcement of the Company dated November 28, 2023 in relation to, among other things, (i) the proposed granting of the Repurchase Mandate; (ii) the proposed adoption of the H Share Award and Trust Scheme; (iii) the proposed authorization to the Board and/or the Delegatee(s) to handle matters pertaining to the H Share Award and Trust Scheme; (iv) the proposed sale of equity interest in the Target Company; and (v) a notice convening the EGM.

LETTER FROM THE BOARD

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the EGM to enable you to make an informed decision on voting in respect of the proposed resolutions at the EGM. For the details of the proposed resolutions at the EGM, please refer to the notice of EGM.

II. PROPOSED GRANTING OF REPURCHASE MANDATE TO REPURCHASE H SHARES

In order to give the Company the flexibility to repurchase Shares if and when appropriate, a special resolution will be proposed at the EGM to approve the granting of the Repurchase Mandate to the Directors to repurchase H Shares on the Stock Exchange of not exceeding 10% of the total number of issued H Shares of the Company as of the date of passing of the proposed special resolution at the EGM. The Repurchase Mandate shall be subject to the consideration and approval by the Shareholders at the EGM.

The Directors wish to state that they have no immediate plan to repurchase any H Shares pursuant to the Repurchase Mandate. Pursuant to Rule 10.06(5) of the Listing Rules, the listing of all H Shares which are repurchased by the Company (whether on exchange or otherwise) shall be automatically cancelled upon repurchase. The Company will ensure that the documents of title of the repurchased H Shares are cancelled and destroyed as soon as practicable following settlement of any such repurchase.

Further details of the special resolution to be passed with respect to the grant of the Repurchase Mandate to repurchase H Shares are set out in Appendix I to this circular. An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate is set out in Appendix II to this circular.

III. PROPOSED ADOPTION OF THE H SHARE AWARD AND TRUST SCHEME

As disclosed in the announcement of the Company dated November 28, 2023, the Board has proposed to adopt the H Share Scheme and a special resolution will be proposed at the EGM to consider and approve the adoption of the H Share Scheme. The H Share Scheme shall be effective upon the approval by the Shareholders at the EGM.

The full text of the H Share Scheme Rules is set out in Appendix III to this circular.

(a) Purposes of the H Share Scheme

The purposes of the H Share Scheme are:

- (i) to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company;

LETTER FROM THE BOARD

- (ii) to deepen the reform on the Company's remuneration system and to develop and constantly improve the interests balance mechanism among the Shareholders, the operational and executive management; and
- (iii) to (a) recognize the contributions of the leadership of the Company including the Directors; (b) encourage, motivate and retain the leadership of the Company whose contributions are beneficial to the continual operation, development and long-term growth of the Group; and (c) provide additional incentive for the leadership of the Company and long standing employee by aligning their interests to those of the Shareholders and the Group as a whole.

(b) Duration of the H Share Scheme

Subject to any early termination of the H Share Scheme pursuant to the H Share Scheme Rules, the H Share Scheme shall be valid and effective for five years commencing from the date on which the H Share Scheme is approved by the Shareholders at the EGM (after which no further Awards under the H Share Scheme shall be granted), and thereafter for so long as there are any non-vested Award Shares granted under the H Share Scheme prior to the expiration of the H Share Scheme, in order to give effect to the vesting of such Award Shares or otherwise as may be required in accordance with the H Share Scheme Rules.

(c) Source of Funds

The source of funds for funding the H Share Scheme is the internal funds of the Company other than the proceeds raised from the Global Offering.

(d) Source of Award Shares and Acquisition of H Shares by the Trustee

The source of the Award Shares under the H Share Scheme shall be H Shares to be acquired by the Trustee through on-market transactions at the prevailing market price in accordance with the instructions of the Company and the relevant provisions of the H Share Scheme Rules. The Board may specify in the instructions given to the Trustee with respect to the acquisition of H Shares any conditions or terms, including without limitation, the specified price or range of prices for the acquisition, the maximum amount of funds to be used for the acquisition, and/or the maximum number of H Shares to be acquired.

The Company shall as soon as reasonably practicable, for the purposes of satisfying the grant of Awards, transfer to the Trust the necessary funds and instruct the Trustee to acquire H Shares through on-market transactions at the prevailing market price. The Trustee shall as soon as reasonably practicable thereafter proceed to acquire such number of H Shares as instructed by the Company on-market at the prevailing market price.

LETTER FROM THE BOARD

The Company shall instruct the Trustee whether or not to apply any Returned Shares to satisfy any grant of Awards made, and if the Returned Shares, as specified by the Company, are not sufficient to satisfy the Awards granted, the Company shall, as soon as reasonably practicable, for purposes of satisfying the Awards granted, transfer to the Trust the necessary funds and instruct the Trustee to acquire further H Shares through on-market transactions at the prevailing market price.

(e) H Share Scheme Limit

Subject to the H Share Scheme Rules, the H Share Scheme Limit shall be the maximum number of H Shares that will be acquired by the Trustee through on-market transactions from time to time at the prevailing market price, and in any case not more than 13,159,063 H Shares. The Company proposed to set the H Share Scheme Limit in terms of the number of H Shares which can be so acquired by the Trustee in order to (i) regulate the costs of the Company in setting up the H Share Scheme; and (ii) provide Shareholders with clarity on the financial outlay on the H Share Scheme.

The maximum number of H Shares that can be purchased for the purpose of the H Share Scheme constitute 10% of the total number of issued H Shares as of the date the proposed special resolution is passed at the EGM and approximately 3.15% of the Company's total number of issued Shares as of the date of this circular. The ultimate number of H Shares underlying the H Share Scheme will depend on the actual implementation of the acquisition of H Shares by the Trustee but in any case being not more than 13,159,063 H Shares.

The Company shall not make any further grant of Award which will result in the aggregate number of H Shares underlying all grants made pursuant to the H Share Scheme (excluding Award Shares that have been forfeited in accordance with the H Share Scheme) to exceed the H Share Scheme Limit without Shareholders' prior approval. The H Share Scheme Limit shall not be subject to any refreshment.

(f) Administration of the H Share Scheme

The H Share Scheme shall be subject to the administration of the following administrative bodies:

- (a) the general meeting of the Shareholders, as the institution vested with the supreme authority of the Company, is responsible for the consideration and approval of the adoption of the H Share Scheme. The general meeting of the Shareholders may authorize the Board and/or the Delegatee(s) to deal with all matters relating to the H Share Scheme to the extent of its authority;

LETTER FROM THE BOARD

- (b) the Board is the institution in charge of the administration of the H Share Scheme in accordance with the H Share Scheme Rules and where applicable, the Trust Deed. A decision of the Board and/or the Delegatee(s) shall be final and binding on all persons affected. The chairman of the Board shall be responsible for drafting and revising the H Share Scheme and submitting the same to the Board for consideration. Upon consideration and approval of the H Share Scheme, the Board will submit the H Share Scheme to the general meeting of the Shareholders for consideration. The Board and/or the Delegatee(s) may handle all matters relating to the H Share Scheme within the authorization granted at the general meeting of the Shareholders;
- (c) the independent non-executive Directors are the supervisory institution of the H Share Scheme and shall express their views on whether the H Share Scheme facilitates the sustainable development of the Company and whether the H Share Scheme impairs the interests of the Company and the Shareholders as a whole. The independent non-executive Directors shall supervise whether the implementation of the H Share Scheme complies with relevant laws, regulations, regulatory documents, the relevant provisions of the Articles of Association and the Listing Rules, and is responsible for reviewing the list of Selected Participants; and
- (d) the Trust will be constituted to service the H Share Scheme whereby the Trustee shall, subject to the relevant provisions of the Trust Deed and upon the instruction of the Company, acquire not more than 13,159,063 H Shares through on-market transactions with funds to be transferred by the Company to the Trust.

Pursuant to the H Share Scheme Rules, the authority to administer the H Share Scheme may be delegated by the Board to the Delegatee(s) as deemed appropriate at the sole and absolute discretion of the Board. Upon the approval and adoption of the H Share Scheme by the Shareholders at the EGM, the Board and/or the Delegatee(s) will have the authority to administer the H Share Scheme, including the power to grant an Award under the H Share Scheme.

(g) Selected Participants of the H Share Scheme

Eligible Participants who may participate in the H Share Scheme include any full-time PRC or non-PRC employee of any member of the Group, who is a Director, senior management, key operating team member or employee of the Group.

The Board and/or the Delegatee(s) may, from time to time, select any Eligible Participant to be a Selected Participant in accordance with the H Share Scheme Rules.

LETTER FROM THE BOARD

The Selected Participants are determined in accordance with the Company Law of the PRC, the Securities Law of the PRC and other applicable laws, regulations and regulatory documents and the relevant provisions of the Articles of Association, together with the Company's actual circumstances and matters including the present and expected contribution of the relevant Selected Participant to the Group.

No one should be considered as a Selected Participant of the H Share Scheme if he/she:

- (a) has been publicly reprimanded or deemed as an inappropriate candidate for similar award schemes or share incentive plans of a listed company by any securities regulatory bodies with authority in the last 12 months;
- (b) has been imposed with penalties or is banned from trading securities by securities regulatory bodies due to material non-compliance with laws or regulations in the last 12 months;
- (c) is in breach of relevant national laws and regulations or the Articles of Association; or
- (d) has caused losses to the Company during his/her term of service due to soliciting bribes, corruption and theft, disclosure of the operation and technology secrets of the Company, infringement of company interest through connected transactions and any acts which cause damage to the reputation and image of the Company, which can be proven with sufficient evidence by the Company.

The Selected Participant shall undertake that if any of the above provisions occur during the implementation of the H Share Scheme which would prevent him/her from being considered as a Selected Participant, he/she shall give up his/her rights to participate in the H Share Scheme and shall not be given any compensation.

(h) Grant of Awards

The Board and/or the Delegatee(s) may grant Awards to Selected Participants during the Award Period conditional upon fulfillment of terms and conditions of the Awards and performance targets as the Board and/or the Delegatee(s) determines from time to time. Each grant of an Award to any connected person of the Group shall be subject to the Listing Rules and any applicable laws and regulations.

No grant of any Award Shares to any Selected Participant may be made and no directions or recommendations shall be given to the Trustee with respect to a grant of an Award under certain circumstances including:

- (i) where the requisite approval from any applicable regulatory authorities or Shareholders has not been granted;

LETTER FROM THE BOARD

- (ii) where any member of the Group will be required under applicable securities laws, rules or regulations to issue a prospectus or other offer documents in respect of such Award or the H Share Scheme;
- (iii) where such Award would result in a breach by any member of the Group or its directors of any applicable securities laws, rules or regulations in any jurisdiction;
- (iv) where such grant of Award would result in a breach of the H Share Scheme Limit;
- (v) after the expiry of the Award Period or after the earlier termination of the H Share Scheme;
- (vi) where any Director is in possession of unpublished inside information (as defined under Part XIVA of the SFO) in relation to the Company or where any Director reasonably believes there is inside information which must be disclosed pursuant to Rule 13.09(2)(a) of the Listing Rules and Part XIVA of the SFO or where dealings by Directors are prohibited under any code or requirement of the Listing Rules or any applicable laws, rules or regulations;
- (vii) during the period of 60 days immediately preceding the publication date of the annual results of the Group or, if shorter, the period from the end of the relevant financial year up to the publication date of such results; and
- (viii) during the period of 30 days immediately preceding the publication date of the quarterly or half-year results of the Group or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of such results.

(i) Vesting of the Awards

The Board and/or the Delegatee(s) may determine the vesting criteria and conditions or periods for the Awards to be vested.

(A) Vesting Schedule

Subject to the vesting criteria and conditions set out in the H Share Scheme Rules, the vesting period for all Awards under the H Share Scheme shall be determined by the Board and/or the Delegatee(s). The specific commencement and duration of each Vesting Period and the actual vesting amount of the Award granted to a Selected Participant for the respective Vesting Periods shall be specified in the Award Letter approved by the Board and/or the Delegatee(s).

LETTER FROM THE BOARD

The Vesting Periods of the Awards granted under the H Share Scheme or the Awards to be satisfied by the application of any Returned Shares shall be determined by the Board and/or the Delegatee(s) in its sole and absolute discretion, and shall in any event not extend beyond the then remaining term of the Award Period at the time of grant.

(B) Vesting Conditions

Vesting of the Awards granted under the H Share Scheme is subject to the conditions of the performance indicators of the Company and any other applicable vesting criteria and conditions as set out in the Award Letter.

The details of the performance indicators of the Company shall be determined by the Board and/or the Delegatee(s) from time to time with reference to the business performance and financial condition of the Company and the then market conditions and shall be set out in the Award Letter.

If the Selected Participant fails to fulfill the vesting criteria and conditions applicable to the relevant Awards, all the Award Shares underlying the relevant Awards which may otherwise be vested during the respective Vesting Periods shall not be vested and become immediately lapsed or forfeited with respect to such Selected Participant.

(j) Transfer and Sale of Award Shares

For the purpose of vesting of the Award, the Board and/or the Delegatee(s) may either:

- (a) direct and procure the Trustee to release from the Trust the Award Shares to the Selected Participants by transferring the number of Award Shares to the Selected Participants in such manner as determined by them from time to time; or
- (b) to the extent that, at the determination of the Board and/or the Delegatee(s), it is not practicable for the Selected Participant to receive the Award in H Shares solely due to legal or regulatory restrictions with respect to the Selected Participant's ability to receive the Award in H Shares or the Trustee's ability to give effect to any such transfer to the Selected Participant, the Board and/or the Delegatee(s) will direct and procure the Trustee to sell, on-market at the prevailing market price, the number of Award Shares so vested in respect of the Selected Participant and pay the Selected Participant the proceeds in cash arising from such sale based on the actual selling price of such Award Shares as set out in the vesting notice.

LETTER FROM THE BOARD

In accordance with the H Share Scheme Rules, barring any unforeseen circumstances, within a reasonable time period as agreed between the Trustee and the Board from time to time prior to any Vesting Date, the Board and/or the Delegatee(s) shall send to the relevant Selected Participant the vesting notice. The Board and/or the Delegatee(s) shall forward a copy of the vesting notice to the Trustee and instruct the Trustee the extent to which the Award Shares held in the Trust shall be transferred and released from the Trust to the Selected Participant in the manner as determined by the Board and/or the Delegatee(s), or be sold as soon as practicable from the Vesting Date.

Subject to the receipt of the vesting notice and the instructions from the Board and/or the Delegatee(s) and payment of the exercise price by the Selected Participant, the Trustee shall transfer and release the relevant Award Shares to the relevant Selected Participant in the manner as determined by the Board and/or the Delegatee(s) or sell the relevant Award Shares as soon as practicable from the Vesting Date and pay the actual selling price to the Selected Participant within a reasonable time period in satisfaction of the Award.

(l) Interest in the Award Shares

Any Award granted hereunder but not yet vested shall be personal to the Selected Participant to whom it is made and shall not be assignable or transferable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any other person over or in relation to any Award, or enter any agreement to do so.

Neither the Selected Participant nor the Trustee may exercise any voting rights attached to any H Shares held by the Trustee under the Trust (including any Award Shares that have not yet vested).

Any dividend underlying the non-vested Award Shares shall be retained by the Trustee, and transferred to the Selected Participant together with the Award Shares upon vesting. In the event that the Award Shares are to be forfeited, such underlying dividend shall be transferred back to the Company.

(m) Occurrence of Certain Events Pertaining to the Company

(A) *Change in control*

If there is an event of change in control (as defined under the Takeovers Code) of the Company by way of a merger, privatization of the Company by way of a scheme or by way of an offer, change of actual control of the Company involving reorganization of major assets, the Company no longer exists after merger with another company, division of the Company, or resolution of the general meeting of the Shareholders to replace half of all members of the Board before the expiry of the term of office of the Board, the Board and/or the Delegatee(s) shall in its sole and absolute discretion determine whether this H Share Scheme shall be terminated within 5 trading days upon the change in control of the Company.

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Pursuant to the H Share Scheme Rules, (i) no instructions may be given by a Selected Participant to the Trustee in respect of the Award or any other property of the Trust and the Trustee shall not follow instructions given by a Selected Participant to the Trustee in respect of the Award or any other property of the Trust; and (ii) neither the Selected Participant nor the Trustee may exercise any voting rights attached to any H Shares held by the Trustee under the Trust (including any Award Shares that have not yet vested). As such, neither the Selected Participant nor the Trustee has a right to accept or decline any offer in connection with a privatization of the Company and in turn has no entitlement to the consideration of such offer.

(B) Open offer and rights issue

In the event the Company undertakes an open offer of new securities, the Trustee shall not subscribe for any new H Shares. In the event of a rights issue, the Trustee shall seek instruction from the Company on the steps or actions to be taken in relation to the nil-paid rights allotted to it.

(C) Consolidation or sub-division of shares

In the event the Company undertakes a capitalization issue, rights issue, sub-division, consolidation or reduction of the H Shares, corresponding changes will be made to the number of outstanding Award Shares that have been granted provided that the adjustments shall be made in such manner as the Board determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the H Share Scheme for the Selected Participants. All fractional shares (if any) arising out of such capitalization issue, rights issue, sub-division, consolidation or reduction in respect of the Award Shares of a Selected Participant shall be deemed as Returned Shares and shall not be transferred to the relevant Selected Participant on the relevant Vesting Date.

(n) Alteration or Termination of the H Share Scheme

(A) Alteration of the H Share Scheme

Subject to the H Share Scheme Limit, the H Share Scheme may be altered or supplemented in any respect by a resolution of the Board provided that no such alteration shall operate to affect materially and adversely any subsisting rights of any Selected Participant.

(B) Termination of the H Share Scheme

The H Share Scheme shall terminate on the earlier of (i) the end of the Award Period except in respect of any non-vested Award Shares granted hereunder prior to the expiration of the H Share Scheme, for the purpose of giving effect to the vesting of such Award Shares or otherwise as may be required in accordance with the provisions of the H Share Scheme; or (ii) such

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date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Participant under the H Share Scheme.

(o) Reasons for and Benefits of the Adoption of the H Share Scheme

Please refer to the section headed “III. Proposed Adoption of the H Share Award and Trust Scheme — (a) Purposes of the H Share Scheme” in this circular. The Directors are of the view that the adoption of the H Share Scheme will realize the aforesaid goals, and that the terms and conditions of the H Share Scheme are on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(p) Implications Under the Listing Rules

The H Share Scheme involves no issue of new shares or granting of options for any new securities of the Company. Thus, it does not constitute a share scheme involving issue of new shares as defined and regulated under Chapter 17 of the Listing Rules. The H Share Scheme constitutes a share scheme funded by existing shares under Chapter 17 of the Listing Rules and shall therefore be subject to the applicable requirements under Rule 17.12 of the Listing Rules.

Any grant of an Award to any connected person of the Company will be subject to compliance with Chapter 14A of the Listing Rules unless otherwise exempted under the Listing Rules.

IV. PROPOSED AUTHORIZATION TO THE BOARD AND/OR THE DELEGATEE(S) TO HANDLE MATTERS PERTAINING TO THE H SHARE AWARD AND TRUST SCHEME

In order to ensure the successful implementation of the H Share Scheme, a special resolution will be proposed at the EGM that the Shareholders also grant an authorization to the Board and/or the Delegatee(s) to deal with matters in relation to the H Share Scheme with full authority, including but not limited to:

- (i) to authorize the Board to consider and appoint its chief executive officer and/or chief financial officer as its Delegatee(s) for the purpose of the H Share Scheme;
- (ii) to authorize the Delegatee(s) to enter into the Trust Deed on behalf of the Company with the Trustee and to affix the company seal onto such Trust Deed, pursuant to which the Trustee will provide trust services for the H Share Scheme;
- (iii) to authorize the Board to consider and approve the plan management agreement and to authorize the Delegatee(s) to enter into the plan management agreement with the Trustee on behalf of the Company, pursuant to which the Trustee will provide plan management services in respect of the H Share Scheme;

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- (iv) to authorize the Board to set up a cash securities account under the name of the Company so as to facilitate the provision of trading services and trading platform for the Selected Participants of the H Share Scheme by the Trustee;
- (v) to authorize the Board to consider and, with the consent of all Directors, authorize the Delegatee(s) to handle matters pertaining to the H Share Scheme with full authority during the validity period of the H Share Scheme, including but not limited to:
 - a. to determine the terms and conditions of the grant of Awards, approve the form and content of the Award Letter, select Eligible Participants to become Selected Participants, and grant Awards to Selected Participants from time to time;
 - b. to determine the Grant Date and Vesting Date of Award Shares;
 - c. to administer, amend and adjust the H Share Scheme, including but not limited to adjusting the number of outstanding Award Shares or accelerating the Vesting Dates of any Awards, provided that the H Share Scheme Limit shall not be adjusted and if such amendments require the approval by the Shareholders and/or relevant regulatory authorities pursuant to the relevant laws, regulations or requirements of the relevant regulatory authorities, the Board and/or the Delegatee(s) shall obtain the corresponding authorization for such amendments;
 - d. to decide on the selection, engagement and change of bank(s), accountant(s), lawyer(s), consultant(s) and other professional parties for the purpose of the H Share Scheme;
 - e. to sign, execute, amend and terminate all agreements and other relevant documents in connection with the H Share Scheme, fulfill all relevant procedures in relation to the H Share Scheme, and adopt other methods to implement the terms of the H Share Scheme;
 - f. to determine and adjust the standards and conditions of the vesting of the Awards as well as exercise price and the Vesting Periods, evaluate and manage the performance indicators, and to determine whether Awards granted to the Selected Participants can be vested;
 - g. to determine the execution, amendment and termination of the H Share Scheme, including the forfeiture of Awards and continued vesting of Award Shares upon the changes in circumstances pertaining to the Selected Participants;
 - h. to construe and interpret the H Share Scheme Rules and to resolve any issues and disputes arising from or in connection with the H Share Scheme;

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- i. to exercise any other authorizations in relation to matters necessary to the implementation of the H Share Scheme granted by the Shareholders' meeting from time to time;
- j. on behalf of the Company, the Delegatee(s) to execute all documents in relation to the operations of and other matters of the H Share Scheme, or providing instructions to the Trustee in relation to its operations, the execution of relevant documents in relation to the setting up of the accounts, operations of the accounts, and the setting up and operations of the cash securities account under the name of the Company with a securities company with eligible qualifications, the release of Award Shares for the purpose of the vesting of the Awards, or the sale of Award Shares on-market at the prevailing market price and pay the proceeds arising from such sale to Selected Participants, or directing and procuring the Trustee to release the Award Shares to the Selected Participants by transferring the Award Shares to the Selected Participants as determined by them from time to time, and confirming, allowing and approving all matters precedent arising from or in relation to the Trust Deed and the plan management agreement; and
- k. on behalf of the Company, approve, execute, refine, deliver, negotiate, agree on and agree to all such agreements, contracts, documents, regulations, matters and things (as the case may be) as it deems reasonable, necessary, desirable, appropriate or expedient, in order to implement and/or implement all transactions conducted accordingly, and make any reasonable alterations, amendments, changes, modifications and/or supplements as it deems necessary, desirable, appropriate or expedient. If there is a requirement to affix a company seal on any such agreement, contract or document, it has the right to sign the agreement, contract or document and affix the company seal in accordance with the Articles of Association in that case.

The aforementioned authorization to the Board and/or the Delegatee(s) shall be valid during the Award Period and the Board's implementation (including but not limited to grants), modification and termination of the H Share Scheme requires the consent of all Directors.

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V. PROPOSED SALE OF EQUITY INTEREST IN THE TARGET COMPANY

(a) Background

At the meeting of the Board held on November 28, 2023, the Board resolved that a special resolution will be proposed at the EGM to consider and approve the proposed Equity Transfer Agreement to be signed with the Purchaser pursuant to which the Company as the vendor conditionally agrees to sell, and the Purchaser conditionally agrees to purchase, the Sale Shares, representing approximately 22.48% of the entire issued share capital of the Target Company, for a consideration of RMB500 million (equivalent to approximately HK\$547.47 million).

(b) The Equity Transfer Agreement

The principal terms of the proposed Equity Transfer Agreement are set out as follows:

Parties:	(i) the Company; and (ii) the Purchaser; and (iii) the Target Company
Assets to be disposed of:	The Sale Shares, being all the equity interest held by the Company in the Target Company.
Consideration:	RMB500 million (equivalent to approximately HK\$547.47 million)
Basis of consideration:	The consideration was determined through arm's length negotiations among the parties to the proposed Equity Transfer Agreement based on the product portfolio, prospects, and the registered capital of the Target Company, as well as the appraised value of the entire equity interest held by the Company in the Target Company as at the Valuation Benchmark Date according to the Valuation Report as appraised by the Valuer.
Conditions precedent:	(1) The representations and warranties made by the Company in the Equity Transfer Agreement are true, accurate, complete and not misleading in all respects as of the signing date, the delivery date and the time of payment;

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- (2) The Company has properly performed and complied with its obligations under the Equity Transfer Agreement that need to be completed before the equity transfer price is paid;
- (3) No government agency has formulated, issued, promulgated, implemented or passed any law or governmental decree (whether temporary, initial or permanent) that would make the Disposal illegal or restrict/prevent the completion of the Disposal;
- (4) The Company has received the authorizations and approvals from various government agencies except those expressly mentioned under the Equity Transfer Agreement, as well as all relevant internal company approvals and all relevant third party consents that are necessary or required to complete the Disposal;
- (5) The Target Company has passed the relevant and applicable shareholders' meeting resolutions and/or board of directors resolutions; and
- (6) The Company has issued a signed certification letter to the Purchaser to show that the above conditions (1) to (5) have been met.

Payment Schedule: Subject to the fulfillment or waiver of the conditions precedent, the Purchaser shall pay the entire equity transfer price by wire transfer to the bank account designated by the Company within ten (10) Business Days after the closing date or other period as otherwise agreed by the parties in writing by mutual consent.

Completion: The Company and the Target Company shall complete the change of registration with the competent municipal regulatory authorities and obtain a "Change (Filing) Notice" or similar document and updated business license (if applicable) from the competent government authorities approving the change, and provide the same to the Purchaser on the closing date.

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The terms of the proposed Equity Transfer Agreement were arrived at after arm's length negotiation between the parties. The proposed Equity Transfer Agreement and the Disposal will be subject to approval by way of a special resolution by the Shareholders at the EGM.

(c) Information on the Parties

The Target Company

The Target Company is a limited liability company established under the laws of the PRC on February 6, 2002. The Target Company has a registered capital of approximately RMB111.1 million and principally engaged in the research and development, manufacturing and sales of interventional medical devices for congenital heart diseases including patent foramen ovale (PFO) occluder, ventricular septal defect (VSD) occluder, patent ductus arteriosus (PDA) occluder and atrial septal defect (ASD) occluder.

The audited net asset value of the Target Company as at December 31, 2022 was approximately RMB346.91 million.

The summary of the key financial information of the Target Company extracted from its audited financial statements for the two financial years ended December 31, 2021 and 2022, respectively is set out as follows:

	For the year ended December 31, 2022 (audited) RMB'000	For the year ended December 31, 2021 (audited) RMB'000
Net profit before taxation	120,968	91,612
Net profit after taxation	104,981	75,825

The Company

The Company is a joint stock company incorporated in the PRC with limited liability and the H Shares of which are listed on the main board of the Stock Exchange. The Company is an international medical device company dedicated to the development of interventional products for the treatment of structural heart diseases. The predecessor of the Company was established in the PRC in November 2011. Since then the Company has developed a series of treatment solutions targeting different types of structural heart diseases, including tricuspid valve diseases, aortic valve diseases, mitral valve diseases, heart failure and cardiogenic stroke.

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The Purchaser

The Purchaser is a limited liability company established under the laws of the PRC on November 6, 2023. It is wholly owned by AUT-VII HK Holdings Limited, a limited company incorporated in Hong Kong. AUT-VII HK Holdings Limited is wholly owned by AUT-VII HOLDINGS LIMITED and ultimately managed by Hillhouse Investment Management, Ltd. (“**Hillhouse Investment**”). Hillhouse Investment is a global firm of investment professionals and operating executives who are focused on building and investing in high quality business franchises that achieve sustainable growth.

AUT-VII HK Holdings Limited beneficially owns 21,750,000 Unlisted Foreign Shares of the Company. Under the SFO, each of AUT-VII HOLDINGS LIMITED and Hillhouse Investment is deemed to be interested in the equity interests held by AUT-VII HK Holdings Limited. As of the Latest Practicable Date, AUT-VII HK Holdings Limited, AUT-VII HOLDINGS LIMITED and Hillhouse Investment are deemed to be interested in 5.21% of the total issued capital of the Company and is not a connected person as defined under the Listing Rules.

As a result, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser and its ultimate substantial beneficial owner as publicly disclosed by the Purchaser are third parties independent from the Company and its connected persons as defined under the Listing Rules.

(d) Financial Impacts of the Disposal

Upon completion of the Disposal, the Company will cease to have any equity interest in the Target Company. Based on the consideration pursuant to the proposed Equity Transfer Agreement, the Group is expected to recognize a pre-tax disposal gain of approximately RMB8.12 million (equivalent to approximately HK\$8.89 million) after the estimated transaction costs. The actual effect of the Disposal on the consolidated financial statements of the Group is to be determined as at completion and subject to audit.

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(e) Reasons for and Benefits of Entering Into the Proposed Equity Transfer Agreement and Use of Proceeds

The Directors are of the view that the Disposal will enable the Group to monetize the value in its investment in the Target Company accumulated over a period of time since investment and represents an opportunity to enhance the financial flexibility of the Group at this point of time. The proceeds from the Disposal will be used for general working capital and future business opportunities of the Group.

The Directors (including the independent non-executive Directors) consider that the proposed Equity Transfer Agreement was negotiated on an arm's length basis between the parties and entered into on normal commercial terms, are fair and reasonable, and the proposed Equity Transfer Agreement and the transaction contemplated thereunder is in the interests of the Company and its Shareholders as a whole.

(f) Listing Rules Implications

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 5% but all of the applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. Although the Disposal is exempt from circular and shareholders' approval requirements as set out in Chapter 14 of the Listing Rules, the Disposal is subject to approval by way of a special resolution by the Shareholders at a general meeting pursuant to Articles 42 and 81 of the Articles of Association.

(g) Abstention

Mr. CHEN Xinxing, a non-executive Director of the Company, was appointed as a Director after nomination by AUT-VII HK Holdings Limited. As a result, Mr. CHEN Xinxing abstained from voting on the resolution relating to the proposed sale of equity interest in the Target Company at the meeting of the Board held on November 28, 2023.

The Purchaser is wholly owned by AUT-VII HK Holdings Limited. As a result of the above, AUT-VII HK Holdings Limited will be required to abstain from voting on the special resolution relating to the proposed sale of equity interest in the Target Company at the EGM.

Save as disclosed above, no Shareholder indicated its intention to or was required under the Listing Rules to vote against or abstain from voting on any resolutions to be proposed at the EGM.

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VI. EGM

Set out on pages EGM-1 to EGM-4 of this circular are the notice of the EGM which will be held at Meeting Room, 3/F, Block 5, B Area, No. 777 Binhai 4th Road, Hangzhou Bay New Area, Ningbo, Zhejiang Province, PRC on Friday, December 15, 2023, which will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.jenscare.com).

VII. CLOSURE OF REGISTER OF MEMBERS OF H SHARES AND ASCERTAINING OF ELIGIBILITY FOR ATTENDING THE EGM

For the purpose of determining the H Shareholders who are entitled to attend and vote at the EGM, the register of members of H shares of the Company will be closed from Wednesday, December 13, 2023 to Friday, December 15, 2023 (both days inclusive), during which no transfer of H shares of the Company will be registered. In order to be qualified for attending and voting at the EGM, all transfer documents of the holders of H shares together with the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited, the Company's H Share Registrar in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Tuesday, December 12, 2023. The record date for determining the eligibility to attend the EGM will be on Friday, December 15, 2023.

VIII. FORM OF PROXY

A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Company (www.jenscare.com). If you are not able to attend the EGM, please complete and return the form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof, and deposit it together with the notarized power of attorney or other document of authorization to (i) the Company's headquarters in the PRC at Block 5, B Area, No. 777 Binhai 4th Road, Hangzhou Bay New Area, Ningbo, Zhejiang Province, PRC (for holders of Unlisted Shares); or (ii) the H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares).

Completion and return of the form of proxy will not preclude you from attending and voting at the EGM should you so wish and in such event, the proxy shall be deemed to be revoked.

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IX. VOTING BY WAY OF POLL

Pursuant to Article 79 of the Articles of Association, at any general meeting a resolution put to the vote of the meeting shall be made by disclosed ballot unless a poll is demanded by law, administrative regulations or the listing rules of the exchange where the Company's Shares are listed. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As the proposed resolutions do not relate purely to a procedural or administrative matter, accordingly, each of the resolutions set out in the notice of EGM will be taken by way of poll.

On a poll, every shareholder present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy shall have one vote for each share registered in his name in the register. A shareholder entitled to more than one vote is under no obligation to cast all his votes in the same way.

The Company shall publish the poll results announcement in the manner prescribed under Rule 13.39(5) of the Listing Rules on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.jenscare.com). Accordingly, the chairman of the EGM will exercise his power under the Articles of Association to demand a poll in relation to all the proposed resolutions at the EGM.

The Purchaser is wholly owned by AUT-VII HK Holdings Limited. As a result of the above, AUT-VII HK Holdings Limited will be required to abstain from voting on the special resolution relating to the proposed sale of equity interest in the Target Company at the EGM.

Save as disclosed above, no Shareholder indicated its intention to or was required under the Listing Rules to vote against or abstain from voting on any resolutions to be proposed at the EGM.

X. 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.

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XI. RECOMMENDATION

The Board (including the independent non-executive Directors) considers that all the resolutions proposed are on normal commercial terms and are fair and reasonable, and in the interests of the Company and the Shareholder as a whole, although the H Share Scheme and the on-market purchases of the Trustee as directed by the Delegatee(s) are not in the usual and ordinary course of business of the Company. Accordingly, the Directors recommend the Shareholders to vote in favor of these proposed resolutions.

XII. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

For the purpose of this circular, the exchange rate of HK\$1.00 to RMB0.91329 has been used for currency translation, where applicable. Such conversion is for illustrative purposes and does not constitute representations that any amount in HK\$ or RMB has been, could have been or may be converted at this or any other rate.

Yours faithfully
By order of the Board
Jenscare Scientific Co., Ltd.
Mr. LV Shiwen
Chairman and executive Director

APPENDIX I PROPOSED GRANTING OF REPURCHASE MANDATE

In order to meet the need of the Company's business development, in accordance with the requirements of relevant laws and regulations, the listing rules of the stock exchanges in the place where the shares of the Company are listed and the Articles of Association of Jenscare Scientific Co., Ltd. (the "**Articles of Association**"), the Board intends to propose at the EGM to generally and unconditionally authorize the Board of Directors to repurchase the H shares of the Company. The specific authorization is as follows:

- I. Subject to the restrictions set forth in Items II and III below, the exercise by the Board during the Relevant Period (as defined below) of all the powers of the Company to repurchase the H Shares listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), subject to and in accordance with all applicable laws, regulations and rules and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or any other governmental or regulatory body be and is hereby approved;
- II. The aggregate nominal amount of H Shares of the Company authorized to be repurchased by the Company pursuant to the approval mentioned above during the Relevant Period (as defined below) shall not exceed 10% of the number of H Shares of the Company in issue as at the date of the passing of this resolution at the general meeting of the Company, respectively;
- III. The first approval mentioned above shall be conditional upon satisfaction of all the following conditions:
 1. The obtainment of an approval from all relevant regulatory authorities having jurisdiction over the Company (if applicable) as required by the laws, regulations and rules of the PRC; and
 2. The Company not being required by any of its creditors to repay or to provide guarantees in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, at its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedures under the "Company Law of the People's Republic of China" and the Articles of Association. If the Company determines to repay any amount to any of its creditors, the Company will do so out of its internal funds.
- IV. Subject to the approval of all relevant government authorities in the PRC for the repurchase of such shares of the Company being granted and subject to the abovementioned conditions, the Board be and is hereby authorized to:
 1. Formulate and implement the specific repurchase plans, including but not limited to repurchase price and number of repurchased shares, and determine the time and duration of repurchase, etc.;
 2. Notify creditors and issue announcements in accordance with the requirements of the relevant laws, regulations, normative documents and the Articles of Association;

3. Open overseas share accounts and carry out the related changes of foreign exchange registration procedures;
 4. Carry out the relevant approval and filing procedures as required by regulatory authorities and the stock exchanges in the place where the shares of the Company are listed;
 5. Carry out, execute and implement all such documents, do all such acts and things or take any steps as they consider desirable, necessary or expedient in connection with and to give effect to the repurchase of shares in accordance with the requirements of relevant laws and regulations and the listing rules of the stock exchanges in the place where the shares of the Company are listed;
 6. Carry out the cancellation procedures for repurchased shares, reduce the registered capital, and make amendments which it deems appropriate to the Articles of Association to reflect the relevant provisions such as the total share capital and shareholding structure of the Company, and carry out the relevant statutory registrations and filings procedures at home and abroad;
 7. Execute and handle other documents and matters related to the repurchase of shares.
- V. For the purpose of this resolution, the “**Relevant Period**” means the period from the passing of this resolution at the general meeting of the Company, until whichever is the earliest of:
1. Upon conclusion of the next annual general meeting of the Company;
 2. The expiration of a period of twelve months following the passing of this resolution at the EGM of the Company; or
 3. The time at which the authorization conferred by this resolution is revoked or varied by a special resolution of shareholders of the Company at a general meeting.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the special resolutions to be proposed at the EGM in relation to the granting of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 252,415,080 Domestic Shares, 33,161,578 Unlisted Foreign Shares and 131,590,632 H Shares. Subject to the passing of the special resolutions set out in the EGM in respect of the granting of the Repurchase Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the EGM, i.e. being comprised 252,415,080 Domestic Shares, 33,161,578 Unlisted Foreign Shares and 131,590,632 H Shares, the Directors would be authorized under the Repurchase Mandate to repurchase, during the Relevant Period (as defined below), a total of 13,159,063 H Shares, representing 10% of the total number of H Shares in issue as at the date of the EGM, respectively. The exercise of the Repurchase Mandate is further subject to:

- (i) the obtainment of an approval from all relevant regulatory authorities having jurisdiction over the Company (if applicable) as required by the laws, regulations and rules of the PRC; and
- (ii) the Company not being required by any of its creditors to repay or to provide guarantees in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, at its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedures under the “Company Law of the People’s Republic of China” and the Articles of Association. If the Company determines to repay any amount to any of its creditors, the Company will do so out of its internal funds.

The “**Relevant Period**” means the period from the passing of the resolution at the EGM, until whichever is the earliest of:

- (i) upon conclusion of the next annual general meeting of the Company;
- (ii) the expiration of a period of twelve months following the passing of this resolution at the EGM; or
- (iii) the time at which the authorization conferred by this resolution is revoked or varied by a special resolution of the Shareholders at a general meeting.

2. REASONS FOR SHARE REPURCHASE

The Directors believe that a general authority from the Shareholders to enable the Company to repurchase its Shares is to maintain stability of the Company's operations, development and share price, to safeguard and protect the long-term interests of the Shareholders, to promote the maximization of Shareholders' value, to further improve and refine the long-term incentive and talent retention mechanism, and to ensure the sustainable operations and healthy development of the Company.

3. FUNDING OF SHARE REPURCHASE

In repurchasing its H Shares, the Company intends to apply funds from its internal resources (which may include surplus funds (other than the net proceeds raised from the Global Offering) and retained profits) legally available for such purpose in accordance with its Articles of Association, the laws of the PRC and/or any other applicable laws, as the case may be.

4. IMPACT OF SHARE REPURCHASE

Any repurchase of the Shares by the Company may only be made either out of the funds of the Company that would otherwise be available for dividend or distribution or out of the proceeds of the issuance of new Shares made for such purpose. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the Latest Practicable Date as these will depend on whether the Shares are purchased or acquired out of capital or profits, the number of shares purchased or acquired and the price at which such Shares were purchased or acquired. There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated financial statements contained in the annual report of the Company for the year ended December 31, 2022) in the event that the Repurchase Mandate is to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during each of the previous twelve months prior to the Latest Practicable Date are as follows:

Month	H Share Prices	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2022		
November	51.10	29.85
December	94.70	31.00
2023		
January	67.00	31.50
February	44.60	34.50
March	51.00	31.10
April	43.00	36.00
May	39.15	31.55
June	31.95	26.00
July	45.00	28.50
August	38.80	32.00
September	44.20	33.25
October	37.75	15.80
November (up to the Latest Practicable Date)	20.05	15.84

6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to repurchase H Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the PRC.

7. TAKEOVERS CODE

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

To the best knowledge of the Company, having taking into account the voting rights held or controlled by the controlling shareholders as at the Latest Practicable Date, the Directors consider that the increase in aggregate control over the voting rights of the controlling shareholders in the event that the Directors exercise the proposed Repurchase Mandate in full would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

Save as disclosed above, the Directors are not aware of any consequences which will arise under either or both of the Takeovers Code and any similar applicable law as a result of any repurchases to be made under the Repurchase Mandate.

Further, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and/or result in the aggregate number of Shares held by the public shareholders falling below the prescribed minimum percentage required by the Hong Kong Stock Exchange.

8. SHARE REPURCHASE MADE BY THE COMPANY

During the six months prior to the Latest Practicable Date, the Company had not repurchased any of the Shares (whether on the Stock Exchange, or otherwise).

Jenscare Scientific Co., Ltd.
寧波健世科技股份有限公司
H Share Award and Trust Scheme
(Draft)

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1. DEFINITIONS AND INTERPRETATION

- 1.1. In these Scheme Rules, unless the context otherwise requires, each of the following words and expressions shall have the meaning respectively shown opposite to it:

“actual selling price” is the actual price at which the Awards Shares are sold (net of brokerage, Stock Exchange trading fee, SFC transaction levy and any other applicable costs) on vesting of an Award pursuant to the Scheme or in the case of a vesting when there is an event of change in control or privatisation of the Company pursuant to Rule 14.1, the consideration receivable under the related scheme or offer;

“Adoption Date” is the date on which the Shareholders approve this Scheme;

“Articles” or “Articles of Association” is the articles of association of the Company as amended from time to time;

“Award” is an award granted by the Board and/or the Delegatee(s) to a Selected Participant, pursuant to the Scheme, which may vest in the form of Award Shares or the actual selling price of the Award Shares in cash, as the Board and/or the Delegatee(s) may determine in accordance with the terms of the Scheme Rules;

“Award Letter” shall have the meaning as set out in Rule 7.1;

“Award Period” is the period commencing on the Adoption Date, and ending on the Business Day immediately prior to the 5th anniversary of the Adoption Date;

“Award Shares” is the H Shares granted to a Selected Participant in an Award under the Scheme;

“Board” is the board of directors of the Company (please also refer to Rule 1.2(h)), from time to time;

“Business Day” is any day on which the Stock Exchange is open for the business of dealing in securities;

“Company” or “our Company” is Jenscare Scientific Co., Ltd.;

“connected person” shall have the meaning as set out in the Listing Rules;

“Delegatee(s)” is the person(s) or board committee(s) to which the Board will delegate its authority;

“Director(s)” is the director(s) of the Company, from time to time;

“EGM” is the 2023 second extraordinary general meeting of the Company to be held on December 15, 2023;

“Eligible Participant” is any full-time PRC or non-PRC employee of any member of the Group, who is a Director, senior management, key operating team member or employee; however, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board and/or the Delegatee(s), in compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Scheme and such individual shall therefore be excluded from the term Eligible Participant;

“Grant Date” is the date on which the grant of an Award is made to a Selected Participant, being the date of an Award Letter;

“Group” or “our Group” is the Company and its subsidiaries from time to time, and the expression member of the Group shall be construed accordingly;

“H Share(s)” is the overseas listed foreign invested ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed and traded on the Stock Exchange;

“Hong Kong” is the Hong Kong Special Administrative Region of the PRC;

“Listing Rules” is the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

“on-market” is the acquisition of H Shares of the Company through one or more transactions through the facilities of the Stock Exchange in accordance with the Listing Rules and any other applicable laws and regulations;

“PRC” is the People’s Republic of China;

“Returned Shares” is such Award Shares which failed to be vested and/or are lapsed, cancelled or forfeited in accordance with the terms of the Scheme, or such H Shares being deemed to be Returned Shares under the Scheme Rules;

“Scheme” or “this Scheme” is the H Share Award and Trust Scheme adopted by the Company in accordance with these Scheme Rules on the Adoption Date;

“Scheme Limit” shall have the meaning as set out in Rule 15.1;

“Scheme Rules” is the rules set out herein relating to the Scheme as amended from time to time;

“Selected Participant” is any Eligible Participant who, in accordance with Rule 6, is approved for participation in the Scheme and has been granted any Award thereunder or (where the context so permits) any person who is entitled in accordance with Rule 11 to any Award in consequence of the death of the original Selected Participants;

“SFC” is the Securities and Futures Commission of Hong Kong;

“SFO” is the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong);

“Share(s)” is ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, comprising Domestic Share(s), Unlisted Foreign Share(s) and H Share(s);

“Shareholder(s)” is the shareholder(s) of the Company;

“Stock Exchange” is The Stock Exchange of Hong Kong Limited;

“Subsidiary” or “Subsidiaries” is any subsidiary (as the term is defined in the Listing Rules) of the Company;

“Taxes” shall have the meaning as set out in Rule 9.14;

“Trust” is the trust constituted by the Trust Deed to service the Scheme;

“Trust Deed” is the trust deed to be entered into between the Company and the Trustee (as may be restated, supplemented and amended from time to time);

“Trustee” is the trustee appointed by the Company for the purpose of the Trust, and initially, Trident Trust Company (HK) Limited, a company incorporated in Hong Kong and having its registered office at 14/F, Golden Centre, 188 Des Voeux Road Central, Hong Kong;

“Vesting Date” is the date or dates, as determined from time to time by the Board and/or the Delegatee(s) on which the Award (or part thereof) is to vest in the relevant Selected Participant as set out in the relevant Award Letter pursuant to Rule 7.1;

“Vesting Notice” shall have the meaning as set out in Rule 9.10;

“Vesting Period” shall have the meaning as set out in Rule 9.2;

- 1.2. In these Scheme Rules, except where the context otherwise requires:
- (a) references to Rules are to the rules of the Scheme Rules;
 - (b) references to times of the day are to Hong Kong time;
 - (c) references to any statutory body shall include the successor thereof and any body established to replace or assume the function of the same;
 - (d) if a period of time is specified as from a given day, or from the day of an act or event, it shall be calculated exclusive of that day;
 - (e) a reference to “include”, “includes” and “including” shall be deemed to be followed by the words “without limitation”;
 - (f) a reference, express or implied, to statutes, statutory provisions or the Listing Rules shall be construed as references to those statutes, provisions or rules as respectively amended or re-enacted or as their application is modified from time to time by other provisions (whether before or after the date hereof) and shall include any statutes, provisions of rules of which are re-enacted (whether with or without modification) and shall include any orders, regulations, instruments, subsidiary legislation, other subordinate legislation or practice notes under the relevant statute, provision or rule;
 - (g) words importing the singular include the plural and vice versa, and words importing a gender include every gender;
 - (h) unless otherwise indicated, the Board can make determinations in its sole and absolute discretion and if the Board delegates its authority to administer the Scheme to the Delegatee(s), such Delegatee(s) shall enjoy the same role and absolute discretion.

2. GENERAL INTRODUCTION AND PURPOSE OF THE SCHEME

- 2.1. The Scheme is a share award of H Shares and trust scheme established by the Company to award Eligible Participants, who could be Director, senior management, key operating team member or employee.
- 2.2. A Trust Deed will be entered into between the Company and the Trustee, being Trident Trust Company (HK) Limited initially. Pursuant to the Trust Deed, the Trust will be constituted to service the Scheme whereby the Trustee shall assist with the administration of the Scheme and shall, subject to the relevant provisions of the Trust Deed and upon the instruction of the Company, acquire such underlying H Shares of the Scheme through on-market transactions with funds to be transferred by the Company to the Trust in accordance with Rule 8. Such underlying H Shares of the Scheme shall

not exceed 13,159,063 shares in any event. Awards granted to the Selected Participants shall be held by the Trustee on trust for the benefit of the Selected Participants, and the Trustee shall, for the purposes of vesting of the Award and upon the instruction of the Board and/or the Delegatee(s), release from the Trust the Award Shares to the Selected Participants or sell the number of Award Shares so vested on-market at the prevailing market price and pay the Selected Participants the proceeds in cash arising from such sale in accordance with Rule 9 and relevant provisions under the Trust Deed.

2.3. The purposes of the Scheme are:

- (a) to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company;
- (b) to deepen the reform on the Company's remuneration system and to develop and constantly improve the interests balance mechanism among the Shareholders, the operational and executive management; and
- (c) to (i) recognize the contributions of the leadership of the Company including the Directors; (ii) encourage, motivate and retain the leadership of the Company whose contributions are beneficial to the continual operation, development and long-term growth of the Group; and (iii) provide additional incentive for the leadership of the Company by aligning their interests to those of the Shareholders and the Group as a whole.

3. CONDITIONS

3.1. The Scheme is conditional upon the passing of a resolution by (i) the Shareholders and (ii) the Board, to approve the adoption of the Scheme and to authorize the Delegatee(s) to grant Awards under the Scheme and to procure the transfer of and otherwise deal with the Award Shares in connection with the Scheme.

4. DURATION

4.1. Subject to Rules 9.10 and 20, the H Share Scheme shall be valid and effective for five years commencing from the date on which the H Share Scheme is approved by the Shareholders at the EGM (after which no further Awards under the H Share Scheme shall be granted), and thereafter for so long as there are any non-vested Award Shares granted hereunder prior to the expiration of the Scheme, in order to give effect to the vesting of such Award Shares or otherwise as may be required in accordance with the provisions of the Scheme Rules.

5. ADMINISTRATION

- 5.1. The Scheme shall be subject to the administration of the following administrative bodies:
- (a) the general meeting of the Shareholders, as the institution vested with the supreme authority of the Company, is responsible for the consideration and approval of the adoption of the Scheme. The general meeting of the Shareholders may authorize the Board and/or the Delegatee(s) to deal with all matters relating to the Scheme to the extent of its authority;
 - (b) the Board is the institution in charge of the administration of the Scheme in accordance with the Scheme Rules and where applicable, the Trust Deed. A decision of the Board and/or the Delegatee(s) shall be final and binding on all persons affected. The chairman of the Board shall be responsible for drafting and revising the Scheme and submitting the same to the Board for consideration. Upon consideration and approval of the Scheme, the Board will submit the Scheme to the general meeting of the Shareholders for consideration. The Board and/or the Delegatee(s) may handle all matters relating to the Scheme within the authorization by the general meeting of the Shareholders;
 - (c) the independent non-executive Directors are the supervisory institution of the Scheme and shall express their views on whether the Scheme facilitates the sustainable development of the Company and whether the Scheme impairs the interests of the Company and the Shareholders as a whole. The independent non-executive Directors shall supervise whether the implementation of the Scheme complies with relevant laws, regulations, regulatory documents, the relevant provisions of the Articles of Association and the Listing Rules, and is responsible for reviewing the list of Selected Participants; and
 - (d) the Trust will be constituted to service the Scheme whereby the Trustee shall, subject to the relevant provisions of the Trust Deed and upon the instruction of the Company, acquire not more than 13,159,063 H Shares through on-market transactions with funds to be transferred by the Company to the Trust.
- 5.2. The authority to administer the Scheme may be delegated by the Board to the Delegatee(s) as deemed appropriate in the sole and absolute discretion of the Board, provided that nothing in this Rule 5.2 shall prejudice the Board's power to revoke such delegation at any time or derogate from the discretion vested with the Board as contemplated in Rule 5.1(b).
- 5.3. Without prejudice to the Board's general power of administration, the Board and/or the Delegatee(s) may from time to time appoint one or more

administrators, who may be independent third-party contractors, to assist in the administration of the Scheme, to whom they, in their sole and absolute discretion, may delegate such functions relating to the administration of the Scheme as they may think fit. The duration of office, terms of reference and remuneration (if any) of such administrator(s) shall be determined by the Board and/or the Delegatee(s) in its sole and absolute discretion from time to time.

- 5.4. Without prejudice to the Board's general power of administration, to the extent not prohibited by applicable laws and regulations, the Board and/or the Delegatee(s) may also from time to time appoint one or more Trustees in respect of granting, administration or vesting of any Award Shares. For the avoidance of doubt, notwithstanding any provision herein, the Board or, if delegated to the Delegatee(s), then the Delegatee(s) shall be the sole body which has the authority to give any direction, instruction or recommendation to the Trustee or from which the Trustee seeks direction, instruction or recommendation with respect to the Scheme and the Trust.
- 5.5. Subject to the Scheme Rules, the Listing Rules and any applicable laws and regulations, the Board and/or the Delegatee(s) shall have the power from time to time to:
- (a) construe and interpret the Scheme Rules and the terms of the Awards granted under the Scheme;
 - (b) make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the Scheme, provided that they are not inconsistent with the Scheme Rules;
 - (c) decide how the vesting of the Award Shares will be settled pursuant to Rule 9;
 - (d) determine the basis of eligibility of any Eligible Participant for the grant of Awards from time to time on the basis of their contribution to the development and growth of the Group or such other factors deemed appropriate;
 - (e) grant Awards to those Eligible Participants whom it shall select from time to time;
 - (f) determine the terms and conditions of the Awards;
 - (g) establish, assess and administer performance targets in respect of the Scheme;
 - (h) approve the form and content of an Award Letter;
 - (i) adjust the number of outstanding Award Shares or accelerate the Vesting Dates of any Awards pursuant to Rule 14;

- (j) exercise any authority as may be granted by the Shareholders from time to time;
 - (k) engage bank(s), accountant(s), lawyer(s), consultant(s) and other professional parties for the purpose of the Scheme; and
 - (l) sign, execute, amend and terminate all documents relating to the Scheme, undertake all procedures relevant to the Scheme and take such other steps or actions to give effect to the terms and intent of the Scheme Rules.
- 5.6. None of the Directors or any Delegatee(s) shall be personally liable by reason of any contract or other instrument executed by him, or on his behalf or for any mistake of judgment made in good faith, for the purposes of the Scheme, and the Company shall indemnify and hold harmless each member of the Board and any Delegatee(s) in relation to the administration or interpretation of the Scheme, against any cost or expense (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with the Scheme unless arising out of such person's own wilful default, fraud or bad faith.
- 5.7. In respect of the administration of the Scheme, the Company shall comply with all applicable disclosure regulations including those imposed by the Listing Rules and all applicable PRC laws, regulations and rules.

6. SELECTION OF SELECTED PARTICIPANT

- 6.1. The Board and/or the Delegatee(s) may, from time to time, select any Eligible Participant to be a Selected Participant and, subject to Rule 6.4, grant an Award to such Selected Participant during the Award Period conditional upon fulfillment of terms and conditions of the Awards and performance targets as the Board and/or the Delegatee(s) determines from time to time.
- 6.2. The Selected Participants are determined in accordance with the Company Law of the PRC, the Securities Law of the PRC and other applicable laws, regulations and regulatory documents and the relevant provisions of the Articles, together with the Company's actual circumstances and matters including the present and expected contribution of the relevant Selected Participant to the Group.

No one should be considered as a Selected Participant of the Scheme if he/she:

- (a) has been publicly reprimanded or deemed as an inappropriate candidate for similar award schemes or share incentive plans of a listed company by any securities regulatory bodies with authority in the last 12 months;
- (b) has been imposed with penalties or is banned from trading securities by securities regulatory bodies due to material non-compliance with laws or regulations in the last 12 months;
- (c) is in breach of relevant national laws and regulations or the Articles; or
- (d) has caused losses to the Company during his/her term of service due to soliciting bribes, corruption and theft, disclosure of the operation and technology secrets of the Company, infringement of company interest through connected transactions and any acts which cause damage to the reputation and image of the Company, which can be proven with sufficient evidence by the Company.

The Selected Participants shall undertake that if any of the above provisions occur during the implementation of the Scheme which would prevent him/her from being considered as a Selected Participant, he/she shall give up his/her rights to participate in the Scheme and shall not be given any compensation.

- 6.3. Each grant of an Award to any connected person of the Group shall be subject to the Listing Rules and any applicable laws and regulations.
- 6.4. Notwithstanding the provisions in Rules 6.1, 6.2 and 6.3, no grant of any Award Shares to any Selected Participant may be made and no directions or recommendations shall be given to the Trustee with respect to a grant of an Award under the circumstances below, and any such grant so made or any such direction or recommendation so given shall be null and void (and notified to the Trustee as soon as practicable) to the extent (and only to the extent) that it falls within the circumstances below:
 - (a) in any circumstances where the requisite approval from any applicable regulatory authorities or Shareholders has not been granted;
 - (b) in any circumstances that any member of the Group will be required under applicable securities laws, rules or regulations to issue a prospectus or other offer documents in respect of such Award or the Scheme, unless the Board determines otherwise;

- (c) where such Award would result in a breach by any member of the Group or its directors of any applicable securities laws, rules or regulations in any jurisdiction;
 - (d) where such grant of Award would result in a breach of the Scheme Limit;
 - (e) after the expiry of the Award Period or after the earlier termination of this Scheme in accordance with Rule 20;
 - (f) where any Director is in possession of unpublished inside information (as defined under the SFO) in relation to the Company or where any Director reasonably believes there is inside information which must be disclosed pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO or where dealings by Directors are prohibited under any code or requirement of the Listing Rules or any applicable laws, rules or regulations;
 - (g) during the period of 60 days immediately preceding the publication date of the annual results of the Group or, if shorter, the period from the end of the relevant financial year up to the publication date of such results; and
 - (h) during the period of 30 days immediately preceding the publication date of the quarterly or half-year results of the Group or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of such results.
- 6.5. Allocation proposal with respect to Award Shares and amount for Selected Participants shall be determined based on the rank and job duty of the Selected Participant. Such allocation proposal and amount shall be determined and documented by the Delegatee(s) from time to time.

7. AWARD LETTER AND NOTIFICATION OF GRANT OF AWARDS

- 7.1. The Company shall issue a letter to each Selected Participant in such form as the Board and/or the Delegatee(s) may from time to time determine, specifying the Grant Date, the manner of acceptance of the Award, the value of the Award and/or number of Award Shares underlying the Award (with the basis on which the number of Award Shares underlying the Award is arrived at), the vesting criteria and conditions, and the Vesting Date and such other details, terms and conditions as they may consider necessary and in compliance with this Scheme (an “Award Letter”).

- 7.2. As soon as practicable after the grant of any Award to a Selected Participant, the Company shall provide a fully executed copy of the Award Letter to the Trustee.

8. ACQUISITION OF H SHARES BY THE TRUSTEE

- 8.1. Subject to Rule 8.4 and Rule 15.1, the Company shall as soon as reasonably practicable, and if applicable, once the relevant requirements for the grant of Awards to any connected person under Rule 6.3 have been met, for the purposes of satisfying the grant of Awards, transfer to the Trust the necessary funds and instruct the Trustee to acquire H Shares through on-market transactions at the prevailing market price. Subject to Rule 14, the Company shall instruct the Trustee whether or not to apply any Returned Shares to satisfy any grant of Awards made, and if the Returned Shares, as specified by the Company, are not sufficient to satisfy the Awards granted, the Company shall, subject to Rule 8.3 as soon as reasonably practicable, for purposes of satisfying the Awards granted, transfer to the Trust the necessary funds and instruct the Trustee to acquire further H Shares through on-market transactions at the prevailing market price. The Board may specify in the instructions given with respect to the acquisition of H Shares pursuant to this Rule 8.1 any conditions or terms, including without limitation, the specified price or range of prices for the acquisition, the maximum amount of funds to be used for the acquisition, and/or the maximum number of H Shares to be acquired.
- 8.2. Where the Trustee has received instructions from the Company to acquire H Shares through on-market transactions, the Trustee shall acquire such number of H Shares in such manner as instructed by the Company on-market at the prevailing market price as soon as reasonably practicable after receiving the necessary funds from the Company.
- 8.3. Subject to Rule 9.9(b), the Trustee shall only be obliged to transfer Award Shares to Selected Participants on vesting to the extent that Award Shares are comprised in the Trust.
- 8.4. The Company shall not instruct the Trustee to acquire H Shares through on-market transactions at the prevailing market price, where (i) such action (as applicable) is prohibited under the Listing Rules, other applicable PRC laws, regulations and rules, the SFO or any other applicable laws from time to time; or (ii) during such periods as stated in Rules 6.4(g) and (h). Where such a prohibition causes the prescribed timing imposed by the Scheme Rules or the Trust Deed to be missed, such prescribed timing shall be treated as extended until as soon as reasonably practicable after the first Business Day on which the prohibition no longer prevents the relevant action.

9. VESTING OF AWARD

- 9.1. The Board and/or the Delegatee(s) may from time to time while the Scheme is in force and subject to all applicable laws, rules and regulations, determine such vesting criteria and conditions or periods for the Award to be vested hereunder.
- 9.2. Subject to the vesting criteria and conditions as described in Rules 9.3 to 9.5 below, the vesting period for all Awards under the Scheme shall be determined by the Board and/or the Delegatee(s) (each a “**Vesting Period**”). The specific commencement and duration of each Vesting Period and the actual vesting amount of the Award granted to a Selected Participant for the respective Vesting Periods shall be specified in the Award Letter approved by the Board and/or the Delegatee(s).
- 9.3. Vesting of the Award granted under the Scheme is subject to the conditions of the performance indicators of the Company and any other applicable vesting criteria and conditions as set out in the Award Letter.
- 9.4. The details of the performance indicators of the Company shall be determined by the Board and/or the Delegatee(s) from time to time with reference to the business performance and financial condition of the Company and the then market conditions and set out in the Award Letter.
- 9.5. If the Selected Participant fails to fulfill the vesting criteria and conditions applicable to the relevant Awards, all the Award Shares underlying the relevant Awards which may otherwise be vested during the respective Vesting Periods shall not be vested and become immediately forfeited with respect to such Selected Participant. The Trustee shall be notified of such forfeiture and such forfeited shares shall be held by the Trustee as Returned Shares.
- 9.6. Any dividend underlying the non-vested Award Shares shall be retained by the Trustee, and transferred to the Selected Participant together with the Award Shares upon vesting. In the event that the Award Shares are to be forfeited, such underlying dividend shall be transferred back to the Company.
- 9.7. If the Vesting Date is not a Business Day, the Vesting Date shall, subject to any trading halt or suspension in the H Shares, be the Business Day immediately thereafter.
- 9.8. For the avoidance of doubt, the Vesting Periods of the Awards granted under the Scheme or the Awards to be satisfied by the application of any Returned Shares shall be determined by the Board and/or the Delegatee(s) in its sole and absolute discretion, and shall in any event not extend beyond the then remaining term of the Award Period at the time of grant. The Trustee shall be notified of such Vesting Periods.

- 9.9. For the purpose of vesting of the Award, the Board and/or the Delegatee(s) may either:
- (a) direct and procure the Trustee to release from the Trust the Award Shares to the Selected Participants by transferring the number of Award Shares to the Selected Participants in such manner as determined by them from time to time; or
 - (b) to the extent that, at the determination of the Board and/or the Delegatee(s), it is not practicable for the Selected Participant to receive the Award in H Shares solely due to legal or regulatory restrictions with respect to the Selected Participant's ability to receive the Award in H Shares or any restrictions or circumstances that result in the Trustee's inability to give effect to any such transfer to the Selected Participant, the Board and/or the Delegatee(s) will direct and procure the Trustee to sell, on-market at the prevailing market price, the number of Award Shares so vested in respect of the Selected Participant and pay the Selected Participant the proceeds in cash arising from such sale based on the actual selling price of such Award Shares as set out in the vesting notice.
- 9.10. Except in the circumstances set out in Rule 9.14, barring any unforeseen circumstances, within a reasonable time period as agreed between the Trustee and the Board from time to time prior to any Vesting Date, the Board and/or the Delegatee(s) shall send to the relevant Selected Participant a vesting notice (the "**vesting notice**"). The Board and/or the Delegatee(s) shall forward a copy of the vesting notice to the Trustee and instruct the Trustee the extent to which the Award Shares held in the Trust shall be transferred and released from the Trust to the Selected Participant in the manner as determined by the Board and/or the Delegatee(s), or be sold as soon as practicable from the Vesting Date.
- 9.11. Except in circumstances as set out in Rule 9.14, subject to the receipt of the vesting notice and the instructions from the Board and/or the Delegatee(s), the Trustee shall transfer and release the relevant Award Shares to the relevant Selected Participant in the manner as determined by the Board and/or the Delegatee(s) or sell the relevant Award Shares within any time stipulated in Rule 9.10 above and pay the actual selling price to the Selected Participant within a reasonable time period in satisfaction of the Award.
- 9.12. Any stamp duty or other direct costs and expenses arising on vesting and transfer of the Award Shares to or for the benefit of the Selected Participants shall be borne by the Company. Any duty or other direct costs and expenses arising on the sale of the Award Shares due to the vesting shall be borne by the Selected Participant.

- 9.13. All costs and expenses in relation to all dealings with the Award Shares after vesting and transfer of the Award Shares to the Selected Participant (as the case may be) shall be borne by the Selected Participant and neither the Company nor the Trustee shall be liable for any such costs and expenses thereafter.
- 9.14. Other than the stamp duty to be borne by the Company in accordance with Rule 9.12, all other taxes (including personal income taxes, professional taxes, salary taxes and similar taxes, as applicable), duties, social security contributions, impositions, charges and other levies arising out of or in connection with the Selected Participant's participation in the Scheme or in relation to the Award Shares or cash amount of equivalent value of the Award Shares (the "Taxes") shall be borne by the Selected Participant and neither the Company nor the Trustee shall be liable for any Taxes. The Selected Participant will indemnify the Trustee and all members of the Group against any liability each of them may have to pay or account for such Taxes, including any withholding liability in connection with any Taxes. To give effect to this, the Trustee or any member of the Group may, notwithstanding anything else in these Scheme Rules (but subject to applicable law):
- (a) reduce or withhold the number of Selected Participant's Award Shares underlying the Award (the number of Award Shares underlying the Award that may be reduced or withheld shall be limited to the number of Award Shares that have a fair market value on the date of withholding that, in the reasonable opinion of the Company is sufficient to cover any such liability);
 - (b) sell, on the Selected Participant's behalf, such number of H Shares to which the Selected Participant becomes entitled under the Scheme and retain the proceeds and/or pay them to the relevant authorities or government agency;
 - (c) deduct or withhold, without notice to the Selected Participant, the amount of any such liability from any payment to the Selected Participant made under the Scheme or from any payments due from a member of the Group to the Selected Participant, including from the salary payable to the Selected Participant by any member of the Group; and/or
 - (d) require the Selected Participant to remit to the Trustee or any member of the Group, in the form of cash or a certified or bank cashier's check, an amount sufficient to satisfy any Taxes or other amounts required by any governmental authority to be withheld and paid over to such authority by the Trustee or any member of the Group on account of the Selected Participant or to otherwise make alternative arrangements satisfactory to the Company for the payment of such amounts.

The Trustee shall not be obliged to transfer any Award Shares (or pay the actual selling price of such Award Shares in cash) to a Selected Participant unless and until the Selected Participant satisfies the Trustee and the Company that such Selected Participant's obligations under this Rule has been met.

10. CHANGES OF CIRCUMSTANCES PERTAINING TO THE SELECTED PARTICIPANTS

10.1. If a Selected Participant ceases to be an Eligible Participant by reason of a change in job position in the Group, or reemployment after retirement by the Company upon the execution of a reemployment agreement, the outstanding Award Shares not yet vested shall continue to vest in accordance with the Vesting Dates set out in the Award Letter, unless the Board and/or the Delegatee(s) determines otherwise in its sole and absolute discretion. However, if a Selected Participant has a change in job position due to any of the following reasons:

- (a) violation of laws, professional ethics or the leakage of confidential information of the Company;
- (b) causing damage to the interests or reputation of the Company due to failure to discharge his duties or a willful misconduct; or
- (c) termination of his employment contract by the Company for any of the above reason.

the Selected Participant shall return to the Trust all interests in the Award Shares already vested such that such Award Shares become Returned Shares, and in the event of serious violation or damage, the Company reserves the right to bring a claim against the Selected Participant for the damages suffered as a result of the reasons above stated, any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board and/or the Delegatee(s) determines otherwise in its sole and absolute discretion.

10.2. If a Selected Participant ceases to be an Eligible Participant by reason of disqualification from participating in the Scheme due to any of the reasons set forth in Rule 6.2 under which no one should be considered as a Selected Participant, any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board and/or the Delegatee(s) determines otherwise in its sole and absolute discretion.

10.3. If a Selected Participant ceases to be an Eligible Participant by reason of leaving the Company due to resignation, expiration or termination of labor contract, employment or contractual engagement by the Company for reason such as redundancy, any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board and/or the Delegatee(s) determines otherwise in its sole and absolute discretion.

- 10.4. If a Selected Participant ceases to be an Eligible Participant by reason of retirement upon reaching retirement age stipulated by law, subject to the provisions in Rule 10.1 above, any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board and/or the Delegatee(s) determines otherwise in its sole and absolute discretion.
- 10.5. If a Selected Participant ceases to be an Eligible Participant by reason of being in a rank or position that does not allow him to hold H Shares Awards of the Company, or being transferred to such a rank or position as a result of reorganization within the Group, any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board and/or the Delegatee(s) determines otherwise in its sole and absolute discretion.
- 10.6. If a Selected Participant ceases to be an Eligible Participant by reason of termination of the Selected Participant's labor contract, employment or contractual engagement with the Group or resignation due to incapacity resulting from work injury, any outstanding Award Shares not yet vested shall continue to vest in accordance with the Vesting Dates set out in the Award Letter, or alternative vesting procedures as determined by the Delegatee(s), unless the Board determines otherwise in its sole and absolute discretion. The individual performance indicator of such Selected Participant will no longer be included as vesting conditions.
- 10.7. If a Selected Participant ceases to be an Eligible Participant by reason of termination of the Selected Participant's labor contract, employment or contractual engagement with the Group or resignation due to incapacity not resulting from work injury, any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board and/or the Delegatee(s) determines otherwise in its sole and absolute discretion.
- 10.8. If a Selected Participant ceases to be an Eligible Participant by reason of death of the Selected Participant due to work injury, any outstanding Award Shares not yet vested shall continue to vest in accordance with the Vesting Dates set out in the Award Letter, or alternative vesting procedures as determined by the Delegatee(s), unless the Board determines otherwise in its sole and absolute discretion. The legal personal representatives or the lawful successors of the Grantee shall become entitled to the Award Shares, in the absence of which and unless the Board and/or the Delegatee(s) determines otherwise in its sole and absolute discretion, the Award Shares shall be forfeited and held by the Trust as Returned Shares. The individual performance indicator of such Selected Participant will no longer be included as vesting conditions.

- 10.9. If a Selected Participant ceases to be an Eligible Participant by reason of death of the Selected Participant not due to work injury, on the date of the occurrence of such event, any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board and/or the Delegatee(s) determines otherwise in its sole and absolute discretion.
- 10.10. If a Selected Participant ceases to be an Eligible Participant for reasons other than those set out in Rules 10.1 to 10.9, any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board and/or the Delegatee(s) determines otherwise in its sole and absolute discretion.
- 10.11. A Selected Participant shall be taken to have retired on the date that he retires upon or after reaching the age of retirement stipulated by law or specified in his service agreement or pursuant to any retirement policy of the Company applicable to him from time to time or, in case there is no such terms of retirement applicable to the Selected Participant, with the approval of the Board.
- 10.12. The Company shall, from time to time, inform the Trustee in writing of the date on which and the reason for which such Selected Participant ceases to be an Eligible Participant, forfeiture of any outstanding Award Shares not yet vested and any amendments to the terms and conditions of the Award with respect to such Selected Participant (including the number of Award Shares entitled).

11. TRANSFERABILITY AND OTHER RIGHTS TO AWARD SHARES

- 11.1. Any Award granted hereunder but not yet vested shall be personal to the Selected Participant to whom it is made and shall not be assignable or transferable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Award, or enter any agreement to do so, unless the Award or any interest thereof is transferred as a result of the Selected Participant's death in accordance with the terms of this Scheme.
- 11.2. Any actual or purported breach of Rule 11.1 shall entitle the Company to cancel any outstanding Award or part thereof granted to such Selected Participant. For this purpose, a determination from such person(s) delegated with this function by the Board, to the effect that the Selected Participant has or has not breached any of the foregoing shall be final and conclusive as to such Selected Participant.

12. INTEREST IN THE ASSETS OF THE TRUST

12.1. For the avoidance of doubt:

- (a) a Selected Participant shall have only a contingent interest in the Award subject to the vesting of such Award in accordance with Rules 9 and 14;
- (b) no instructions may be given by a Selected Participant to the Trustee in respect of the Award or any other property of the Trust and the Trustee shall not follow instructions given by a Selected Participant to the Trustee in respect of the Award or any other property of the Trust;
- (c) neither the Selected Participant nor the Trustee may exercise any voting rights attached to any H Shares held by the Trustee under the Trust (including any Award Shares that have not yet vested);
- (d) a Selected Participant shall have no rights in the balance of the fractional shares arising out of consolidation of H Shares (if any) and such H Shares shall be deemed as Returned Shares for the purposes of the Scheme; and
- (e) in the event a Selected Participant ceases to be an Eligible Participant on or prior to the relevant Vesting Date and the Award in respect of the relevant Vesting Date shall lapse or be forfeited pursuant to the Scheme, such Award shall not vest on the relevant Vesting Date and the Selected Participant shall have no claims against the Company (unless the Board and/or the Delegatee(s) determines otherwise in its sole and absolute discretion) or the Trustee.

13. RESTRICTIVE COVENANTS

13.1. By accepting any Award granted pursuant to the Scheme, a Selected Participant shall be deemed to have made the restrictive covenants set forth in this Rule 13 to and for the benefit of the Group.

13.2. The Selected Participant hereby undertakes to the Group that he will not at any time whilst an employee, director, shareholder or otherwise interested in the Group (save in so far as is reasonably necessary to fulfill his duties to the Group) or at any time thereafter, directly or indirectly use or disclose or communicate to any person any information concerning the affairs, business methods, processes, systems, inventions, plans or research and development of the Group or those of its customers, clients or suppliers and which may be reasonably regarded as being confidential to the Group or to such persons (other than information which he is required disclose by law or which is for the relevant time being in the public domain other than by reason of wrongful disclosure of the same by him) and will use his best endeavours to prevent the publication or disclosure of any such information by any third party.

13.3. The Selected Participant undertakes to the Group that he will not, except with the prior written approval of the Company, be directly or indirectly concerned with or engaged or interested in any other business which is in any respect in competition with or similar to the business of the Group during his employment with the Group.

13.4. The Selected Participant undertakes to the Group that for so long as he is employed by the Company or any other member within the Group he will devote his full time and attention to the business of the Group and will use his best endeavours to develop the business and interests of the Group and will not be concerned with any other (competitive or other) business.

13.5. The Selected Participant undertakes to the Group that he shall strictly comply with his post-employment obligations as set out in his employment agreement entered into with the Company.

14. TAKEOVER, RIGHTS ISSUE, OPEN OFFER, SCRIP DIVIDEND SCHEME, ETC.

Change in control

14.1. If there is an event of change in control of the Company by way of a merger, privatization of the Company by way of a scheme or by way of an offer, change of actual control of the Company involving reorganization of major assets, the Company no longer exists after merger with another company, division of the Company, or resolution of the general meeting of the Shareholders to replace half of all members of the Board before the expiry of the term of office of the Board, the Board and/or the Delegatee(s) shall in its sole and absolute discretion determine whether this Scheme shall be terminated within 5 trading days upon the change in control of the Company.

For the purpose of Rule 14.1, “control” shall have the meaning as specified in The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC from time to time.

Open offer and rights issue

14.2. In the event the Company undertakes an open offer of new securities, the Trustee shall not subscribe for such new securities. In the event of a rights issue, the Trustee shall seek instruction from the Company on the steps or actions to be taken in relation to the nil-paid rights allotted to it.

Bonus warrants

14.3. In the event the Company issues bonus warrants in respect of any H Shares which are held by the Trustee, the Trustee shall not, unless otherwise instructed by the Company, subscribe for any new H Shares by exercising any of the subscription rights attached to the bonus warrants, and shall sell the bonus warrants created and granted to it, and the net proceeds of sale of such bonus warrants shall be held as funds of the Trust.

Scrip dividend

14.4. In the event the Company undertakes a scrip dividend scheme, the Trustee shall elect to receive the script Shares and such H Shares will be held as Returned Shares.

Capitalization issue, rights issue, consolidation, sub-division, Share Bonus issue and other distribution

14.5. In the event the Company undertakes a capitalization issue, rights issue, sub-division, consolidation or reduction of the H Shares, corresponding changes will be made to the number of outstanding Award Shares that have been granted provided that the adjustments shall be made in such manner as the Board determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Scheme for the Selected Participants. All fractional shares (if any) arising out of such capitalization issue, rights issue, sub-division, consolidation or reduction in respect of the Award Shares of a Selected Participant shall be deemed as Returned Shares and shall not be transferred to the relevant Selected Participant on the relevant Vesting Date.

14.6. In the event of an issue of H Shares by the Company credited as fully paid to the holders of the H Shares by way of capitalization of profits or reserves (including share premium account), the H Shares attributable to any Award Shares held by the Trustee shall be deemed to be an accretion to such Award Shares and shall be held by the Trustee as if they were Award Shares purchased by the Trustee hereunder and all the provisions hereof in relation to the original Award Shares shall apply to such additional Shares.

14.7. In the event of any non-cash distribution or other events not referred to above by reason of which the Board considers an adjustment to an outstanding Award to be fair and reasonable, an adjustment shall be made to the number of outstanding Award Shares of each Selected Participant as the Board shall consider to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Scheme for the Selected Participants. The Company shall provide such funds, or such directions on application of the Returned Shares or other funds in the Trust, as may be required to enable the Trustee to purchase H Shares on-market at the prevailing market price to satisfy the additional Award.

14.8. In the event of other non-cash and non-scrip distributions made by the Company not otherwise referred to in the Scheme Rules in respect of the H Shares held upon Trust, the Trustee shall sell such distribution and the net sale proceeds thereof shall be deemed as cash income of an H Share held upon the Trust.

Voluntary winding-up

14.9. If an effective resolution is passed during the Award Period for the voluntary winding-up of the Company (other than for the purposes of a reconstruction, amalgamation or scheme of arrangement), the Board and/or the Delegatee(s) shall in its sole and absolute discretion determine whether the Vesting Dates of any Awards will be accelerated and whether the Selected Participant will be entitled to receive out of the assets available in liquidation on an equal basis with the Shareholders such sum as they would have received in respect of the Awards. Any determination made under this Rule 14.9 shall be notified to the Trustee.

Compromise or arrangement

14.10. If a compromise or arrangement between the Company and its Shareholders or creditors is proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies and a notice is given by the Company to its Shareholders to convene a general meeting to consider and if thought fit approve such compromise or arrangement and such shareholders' approval is obtained, the Board and/or the Delegatee(s) shall in its sole and absolute discretion determine whether the Vesting Dates or any Awards will be accelerated. Any such acceleration shall be notified to the Trustee.

15. SCHEME LIMIT

15.1. The maximum size of the Scheme shall be the maximum number of H Shares that can be purchased pursuant to Rule 8.1 for the purpose of the H Share Scheme, being 10% of the total number of issued H Shares as of the H Share Scheme is approved by the Shareholders at the EGM, and in any case being not more than 13,159,063 H Shares (the "**Scheme Limit**"). The Company shall not make any further grant of Award which will result in the aggregate number of H Shares underlying all grants made pursuant to the Scheme (excluding Award Shares that have been forfeited in accordance with the Scheme) to exceed the Scheme Limit without Shareholders' prior approval.

16. RETURNED SHARES

16.1. The Trustee shall hold Returned Shares to be applied towards future Awards in accordance with the provisions hereof for the purpose of the Scheme.

17. INTERPRETATION

17.1. Any decision to be made under the Scheme, including matters of interpretation with respect to the Scheme Rules, shall be made by the Board and/or the Delegatee(s) and notified to the Trustee. The decision by the Board shall be final and binding.

18. ALTERATION OF THE SCHEME

18.1. Subject to the Scheme Limit, the Scheme may be altered or supplemented in any respect by a resolution of the Board provided that no such alteration shall operate to affect materially and adversely any subsisting rights of any Selected Participant. Any such alteration or supplement shall be notified to the Trustee.

18.2. Where the Board alters the Scheme, the independent non-executive Directors shall express their independent opinion on whether the altered Scheme facilitates the sustainable development of the Company and whether the altered Scheme impairs the interests of the Company and the Shareholders as a whole.

19. CANCELLATION OF AWARDS

19.1. The Board and/or the Delegatee(s) may in its sole and absolute discretion cancel any Award that has not vested or been forfeited. Such cancellation shall be notified to the Trustee.

20. TERMINATION

20.1. Subject to Rule 4, the Scheme shall terminate on the earlier of:

- (a) the end of the Award Period except in respect of any non-vested Award Shares granted hereunder prior to the expiration of the Scheme, for the purpose of giving effect to the vesting of such Award Shares or otherwise as may be required in accordance with the provisions of the Scheme; or
- (b) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Participants under the H Share Scheme.

20.2. On the Business Day following the settlement, lapse, forfeiture or cancellation (as the case may be) of the last outstanding Award made under the Scheme, the Trustee shall sell all the H Shares remaining in the Trust within a reasonable time period as agreed between the Trustee and the Company upon receiving notice of the settlement, lapse, forfeiture or cancellation (as the case may be) of such last outstanding Award (or such longer period as the Company may otherwise determine), and remit all cash and net proceeds of such sale referred to in this Rule 20.2 and other funds remaining in the Trust (after making appropriate deductions in respect of all disposal costs, expenses and other existing and future liabilities in accordance with the Trust Deed) to the Company. For the avoidance of doubt, the Trustee shall not transfer any H Shares to the Company nor may the Company otherwise hold any H Shares whatsoever (other than the proceeds in the sale of such H Shares pursuant to this Rule 20.2).

21. MISCELLANEOUS

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

21.2. The Company shall bear the costs of establishing and administering the Scheme, including, for the avoidance of doubt, costs arising from communication as referred to in Rule 21.3, expenses incurred in the purchase of H Shares by the Trustee and stamp duty and normal registration fee (i.e. not being fee chargeable by the share registrar of any express service of registration) in respect of the transfer of H Shares to Selected Participants on the relevant Vesting Date. For the avoidance of doubt, the Company shall not be liable for any Tax or expenses of such other nature payable on the part of any Eligible Participant in respect of any sale, purchase, vesting or transfer of H Shares (or cash amount of equivalent value being paid), other than for any withholding tax liability of the Company or any member of the Group under applicable laws.

21.3. Any notice or other communication between the Company and any Eligible Participant may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its registered office in Hong Kong or the PRC or such other address as notified to the Eligible Participant from time to time and in the case of an Eligible Participant, his/her address as notified to the Company from time to time or by hand delivery. In addition, any notice (including the vesting notice) or other communication from the Company to any Eligible Participant or Selected Participant may be given by any electronic means through the Trustee, as the Board considers appropriate.

- 21.4. Any notice or other communication served by post shall be deemed to have been served 24 hours after the same was put in the post. Any notice or other communication served by electronic means shall be deemed to have been received on the day following that on which it was sent.
- 21.5. The Company shall not be responsible for any failure by any Eligible Participant to obtain any consent or approval required for such Eligible Participant to participate in the Scheme as a Selected Participant or for any Tax, expenses, fees or any other liability to which an Eligible Participant may become subject as a result of participation in the Scheme.
- 21.6. Each and every provision hereof shall be treated as a separate provision and shall be severally enforceable as such in the event of any provision or provisions being or becoming unenforceable in whole or in part. To the extent that any provision or provisions are unenforceable they shall be deemed to be deleted from these Scheme Rules, and any such deletion shall not affect the enforceability of the Scheme Rules as remain not so deleted.
- 21.7. The Scheme is not a share scheme that will involve issuance of new shares under Chapter 17 of the Listing Rules.
- 21.8. Save as specifically provided herein, the Scheme shall not confer on any person any legal or equitable rights (other than those constituting and attaching to the Award Shares themselves) against the Group directly or indirectly or give rise to any cause of action at law or in equity against the Group. No person shall, under any circumstances, hold the Board and/or the Delegatee(s) and/or the Company liable for any costs, losses, expenses and/or damages whatsoever arising from or in connection with the Scheme or the administration thereof.
- 21.9. In the event that an Award lapses in accordance with the Scheme Rules, no Selected Participants shall be entitled to any compensation for any loss or any right or benefit or prospective right or benefit under the Scheme which he or she might otherwise have enjoyed.
- 21.10. The Scheme shall operate subject to the Articles and to any restrictions under any applicable laws, rules and regulations.
- 21.11. By participating in the Scheme, the Selected Participant consents to the holding, processing, storage and use of personal data or information concerning him or her by any member of the Group, the Trustee or other third party service provider, in Hong Kong or elsewhere, for the purpose of the administration, management or operation of the Scheme. Such consent permits, but is not limited to, the following:
- (a) the administration and maintenance of records of the Selected Participant;

- (b) the provision of data or information to members of the Group, the Trustee, registrars, brokers or third party administrators or managers of the Scheme, in Hong Kong or elsewhere;
- (c) the provision of data or information to future purchasers or merger partners of the Company, the Selected Participant's employing company, or the business in which the Selected Participant works;
- (d) the transfer of data or information about the Selected Participant to a country or territory outside the Selected Participant's home country which may not provide the same statutory protection for the information as his home country; and
- (e) in the case where an announcement is required to be made or a circular is required to be despatched pursuant to the Listing Rules or other applicable laws, rules and regulations for the purposes of granting an Award, the disclosure of the identity of such Selected Participant, the number of Award Shares and the terms of the Award granted and/or to be granted and all other information as required under the Listing Rules or other applicable laws, rules and regulations.

The Selected Participant is entitled, on payment of a reasonable fee, to a copy of the personal data held about him or her, and if such personal data is inaccurate, the Selected Participant has the right to have it corrected.

22. DISPUTE RESOLUTION

22.1. The Board shall determine any question of interpretation and settle any dispute arising under or in connection with this Scheme. In such matters, the Board's decision shall be final.

23. GOVERNING LAW

23.1. The Scheme shall be governed by and construed in accordance with the laws of Hong Kong Special Administrative Region of the PRC.

24. TRANSLATION

24.1. In case of any discrepancies between the Chinese and English versions of this Scheme, the English version shall prevail.



Jenscare
健世科技

Jenscare Scientific Co., Ltd.
寧波健世科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 9877)

NOTICE OF THE 2023 SECOND EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the second extraordinary general meeting of 2023 (the “EGM”) of Jenscare Scientific Co., Ltd.* (寧波健世科技股份有限公司) (the “Company”) will be held at Meeting Room, 3/F, Block 5, B Area, No. 777 Binhai 4th Road, Hangzhou Bay New Area, Ningbo, Zhejiang Province, PRC on Friday, December 15, 2023 at 2:00 p.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

SPECIAL RESOLUTIONS

1. To consider and if thought fit, pass with or without amendments, the following resolution regarding the proposed granting of repurchase mandate to repurchase H Shares:

“THAT:

- a) Subject to the restrictions set forth in paragraph (b) and (c) below, the exercise by the Board during the Relevant Period (as defined below) of all the powers of the Company to repurchase the H Shares listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), subject to and in accordance with all applicable laws, regulations and rules and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or any other governmental or regulatory body be and is hereby approved;
- b) The aggregate nominal amount of H Shares of the Company authorized to be repurchased by the Company pursuant to the approval mentioned above during the Relevant Period (as defined below) shall not exceed 10% of the number of H Shares of the Company in issue as at the date of the passing of this resolution at the EGM of the Company;
- c) The first approval mentioned above shall be conditional upon satisfaction of all the following conditions:
 - (i) The obtainment of an approval from all relevant regulatory authorities having jurisdiction over the Company (if applicable) as required by the laws, regulations and rules of the PRC; and

NOTICE OF THE 2023 SECOND EXTRAORDINARY GENERAL MEETING

- (ii) The Company not being required by any of its creditors to repay or to provide guarantees in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, at its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedures under the “Company Law of the People’s Republic of China” and the articles of association of the Company (the “**Articles of Association**”). If the Company determines to repay any amount to any of its creditors, the Company will do so out of its internal funds.

- d) Subject to the approval of all relevant government authorities in the PRC for the repurchase of such shares of the Company being granted and subject to the abovementioned conditions, the Board be and is hereby authorized to:
 - (i) Formulate and implement the specific repurchase plans, including but not limited to repurchase price and number of repurchased shares, and determine the time and duration of repurchase, etc.;
 - (ii) Notify creditors and issue announcements in accordance with the requirements of the relevant laws, regulations, normative documents and the Articles of Association;
 - (iii) Open overseas share accounts and carry out the related changes of foreign exchange registration procedures;
 - (iv) Carry out the relevant approval and filing procedures as required by regulatory authorities and the stock exchanges in the place where the shares of the Company are listed;
 - (v) Carry out, execute and implement all such documents, do all such acts and things or take any steps as they consider desirable, necessary or expedient in connection with and to give effect to the repurchase of shares in accordance with the requirements of relevant laws and regulations and the listing rules of the stock exchanges in the place where the shares of the Company are listed;
 - (vi) Carry out the cancellation procedures for repurchased shares, reduce the registered capital, and make amendments which it deems appropriate to the Articles of Association to reflect the relevant provisions such as the total share capital and shareholding structure of the Company, and carry out the relevant statutory registrations and filings procedures at home and abroad; and

NOTICE OF THE 2023 SECOND EXTRAORDINARY GENERAL MEETING

- (vii) Execute and handle other documents and matters related to the repurchase of shares.
- e) For the purpose of this resolution, the “**Relevant Period**” means the period from the passing of this resolution at the EGM until whichever is the earliest of:
 - (i) Upon conclusion of the next annual general meeting of the Company;
 - (ii) The expiration of a period of twelve months following the passing of this resolution at the EGM;
 - (iii) The time at which the authorization conferred by this resolution is revoked or varied by a special resolution of the Shareholders at a general meeting.”
- 2. To consider and approve the proposed adoption of the H Share Award and Trust Scheme.
- 3. To consider and approve the proposed authorization to the Board and/or the Delegatee(s) to handle matters pertaining to the H Share Award and Trust Scheme.
- 4. To consider and approve the proposed sale of equity interest in the Target Company.

By order of the Board
Jenscare Scientific Co., Ltd.
Mr. LV Shiwen
Chairman and executive Director

Hong Kong, November 29, 2023

Notes:

- (i) The register of members of the Company will be closed for the following period: The holders of the Company’s H shares are reminded that for determining the right of Shareholders to attend and vote at the EGM, the register of members of H shares of the Company will be closed from Wednesday, December 13, 2023 to Friday, December 15, 2023 (both days inclusive), during which period, no transfer of shares will be registered. In order to be qualified for attending and voting at the EGM, all the share transfer documents should be lodged for registration with Computershare Hong Kong Investor Services Limited, the Company’s H Share Registrar in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Tuesday, December 12, 2023.
- (ii) Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote on his/her/its behalf. A proxy needs not be a shareholder of the Company. Where a shareholder of the Company appoints more than one proxy, his/her/its proxies can only vote in a poll.

NOTICE OF THE 2023 SECOND EXTRAORDINARY GENERAL MEETING

- (iii) To be valid, the proxy form enclosed with this circular (“**Proxy Form**”) shall be used by shareholders of the Company wishing to appoint a proxy and, if such Proxy Form is signed by a person authorized by a Shareholder pursuant to a power of attorney or other authority, a notarized copy of that power of attorney or other authority must be delivered together with the Proxy Form to (i) the Company’s headquarters in the PRC at Block 5, B Area, No. 777 Binhai 4th Road, Hangzhou Bay New Area, Ningbo, Zhejiang Province, PRC (for holders of Unlisted Shares); or (ii) the Company’s H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for holders of H Shares) not less than 24 hours before the time designated for the commencement of the EGM or any adjournment thereof. The Proxy Form can also be downloaded from the Company’s website at www.jenscare.com or the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk.
- (iv) A Shareholder or his/her/its proxy shall produce proof of identity when attending the EGM. If a corporate Shareholder appoints its representative to attend the meeting, such representative shall produce proof of identity and a copy of the resolution of the board of directors or governing body of such Shareholder.
- (v) In accordance with the Articles of Association, where there are joint registered Shareholders, only the first named Shareholder in the register of members is entitled to receive this notice, attend the EGM and exercise voting rights.
- (vi) The EGM is expected to last for about half a day. Shareholders of the Company or their proxies attending the EGM shall be responsible for their own transportation, food and lodging.

As of the date of this notice, the executive Directors of the Company are Mr. LV Shiwen and Mr. PAN Fei; the non-executive Directors are Mr. TAN Ching, Mr. ZHENG Jiaqi, Ms. XIE Youpei and Mr. CHEN Xinxing; and the independent non-executive Directors are Dr. LIN Shoukang, Ms. DU Jiliu and Dr. MEI Lehe.