

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

**If you have sold or transferred** all your shares in TOT BIOPHARM International Company Limited, you should at once hand this supplemental circular and the enclosed Second Form of Proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**东曜药业**

**TOT BIOPHARM International Company Limited**

**東曜藥業股份有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 1875)**

**PROPOSED ADOPTION OF  
THE 2024 RESTRICTED SHARE AWARD SCHEME  
AND  
SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING**

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A letter from the Board is set out on pages 7 to 11 of this supplemental circular.

This supplemental circular should be read together with the Main Circular dated 23 May 2024 in relation to proposals for general mandates to issue and buy back Shares, re-election of retiring Directors, and notice of the Annual General Meeting of the Company to be held on Friday, 14 June 2024 at 10:00 a.m. with the combination of a physical meeting at 7/F, Wheelock House, 20 Pedder Street, Central, Hong Kong and a virtual meeting online or any adjournment thereof.

The supplemental notice convening the Annual General Meeting together with the Second Form of Proxy for use at the meeting are enclosed with this supplemental circular. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the Second Form of Proxy in accordance with the instructions printed thereon and return it to Tricor Investor Services Limited, the Company's share registrar, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or via the designated website (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company not less than 48 hours before the time appointed for holding the meeting (i.e. not later than 10:00 a.m. on Wednesday, 12 June 2024) or the adjourned meeting (as the case may be). Completion and return of the Second Form of Proxy shall not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish. If you attend and vote at the Annual General Meeting, the authority of your proxy will be revoked.

30 May 2024

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## DEFINITIONS

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

“0.1% Limit”	has the meaning ascribed to such term in paragraph 7 of the Appendix to this supplemental circular
“1% Individual Limit”	has the meaning ascribed to such term in paragraph 7 of the Appendix to this supplemental circular
“2020 Restricted Share Award Scheme”	the restricted share award scheme adopted by the Company on 29 May 2020 and subsequently amended on 29 July 2020, 23 December 2021, 1 November 2022 and 31 December 2022
“2024 Restricted Share Award Scheme”	the restricted share award scheme of the Company proposed to be considered and, if thought fit, adopted at the Annual General Meeting, the principal terms of which are set out in the Appendix to this supplemental circular
“Administration Committee”	a sub-committee of the Board delegated with the power and authority by the Board and the Remuneration Committee to administer the 2024 Restricted Share Award Scheme
“Adoption Date”	the date on which the 2024 Restricted Share Award Scheme is adopted by ordinary resolutions to be passed by the Shareholders at the Annual General Meeting
“Annual General Meeting”	a hybrid annual general meeting of the Company to be held on Friday, 14 June 2024 at 10:00 a.m. with the combination of a physical meeting at 7/F, Wheelock House, 20 Pedder Street, Central, Hong Kong and a virtual meeting online or any adjournment thereof, the notice of which was set out on pages 16 to 20 of the Main Circular and the supplemental notice of which is set out on pages 26 to 28 of this supplemental circular
“Articles of Association”	the amended and restated articles of association of the Company which were adopted on 30 September 2019 and became effective on 28 October 2019
“associate(s)”	has the meaning ascribed to such term under the Listing Rules
“Award(s)”	award(s) granted under the 2024 Restricted Share Award Scheme by the Administration Committee to Selected Participant(s), which may vest in the form of Award Shares

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## DEFINITIONS

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“Award Share(s)”	in respect of a Selected Participant, such number of Share(s) as awarded by the Administration Committee pursuant to the 2024 Restricted Share Award Scheme
“Board”	the board of Directors of the Company
“Centerlab”	Center Laboratories, Inc. (晟德大藥廠股份有限公司), a company incorporated in Taiwan with limited liability on 4 November 1959 whose shares are listed on the Taipei Exchange (stock code: 4123)
“chief executive”	has the meaning ascribed to such term under the Listing Rules, which, in the context of the Company, means the Chief Executive Officer of the Company
“close associate(s)”	has the meaning ascribed to such term under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”	TOT BIOPHARM International Company Limited (東曜藥業股份有限公司) (formerly known as TOT BIOPHARM International Company Limited (東源國際醫藥股份有限公司)), a company incorporated in Hong Kong with limited liability on 4 December 2009 whose Shares are listed on the Stock Exchange (stock code: 1875)
“connected person(s)”	has the meaning ascribed to such term under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to such term under the Listing Rules
“core connected person(s)”	has the meaning ascribed to such term under the Listing Rules
“Director(s)”	the director(s) of the Company
“Employee Participant”	has the meaning ascribed to such term in paragraph 5 of the Appendix to this supplemental circular

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## DEFINITIONS

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“Excluded Participant”	any Participant who resides in any country or jurisdiction where the grant or transfer of any Award Shares to him/her under the 2024 Restricted Share Award Scheme would not be permitted under the laws and regulations of such country or jurisdiction or would be subject to such requirements under those laws and regulations compliance with which would, in the sole view of the Administration Committee, be unduly burdensome or impractical and the Administration Committee, in its sole discretion, considers it necessary or expedient to exclude such Participant from the benefit of such act
“Expiry Date”	the last date on which an Award Share may vest and immediately following which such Award Share shall lapse pursuant to the rules of the 2024 Restricted Share Award Scheme
“First Form of Proxy”	the form of proxy enclosed with the Main Circular
“Grant”	individually or collectively, a grant of Award Shares under the 2024 Restricted Share Award Scheme
“Grant Consideration”	the consideration to be paid by the Selected Participants to the Company before the vesting of their Award Shares
“Grant Letter”	has the meaning ascribed to such term in paragraph 2 of the Appendix to this supplemental circular
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	24 May 2024, being the latest practicable date for ascertaining certain information referred to in this supplemental circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Circular”	the circular of the Company dated 23 May 2024 in relation to proposals for general mandates to issue and buy back Shares, re-election of retiring Directors, and notice of the Annual General Meeting
“Monetary Amount”	has the meaning ascribed to such term in paragraph 3 of the Appendix to this supplemental circular

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## DEFINITIONS

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“Participant”	any individual being (i) an Employee Participant; or (ii) a Service Provider Participant
“Personal Representative”	the person or persons who, in accordance with the laws of succession of the domicile of a deceased Selected Participant, is or are entitled to receive the Award Shares on behalf of the estate of the deceased Selected Participant
“PRC”	the People’s Republic of China, excluding, for the purpose of this supplemental circular, Hong Kong, Macau Special Administrative Region and Taiwan
“Prospectus”	the prospectus dated 29 October 2019 published by the Company
“Remuneration Committee”	the Remuneration Committee of the Board
“Scheme Mandate Limit”	has the meaning ascribed to such term in paragraph 6 of the Appendix to this supplemental circular
“Second Form of Proxy”	the second form of proxy enclosed with this supplemental circular
“Selected Participant”	any Participant selected by the Administration Committee in accordance with the terms of and entitled to receive a Grant under the 2024 Restricted Share Award Scheme
“Service Provider Participant”	has the meaning ascribed to such term in paragraph 5 of the Appendix to this supplemental circular
“Service Provider Sublimit”	has the meaning ascribed to such term in paragraph 6 of the Appendix to this supplemental circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to such term under the Listing Rules
“Taipei Exchange”	Taipei Exchange (證券櫃檯買賣中心) in Taiwan

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## DEFINITIONS

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“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers, as amended, supplemented or otherwise modified from time to time
“Trust”	Trust A and Trust B, or one of them as the context may so require
“Trust A”	the trust constituted by Trust Deed A
“Trust B”	the trust constituted by Trust Deed B
“Trust Deed”	Trust Deed A and Trust Deed B, or one of them as the context may so require
“Trust Deed A”	the trust deed dated 29 May 2020 entered into between the Company and Trustee A in connection with the 2020 Restricted Share Award Scheme and to be subsequently amended in connection with the 2024 Restricted Share Award Scheme, as may be further restated, supplemented and amended from time to time
“Trust Deed B”	the trust deed dated 29 May 2020 entered into between the Company and Trustee B in connection with the 2020 Restricted Share Award Scheme and to be subsequently amended in connection with the 2024 Restricted Share Award Scheme, as may be further restated, supplemented and amended from time to time
“Trustee”	Trustee A and Trustee B, or one of them as the context may so require
“Trustee A”	Teeroy Limited, a company incorporated in Hong Kong with limited liability on 8 February 1974
“Trustee B”	Tricor Trust (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability on 20 October 1977
“Unvested Share(s)”	such Share(s) which failed to vest in the Selected Participants or which lapsed in accordance with the rules of the 2024 Restricted Share Award Scheme

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## DEFINITIONS

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“Vesting Date”

in respect of a Selected Participant, the date or each such date on which an Award Share is to vest in such Selected Participant under the 2024 Restricted Share Award Scheme, subject to (i) the allotment and issue of such Award Share by the Company to the Trustee or the purchase, migration or re-allocation of such Award Share, as the case may be; and (ii) the receipt of the full amount of the Grant Consideration by the Company in respect of such Award Share



# 东曜药业

## TOT BIOPHARM International Company Limited

### 東曜藥業股份有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 1875)

*Executive Director:*

Dr. Liu, Jun

(Chief Executive Officer)

*Non-Executive Directors:*

Mr. Fu, Shan (Chairperson of the Board)

Ms. Yeh-Huang, Chun-Ying

(Vice Chairperson of the Board)

Dr. Liu, Weidong

*Independent Non-Executive Directors:*

Ms. Hu, Lan

Mr. Chang, Hong-Jen

Dr. Wang, De Qian

*Registered Office:*

5/F, Manulife Place,

348 Kwun Tong Road,

Kowloon,

Hong Kong

*Headquarters and Principal Place of  
Business in the PRC:*

120 Changyang Street,

Suzhou Industrial Park, Suzhou,

PRC

*Share Registrar:*

Tricor Investor Services Limited

17/F, Far East Finance Centre,

16 Harcourt Road,

Hong Kong

30 May 2024

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED ADOPTION OF  
THE 2024 RESTRICTED SHARE AWARD SCHEME  
AND  
SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

Reference is made to the Main Circular dated 23 May 2024 in relation to proposals for general mandates to issue and buy back Shares, re-election of retiring Directors, and notice of the Annual General Meeting.

The purpose of this supplemental circular is to provide you with information relating to the ordinary resolutions, in addition to those referred to in the Main Circular, to be proposed at the Annual General Meeting in relation to the proposed adoption of the 2024 Restricted Share Award Scheme, and to give you the supplemental notice of the Annual General Meeting and the Second Form of Proxy.

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## LETTER FROM THE BOARD

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### 2. ADOPTION OF THE 2024 RESTRICTED SHARE AWARD SCHEME

On 29 May 2020, the Company adopted the 2020 Restricted Share Award Scheme, which is funded by new Shares. Given that (i) the Share allotment and issue limit under the 2020 Restricted Share Award Scheme has been substantially used up; and (ii) the transitional arrangements set out in the “*Consultation Conclusions on Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers and Housekeeping Rule Amendment*” published by the Stock Exchange on 29 July 2022, which would allow grants involving new Shares to be made under the 2020 Restricted Share Award Scheme, will soon come to an end on the date of the Annual General Meeting, the Company intends to adopt a new restricted share award scheme for granting Share-based incentives going forward.

For the above reason, the Board proposes to adopt the 2024 Restricted Share Award Scheme, to be valid for a period of ten (10) years from the Adoption Date, which would allow the Company to attract and retain necessary talent, to incentivize the Group’s employees, and to provide the Company with the flexibility of granting Share-based incentives with existing Shares in addition to new Shares.

The 2024 Restricted Share Award Scheme will constitute a share scheme under Chapter 17 of the Listing Rules that is capable of being funded by both new Shares and existing Shares. Pursuant to Rules 17.02 and 17.03B of the Listing Rules, the rules of the 2024 Restricted Share Award Scheme, the Scheme Mandate Limit and the Service Provider Sublimit are subject to approval by the Shareholders in general meeting.

The 2024 Restricted Share Award Scheme shall take effect upon the satisfaction of the following conditions:

- (i) the passing of the necessary resolutions by the Board and the Shareholders to approve and adopt the rules of the 2024 Restricted Share Award Scheme, the Scheme Mandate Limit and the Service Provider Sublimit; and
- (ii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any Shares to be allotted and issued pursuant to the Awards that may be granted under the 2024 Restricted Share Award Scheme.

Please refer to the Appendix on pages 12 to 25 of this supplemental circular for:

- (i) a summary of the principal terms of the 2024 Restricted Share Award Scheme, which summary serves as an overview of these terms and does not constitute the full reproduction of the terms or a comprehensive list of all the rules under the 2024 Restricted Share Award Scheme; and
- (ii) *in italics and as notes to the summary*, additional information including certain quantitative data, explanatory remarks as well as the views of the Directors and the Remuneration Committee as to the appropriateness and reasonableness of particular terms and how they align with the purpose of the 2024 Restricted Share Award Scheme.

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## LETTER FROM THE BOARD

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A copy of the rules of the 2024 Restricted Share Award Scheme will be published on the websites of the Stock Exchange and the Company respectively for display for a period of not less than fourteen (14) days before the date of the Annual General Meeting and will be made available for inspection at the Annual General Meeting.

### **3. VOTING BY POLL**

All the resolutions set out in the supplemental notice of the Annual General Meeting will be decided by poll in accordance with the Listing Rules. The poll results will be published on the Company's website at [www.totbiopharm.com.cn](http://www.totbiopharm.com.cn) and the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) after the conclusion of the Annual General Meeting.

Any Shareholder with a material interest in the proposed matters, and his/her close associates, will abstain from voting on the relevant resolutions at the Annual General Meeting. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder had a material interest in the matters which are the subject of the adoption of the 2024 Restricted Share Award Scheme, the Scheme Mandate Limit and the Service Provider Sublimit such that he/she/it must abstain from voting, and, accordingly, all Shareholders will be permitted to vote at the Annual General Meeting to approve the aforementioned matters.

Pursuant to Rules 17.05A and 17.12(2) of the Listing Rules and the rules of the 2020 Restricted Share Award Scheme, Trustee A and Trustee B, as trustees under the 2020 Restricted Share Award Scheme holding a total of 47,590,948 Shares as at the Latest Practicable Date, shall not exercise any voting rights in respect of any Shares awarded pursuant to the 2020 Restricted Share Award Scheme held by them as trustees, and there is no mechanism whereby the grantees may exercise, or may instruct Trustee A and Trustee B to exercise, any voting rights attached to such Shares awarded pursuant to the 2020 Restricted Share Award Scheme held by Trustee A and Trustee B.

### **4. SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING AND SECOND FORM OF PROXY**

The notice of the Annual General Meeting set out in the Main Circular and the First Form of Proxy enclosed with the Main Circular did not contain the resolutions in relation to the proposed adoption of the 2024 Restricted Share Award Scheme. Therefore, for the purpose of proposing such resolutions at the Annual General Meeting, the supplemental notice of the Annual General Meeting is set out on pages 26 to 28 of this supplemental circular, and the Second Form of Proxy for use at the Annual General Meeting is enclosed with this supplemental circular. The Second Form of Proxy only serves as a supplement to the First Form of Proxy in respect of such resolutions. The Second Form of Proxy will not replace, revoke or otherwise affect the validity of the First Form of Proxy duly completed and returned by you in respect of the resolutions referred to in the Main Circular.

Whether or not you are able to attend the Annual General Meeting, you are requested to complete the Second Form of Proxy in accordance with the instructions printed thereon and return it to Tricor Investor Services Limited, the Company's share registrar, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or via the designated website (<https://spot-emeeting.tricor.hk>) by using

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## LETTER FROM THE BOARD

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the username and password provided on the notification letter sent by the Company not less than 48 hours before the time appointed for holding the Annual General Meeting (i.e. not later than 10:00 a.m. on Wednesday, 12 June 2024) or the adjourned meeting (as the case may be). Completion and return of the Second Form of Proxy will not prevent you from attending and voting in person at the Annual General Meeting or any adjourned meeting if you so wish. If you attend and vote at the Annual General Meeting, the authority of the proxy will be revoked.

Registered Shareholders are requested to provide a valid email address of himself/herself/itself or his/her/its proxy (except for the appointment of the chairman of the Annual General Meeting) for the proxy to receive the login access code to participate online in the e-Meeting System.

The Annual General Meeting will be conducted in a hybrid manner with the combination of a physical meeting and a virtual meeting online. Shareholders will have the option of joining the Annual General Meeting either (a) through the physical meeting at 7/F, Wheelock House, 20 Pedder Street, Central, Hong Kong; or (b) through the Internet by using their computer, tablet device or smartphone.

Registered Shareholders will be able to attend the Annual General Meeting, vote and submit questions online via the designated website (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company.

Non-registered Shareholders whose Shares are held in the Central Clearing and Settlement System through banks, brokers, custodians or Hong Kong Securities Clearing Company Limited may also be able to attend the Annual General Meeting, vote and submit questions online. In this regard, they should consult directly with their banks, brokers or custodians (as the case may be) for the necessary arrangements.

If any Shareholder has any question on the arrangements of the Annual General Meeting, please contact Tricor Investor Services Limited, the Company's share registrar, during business hours (9:00 a.m. to 5:00 p.m., Monday to Friday, excluding Hong Kong public holidays) at the following:

Address: 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

Email: [is-enquiries@hk.tricorglobal.com](mailto:is-enquiries@hk.tricorglobal.com)

Telephone: (852) 2980-1333.

### **5. RESPONSIBILITY STATEMENT**

This supplemental 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 supplemental 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 supplemental circular misleading.

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## LETTER FROM THE BOARD

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### 6. CONFIRMATION IN RELATION TO CENTERLAB AND MR. LIN, JUNG-CHIN

As disclosed on pages 282 to 283 of the Prospectus, as part of the measures adopted by the Company to address any potential competition and conflict of interest between the Company on one hand and Centerlab and its then chairman Mr. Lin, Jung-Chin on the other hand, the Company has undertaken to the Stock Exchange to include the following statement in this supplemental circular.

The Company confirms that, as at the Latest Practicable Date, (i) none of Mr. Lin, Jung-Chin or any of his associates and relatives as defined in Rules 14A.12 and 14A.21(1)(a) of the Listing Rules respectively (the “**Relevant Persons**”) had discussed or voted on any matters relating to the exercise of voting rights by Centerlab as a Shareholder at the Annual General Meeting (the “**Relevant Matters**”) at any relevant meeting of the board of directors of Centerlab; and (ii) where the Relevant Matters involved the approval or deliberation by the board of directors or the investment committee of Centerlab, none of Mr. Lin, Jung-Chin or any of the Relevant Persons was a member of the investment committee of Centerlab at the material time.

### 7. RECOMMENDATION

On the basis of the information set out in this supplemental circular, the Board considers that the adoption of the 2024 Restricted Share Award Scheme, the Scheme Mandate Limit and the Service Provider Sublimit are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all such resolutions to be proposed at the Annual General Meeting.

Yours faithfully,

For and on behalf of the Board

**TOT BIOPHARM International Company Limited**

**Dr. Liu, Jun**

*Chief Executive Officer and Executive Director*

*The following is a summary of the principal terms of the 2024 Restricted Share Award Scheme proposed to be approved and adopted by ordinary resolutions of the Shareholders at the Annual General Meeting and does not form, nor is intended to be, part of the 2024 Restricted Share Award Scheme nor should it be taken as affecting the interpretation of the rules of the 2024 Restricted Share Award Scheme.*

## **1.      DEFINITIONS**

For the meanings of defined terms and other expressions used below, please refer to the section headed “Definitions” of this supplemental circular.

## **2.      PURPOSES, DURATION AND ADMINISTRATION OF THE 2024 RESTRICTED SHARE AWARD SCHEME**

The purposes of the 2024 Restricted Share Award Scheme are (i) to attract and retain talent necessary for the Group’s development, and to incentivize the Group’s employees and enhance their cohesion and productivity, thereby creating value for the Company and its Shareholders; and (ii) to provide the Company with the flexibility of granting Share-based incentives with existing Shares in addition to new Shares to be allotted and issued (but not only new Shares to be allotted and issued, as in the case of the 2020 Restricted Share Award Scheme), thereby reducing the dilution to the Company’s share capital and enabling Share-based incentives to be granted more efficiently.

Subject to any early termination, the 2024 Restricted Share Award Scheme shall be valid and effective for a period of ten (10) years from the Adoption Date.

The 2024 Restricted Share Award Scheme shall be subject to the administration of the Administration Committee and the Trustee with respect to their respective functions in accordance with the rules of the 2024 Restricted Share Award Scheme, the Trust Deed and all applicable laws and regulations. The Administration Committee shall have the sole and absolute right to (i) interpret and construe the rules of the 2024 Restricted Share Award Scheme; (ii) determine the persons who will be granted the Award Shares under the 2024 Restricted Share Award Scheme, the terms and conditions on which the Award Shares are granted and under what conditions the Award Shares granted pursuant to the 2024 Restricted Share Award Scheme will vest; (iii) make such appropriate and equitable adjustments to the terms of the Award Shares granted under the 2024 Restricted Share Award Scheme as it deems necessary; and (iv) make such other decisions or determinations as it shall deem appropriate in the administration of the 2024 Restricted Share Award Scheme. The decision of the Administration Committee shall be final, conclusive and binding on all parties.

Subject to the rules of the 2024 Restricted Share Award Scheme, the Administration Committee may, from time to time at its absolute discretion, select any Participant (excluding any Excluded Participant) to be a Selected Participant and make a Grant to such Selected Participant on and subject to any terms and conditions that the Administration Committee may impose. Participation in the 2024 Restricted Share Award Scheme is limited to Participants only.

In determining the Selected Participants, the number of Award Shares to be granted, the Grant Consideration, the Vesting Date(s), the Expiry Date(s), how the Grant is to be satisfied by new Shares and/or existing Shares, and the other terms and conditions of a Grant, the Administration Committee shall take into consideration any matter which the Administration Committee considers relevant, including but not limited to (i) the prevailing market price of the Shares and the valuation of the Company at or around the time of the Grant; (ii) the intended effect of the Grant in terms of talent incentivization; and (iii) the profit and loss as well as cash flow impacts of the Grant.

After the Administration Committee has determined a Selected Participant, the number of Award Shares to be granted, the Grant Consideration, the Vesting Date(s), the Expiry Date(s) and the other terms and conditions of a Grant, it shall notify the Trustee and the Selected Participant about these terms and conditions on the date of the Grant in writing by way of a letter agreement (the “**Grant Letter**”). Upon receipt of the Grant Letter, the Grant shall be deemed to be irrevocably accepted by the Selected Participant unless the Selected Participant, within five (5) business days after receipt of such Grant Letter from the Administration Committee, notifies the Administration Committee in writing that he/she declines to accept such Grant.

### **3. SOURCES OF SHARES TO FUND A GRANT**

Any Grant or potential Grant under the 2024 Restricted Share Award Scheme may, at the absolute discretion of the Administration Committee, be satisfied by:

- (i) the allotment and issue of new Shares by the Company under the Scheme Mandate Limit, where:
  - (a) the Administration Committee may, from time to time at its absolute discretion, instruct the Trustee to subscribe for, and procure the Company to allot and issue, any new Shares in connection with any Grant or potential Grant. Any subscription by the Trustee shall be made at the subscription price specified by the Administration Committee, and shall be funded by the Company. The Administration Committee is expected to determine such subscription price in connection with a Grant with reference to factors including the share-based compensation expenses per Share (if any) to be recorded in the Group’s consolidated financial statements in connection with the Grant, among other things; and
  - (b) the Company shall comply with the relevant Listing Rules and the Articles of Association when allotting and issuing new Shares and an application shall be made to the Stock Exchange for the grant of the approval for the listing of, and permission to deal in, the new Shares to be allotted and issued to the Trustee for the benefit of the Selected Participants;
- (ii) the purchase of existing Shares by the Trustee on the Stock Exchange, where:
  - (a) subject to compliance with all applicable provisions on “financial assistance for acquisition of own shares” under the Companies Ordinance, the Administration Committee may, at any time (whether before or after the Grant is made) and from time to time at its absolute discretion, designate all or part of



the trust fund of the Trust and/or cause to be paid to the Trustee from the resources of the Company and, to the extent not prohibited by the Listing Rules and applicable laws, any subsidiary of the Company any monetary amount (the “**Monetary Amount**”) for the purchase of any Shares; and

- (b) the Administration Committee may, at any time at its absolute discretion, deliver to the Trustee a letter of recommendation to instruct the Trustee to make purchases on the Stock Exchange. The letter of recommendation may specify, among other things, (i) the period within which purchases shall be made; (ii) the number of Shares to be purchased; (iii) the maximum Monetary Amount to be used for the relevant purchase; (iv) the maximum price at which the Shares shall be purchased; and/or (v) any other matter which the Administration Committee considers appropriate;
- (iii) the migration of any “Unvested Shares” (as defined in the rules of the 2020 Restricted Share Award Scheme), which are existing Shares previously allotted and issued pursuant to the 2020 Restricted Share Award Scheme and subsequently held under “Trust B” (as defined in the rules of the 2020 Restricted Share Award Scheme), from the 2020 Restricted Share Award Scheme to the 2024 Restricted Share Award Scheme, where:
  - (a) without prejudice to the operation of the 2020 Restricted Share Award Scheme, to the extent that there are any such “Unvested Shares”, the Administration Committee may, at any time (whether before or after a Grant is made) and from time to time at its absolute discretion, instruct that such Shares be migrated from the 2020 Restricted Share Award Scheme to the 2024 Restricted Share Award Scheme while remaining in Trust B; and
  - (b) as and when any such “Unvested Shares” are migrated from the 2020 Restricted Share Award Scheme to the 2024 Restricted Share Award Scheme, such Shares shall be subject to the provisions of the 2024 Restricted Share Award Scheme in all respects;
- (iv) the re-allocation of any Award Shares granted to a Selected Participant that failed to vest or lapsed in accordance with the rules of the 2024 Restricted Share Award Scheme and hence became Unvested Shares, in the manner set out in sub-paragraph (i) under the paragraph headed “11. Unvested Shares” below; or
- (v) a combination of some or all of the above.

*Notes:*

- (1) *In respect of sub-paragraph (iii) above, “Unvested Shares” (as defined in the rules of the 2020 Restricted Share Award Scheme) refer to such award Shares granted under the 2020 Restricted Share Award Scheme that failed to vest or lapsed in respect of a selected participant (for example, when such selected participant departed from the Group) and would therefore be capable of being re-allocated to other selected participants that are not connected persons. As at the Latest Practicable Date, the number of such “Unvested Shares” held under “Trust B” (as defined in the rules of the 2020 Restricted Share Award Scheme) was 13,141,591 Shares.*



- (2) *For any Grant under the 2024 Restricted Share Award Scheme, the Company will first satisfy such Grant by the migration of the aforesaid 13,141,591 Shares of “Unvested Shares” (as defined in the rules of the 2020 Restricted Share Award Scheme) held under “Trust B” (as defined in the rules of the 2020 Restricted Share Award Scheme) in the manner set out in sub-paragraph (iii) above, before utilizing other sources of Shares under other sub-paragraphs above. For the avoidance of doubt, such “Unvested Shares” shall count towards the Scheme Mandate Limit under the 2024 Restricted Share Award Scheme.*

#### **4. THE TWO TRUSTS AND TRUST FUND THEREUNDER**

Trustee A shall hold the trust fund under Trust A only on behalf of Selected Participants who are connected persons of the Company (including but not limited to Directors), while Trustee B shall hold the trust fund under Trust B on behalf of other Selected Participants.

The terms of Trust Deed A and Trust Deed B are substantially the same, except that Trust Deed B specifically provides that Trustee B may not use any of its powers thereunder in a manner that would allow any connected person of the Company to be included or construed as, or otherwise deemed to be, a discretionary object or beneficiary of Trust B or the trust fund thereunder for any purpose.

The Trustee shall hold the Award Shares, the Unvested Shares, and other cash and non-cash income derived therefrom upon trust exclusively for all or such one or more of the Selected Participants and exercise the power of appointment conferred on the Trustee subject to the terms and conditions set out in the rules of the 2024 Restricted Share Award Scheme and in the Trust Deed and such further terms and conditions as the Administration Committee may stipulate at the time of selecting any person as a Selected Participant.

All cash and non-cash income or sale proceeds of non-cash and non-scrip distributions declared in respect of a Share (whether held as Award Share or Unvested Share) shall form part of the trust fund of the Trust. The Trustee shall apply the trust fund of the Trust:

- (i) to cover the costs and expenses of the Trustee in the performance of its duties under the Trust Deed; and
- (ii) to be designated as all or part of a Monetary Amount for funding the purchase of existing Shares by the Trustee as the Administration Committee may instruct from time to time, in the manner set out in sub-paragraph (ii) under the paragraph headed “3. Sources of Shares to Fund a Grant” above.

#### **5. ELIGIBILITY OF PARTICIPANTS**

The Administration Committee may, at its absolute discretion, invite any persons belonging to any of the following classes of Participants (excluding any Excluded Participant), to be offered Awards:

- (i) a director or an employee of the Company or any subsidiary of the Company (including a person who is granted Awards under the 2024 Restricted Share Award Scheme as an inducement to enter into an employment contract with the Company or any subsidiary of the Company) (an “**Employee Participant**”); or

- (ii) a service provider (being a consultant) who provide services to the Group on a continuing or recurring basis in the Group's ordinary and usual course of business which are in the interests of the long term growth of the Group (a **"Service Provider Participant"**).

*Note:*

- (1) *In respect of sub-paragraph (ii) above, Service Provider Participants refer to consultants to the Group as may be engaged from time to time, who are in charge of research and development or other projects of the Group and provide biomedical or pharmaceutical-related services to the Group. Considering that (a) the Group is principally engaged in research and development, manufacturing, and marketing of oncology drugs in the PRC; (b) depending on the Group's business needs, the Group from time to time initiates research and development or other projects that may require external consultants' know-how and other expertise; and (c) such projects generally last for a prolonged period of time given the inherent nature of drug research and development and commercialization, the Board is of the view that consultants to the Group fulfill the definition of Service Provider Participants and are hence eligible to participate in the 2024 Restricted Share Award Scheme.*

The following non-exhaustive criteria shall be taken into consideration by the Administration Committee when determining the Selected Participants:

- (i) when selecting an Employee Participant to be a Selected Participant:
  - (a) whether the employee is of sufficient seniority within the Group, which should typically be director (總監) or above;
  - (b) whether the employee is considered to be a key talent of the Group in terms of his/her technical skills, know-how, contribution to key business development milestones and other relevant factors; and
  - (c) whether the employee is a newly hired or newly promoted member of the Group's senior management personnel, who previously has not received Share-based incentives; and
- (ii) when selecting a Service Provider Participant to be a Selected Participant:
  - (a) the significance of the research and development or other project(s) of which the service provider was, is or will be in charge;
  - (b) the value of the know-how and other expertise possessed by the service provider; and
  - (c) the expected effectiveness of Share-based incentives in motivating and retaining the service provider.

In addition and without prejudice to the restrictions set out in the paragraph headed "7. Maximum Entitlement of Each Participant" below, where any Grant to be satisfied by existing Shares is proposed to be made to any Selected Participant who is a connected person of the Company, the Company shall comply with such provisions under Chapter 14A of the Listing Rules as may be applicable, including any reporting, announcement, circular and/or shareholders' approval requirements, unless otherwise exempted under the Listing Rules (e.g. the exemption for directors' service contracts under Rule 14A.95 of the Listing Rules, if applicable).

## 6. SCHEME LIMITS

The maximum number of Shares in respect of which Awards may be granted under the 2024 Restricted Share Award Scheme and Shares in respect of which options and/or awards may be granted or which may be awarded under any other share schemes must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date (the “**Scheme Mandate Limit**”).

*Note:*

- (1) *As at the Latest Practicable Date, the Company had 772,787,887 Shares in issue. Unless further approval has been obtained from Shareholders in general meeting and assuming that there is no change in the number of issued Shares during the period between the Latest Practicable Date and the Adoption Date, the maximum number of Shares in respect of Awards which may be granted pursuant to the 2024 Restricted Share Award Scheme will be 77,278,788 Shares, representing approximately 10% of the existing number of issued Shares.*

The maximum number of Award Shares which may be issued in respect of all Awards to be granted to Service Provider Participants under the 2024 Restricted Share Award Scheme must not in aggregate exceed 5% of the Scheme Mandate Limit, being 0.5% of the total number of Shares in issue as at the Adoption Date (the “**Service Provider Sublimit**”).

*Notes:*

- (1) *As at the Latest Practicable Date, the Company had 772,787,887 Shares in issue. Unless further approval has been obtained from Shareholders in general meeting and assuming there is no change in the number of issued Shares during the period between the Latest Practicable Date and the Adoption Date, the maximum number of Shares in respect of Awards which may be granted to Service Provider Participants will be 3,863,939 Shares, representing approximately 0.5% of the existing number of issued Shares.*
- (2) *The Board has determined the Service Provider Sublimit, and the Directors (including the independent non-executive Directors) are of the view that it is appropriate and reasonable, by taking into account, among other things, the following factors:*
  - (a) *the importance of Service Provider Participants (being consultants to the Group) to the Group's long-term development and the need to incentivize them with Share-based incentives as and when appropriate;*
  - (b) *the balance to be struck between Employee Participants and Service Provider Participants in terms of the allocation of Awards among Participants, where the ratio between the two as a percentage of the Scheme Mandate Limit (i.e. 95% to 5%) is largely in line with employees' and consultants' respective significance to the Group's long-term development; and*
  - (c) *the potential dilution to the Company's share capital as a result of Awards granted to Service Provider Participants, where a maximum dilutive effect of 0.5% of the total number of Shares in issue is considered to be insignificant and hence acceptable.*
- (3) *The Service Provider Sublimit is subject to separate approval by the Shareholders at the Annual General Meeting and conditional on the adoption of the 2024 Restricted Share Award Scheme. Grant of Awards to any Service Provider Participants will be subject to the adoption of the 2024 Restricted Share Award Scheme and the Service Provider Sublimit. For the avoidance of doubt, if either the adoption of the 2024 Restricted Share Award Scheme or the Service Provider Sublimit is not approved by the Shareholders at the Annual General Meeting, no Awards are allowed to be granted to any Service Provider Participants.*

If the Company conducts a consolidation or sub-division of its Shares after the Scheme Mandate Limit or the Service Provider Sublimit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all options and awards to be granted under the 2024 Restricted Share Award Scheme and all other share schemes under the Scheme

Mandate Limit or the Service Provider Sublimit as a percentage of the total number of issued Shares as at the date immediately before and after such consolidation or sub-division shall be the same, rounded to the nearest whole Share.

Subject to the rules of the 2024 Restricted Share Award Scheme, the Scheme Mandate Limit and the Service Provider Sublimit may be refreshed by the Company as follows:

- (i) the Company may seek approval from its Shareholders in general meeting for refreshing the Scheme Mandate Limit and/or the Service Provider Sublimit (as the case may be) under the 2024 Restricted Share Award Scheme after three (3) years from the date of Shareholders' approval for the last refreshment or the Adoption Date; and
- (ii) any refreshment within any three (3)-year period must be approved by the Shareholders subject to the following provisions:
  - (a) any controlling shareholder(s) of the Company and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
  - (b) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules,

provided that sub-paragraphs (a) and (b) above do not apply if the refreshment is made immediately after an issue of securities by the Company to its Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the total number of the Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.

## **7. MAXIMUM ENTITLEMENT OF EACH PARTICIPANT**

No Award shall be granted to any Selected Participant under the 2024 Restricted Share Award Scheme at any one time or in aggregate which would result in the total number of Shares issued and to be issued in respect of all options or awards granted and proposed to be granted to such Selected Participant (excluding any options and awards lapsed in accordance with the rules of any scheme) in any twelve (12)-month period up to and including the date of such Grant to exceed 1% of the total number of Shares in issue as at the Adoption Date (the “**1% Individual Limit**”), subject to the rules of the 2024 Restricted Share Award Scheme. Any Grant that exceeds the 1% Individual Limit must be separately approved by Shareholders in general meeting with such Selected Participant and his/her close associates (or associates if such Selected Participant is a connected person) abstaining from voting and the Company must send a circular to the Shareholders in compliance with the requirements of the Listing Rules. The number and terms of Awards to be granted to such grantee must be fixed before Shareholders' approval.

Any grant of Awards to a Director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by all the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Awards).

No Award shall be granted to any Selected Participant who is a Director (other than an independent non-executive Director) or chief executive of the Company or any of their associates which would result in the total number of the Shares issued and to be issued in respect of all awards already granted or to be granted to such Selected Participant (excluding any awards lapsed in accordance with the rules of the relevant scheme) in the twelve (12)-month period up to and including the date of such Grant in aggregate to exceed 0.1% of the total number of Shares in issue as at the Adoption Date (the “**0.1% Limit**”). Any Grant to such Selected Participant that exceeds the 0.1% Limit must be approved by Shareholders in general meeting and the Company must send a circular to the Shareholders in compliance with the requirements of the Listing Rules.

No Award shall be granted to any Selected Participant who is an independent non-executive Director or a substantial shareholder of the Company or any of their respective associates which would result in the total number of the Shares issued and to be issued in respect of all options and awards already granted or to be granted to such Selected Participant (excluding any options and awards lapsed in accordance with the rules of the terms of the relevant scheme) in the twelve (12)-month period up to and including the date of such Grant in aggregate to exceed the 0.1% Limit. Any Grant to such Selected Participant that exceeds the 0.1% Limit must be approved by Shareholders in general meeting and the Company must send a circular to the Shareholders in compliance with the requirements of the Listing Rules.

In the event of any Award being granted to any Selected Participant who is a Director, chief executive or substantial shareholder of the Company or any of their respective associates which would exceed the 0.1% Limit, the proposed grantee of the Award, his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting convened to approve the granting of the Award and the Company must comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

## **8.     VESTING OF AWARD SHARES**

Subject to the rules of the 2024 Restricted Share Award Scheme, any Award Share granted to a Selected Participant shall vest in such Selected Participant on the latest of (i) the Vesting Date in respect of such Award Share; (ii) the date of the allotment and issue of such Award Share by the Company to the Trustee or the date of purchase, migration or re-allocation of such Award Share, as the case may be; and (iii) the date of the receipt of the full amount of the Grant Consideration by the Company in respect of such Award Share. The Administration Committee shall have the absolute discretion in determining whether the vesting conditions of any Selected Participant has been fulfilled.

As soon as practicable after the Award Shares have vested in a Selected Participant, the Administration Committee shall instruct the Trustee to effect the transfer of the relevant vested Award Shares to the Selected Participant. Once the Award Shares are vested and transferred to the Selected Participant, the Award Shares shall rank *pari passu* in all respects with and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the fully paid Shares in issue on the date of transfer and rights in respect of any dividend or other distributions paid or made on or after the date on which the Selected Participant is registered as a member.

The Administration Committee may, in its absolute discretion, determine the business performance target(s) of the Group and/or personal performance target(s) that are attached to an Award made to the Selected Participants under the 2024 Restricted Share Award Scheme and will assess the satisfaction by the Selected Participants of the relevant performance target(s).

The vesting period for Awards shall not be less than twelve (12) months, save and except that a shorter vesting period may be granted to Employee Participants as deemed appropriate at the sole discretion of the Administration Committee in any of the following circumstances:

- (i) grants of “make-whole” Awards to new joiners to replace the share awards they forfeited when leaving the previous employer;
- (ii) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (iii) grants with performance-based vesting conditions in lieu of time-based vesting criteria;
- (iv) grants that are made in batches during a year for administrative and compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the awards would have been granted; and
- (v) grants with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of twelve (12) months.

If an offer by way of takeover, merger, scheme of arrangement, share repurchase or otherwise is made to all the holders of Shares (or all such holders other than the offeror, any person controlled by the offeror and any person acting in association or concert with the offeror) resulting in a change in control (as defined in the Takeovers Code) of the Company, and such offer becomes or is declared unconditional (i.e. all conditions to which such transaction is subject have been satisfied) prior to the vesting of Award Shares in the Selected Participant, then such Award Shares shall immediately so vest. For the avoidance of doubt, the vesting period in respect of Awards granted to Selected Participants who are Service Provider Participants shall not be less than twelve (12) months.

*Notes:*

- (1) *In respect of an Award to be made under the 2024 Restricted Share Award Scheme, it is expected that the business performance target(s) will pertain to the CDMO/CMO business of the Group and/or the research and development progress of drug candidate(s) of the Group, and that the personal performance target(s) will pertain to the personal on-job performance of the relevant grantee.*
- (2) *The Remuneration Committee believes that the ability of the Administration Committee to determine the business performance target(s) of the Group and/or personal performance target(s) that are attached to an Award and the satisfaction of such target(s), together with the ability to provide for shorter vesting period under specific circumstances, enable the Group to (i) further incentivize the Participants to strive for better quality of work, and therefore contribute to the growth and promote the success of the business of the Group; and/or (ii) provide competitive remuneration packages to attract and retain talents to continuously serve the Group.*

- (3) *Based on the aforementioned, the Board (including the independent non-executive Directors) is of the view that the terms of the granting of Awards (including but not limited to the vesting requirements) align with the purpose of the 2024 Restricted Share Award Scheme.*

## **9.        RIGHTS ATTACHING TO THE AWARD SHARES**

Until the Award Shares have been transferred to him/her following the vesting of the Award Shares, a Selected Participant shall have no contingent interest in the Award Shares which are referable to him/her, no rights in any dividend or other cash and non-cash income in respect of a Share and no rights in any cash remaining in the trust fund of the Trust in respect of a Share.

The Trustee shall not exercise any voting rights in respect of any Shares held under the Trust (including but not limited to the Award Shares, the Unvested Shares, any bonus Shares and scrip Shares). No instructions may be given by a Selected Participant to the Trustee in respect of the Award Shares prior to the transfer of the same to him/her. In particular, a Selected Participant may not exercise, and may not instruct the Trustee to exercise, any voting rights attached to any Shares held under the Trust.

The Trustee may not subscribe for any new Shares pertaining to either (a) an open offer of new securities; or (b) bonus warrants issued in respect of any Shares held by the Trustee. In the event of a rights issue, the Trustee shall sell any nil-paid rights allotted to it. In the event of the issue of a bonus warrant, the Trustee shall sell the bonus warrants granted to it. The net proceeds from the sale of such rights shall be held as cash income of the trust fund under the Trust and shall be applied in the manner set out in the paragraph headed “4. The Two Trusts and Trust Fund Thereunder” above.

## **10.      LAPSE OF AWARD SHARES**

In respect of each Award Share of a Selected Participant, such Award Share shall lapse on the earliest of the following dates, subject to any agreement between the Company and the Selected Participant (or, in respect of (iv) or (v) below, his/her Personal Representative) to the contrary:

- (i) the date immediately following the Expiry Date in respect of such Award Share;
- (ii) three (3) months after the date of resignation, retirement, dismissal or expulsion of the Selected Participant from the Group, which date shall be approved in writing by the Chairperson of the Board or the Chief Executive Officer of the Company. For the avoidance of doubt, a Selected Participant shall not be regarded as having resigned, retired, been dismissed or been expelled from the Group if at the same time he/she serves as a consultant to the Group or takes up a different position of employment or office with an affiliated company of the Group as approved by the Chairperson of the Board or the Chief Executive Officer of the Company;
- (iii) in the case of unpaid leave of the Selected Participant due to governmental order, serious illness, family misadventure, further studies or other reasons, three (3) months after the commencement of such unpaid leave (in respect of any Award Share for which the Vesting Date has not occurred);



- (iv) in the case of death of the Selected Participant not due to occupational hazards, the date of death (in respect of any Award Share for which the Vesting Date has not occurred) or one (1) year after the date of death (in respect of any Award Share for which the Vesting Date has occurred);
- (v) in the case of death or incapacity of the Selected Participant due to occupational hazards, one (1) year after the date of death or incapacity (in respect of any Award Share for which the Vesting Date has occurred); and
- (vi) when the Selected Participant is in breach of his/her employment contract or scope of duties or the Group's reward and punishment policies (in respect of any Award Share for which the Vesting Date has not occurred).

Once lapsed, the Award Shares shall become Unvested Shares, the treatment of which is set out in the paragraph headed "11. Unvested Shares" below.

Awards which have lapsed in accordance with the rules of the 2024 Restricted Share Award Scheme shall not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

Other than the lapse of Award Shares following the dismissal or expulsion of a Selected Participant from the Group in the case of sub-paragraph (ii) above or the breach by a Selected Participant of his/her employment contract or scope of duties or the Group's reward and punishment policies in the case of sub-paragraph (vi) above, there is no "clawback" mechanism for the Company to recover or withhold from Selected Participants any Award Shares granted under the 2024 Restricted Share Award Scheme.

## **11. UNVESTED SHARES**

Where any Award Shares granted to a Selected Participant failed to vest or lapsed in accordance with the rules of the 2024 Restricted Share Award Scheme and hence became Unvested Shares, the Trustee shall, after taking into account the recommendations of the Administration Committee:

- (i) re-allocate such Unvested Shares to, and hold such Unvested Shares for the benefit of, one or more Selected Participants in connection with one or more Grants made or to be made; or
- (ii) sell such Unvested Shares on the Stock Exchange at the then prevailing market price by way of market order, in circumstances where (a) the Company does not intend to make any Grant that would enable such Unvested Shares to be re-allocated in the manner set out in sub-paragraph (i) above in the foreseeable future; and (b) the prevailing market conditions (e.g. the market price and trading volume of Shares) permit the on-market sale of such Unvested Shares in an effective and efficient manner.



The proceeds of such sale in the case of sub-paragraph (ii) above shall be treated as cash income of the trust fund under the Trust and shall be applied in the manner set out in the paragraph headed “4. The Two Trusts and Trust Fund Thereunder” above.

## **12. RESTRICTIONS**

Under the following circumstances, (a) no Grant shall be made to any Selected Participant; (b) no new Shares shall be allotted and issued by the Company to the Trustee; (c) no instruction to purchase or sell Shares shall be given by the Administration Committee to the Trustee; (d) no “Unvested Shares” (under the 2020 Restricted Share Award Scheme) shall be migrated from the 2020 Restricted Share Award Scheme to the 2024 Restricted Share Award Scheme; (e) no Unvested Shares (under the 2024 Restricted Share Award Scheme) shall be re-allocated to any Selected Participant; and (f) no vested Shares shall be transferred by the Trustee to any Selected Participant:

- (i) where the Company has information that must be disclosed under Rule 13.09 of the Listing Rules or where the Company reasonably believes there is inside information which must be disclosed under Part XIVA of the SFO, until (and including) the trading day after such inside information has been published on the websites of the Stock Exchange and the Company;
- (ii) where dealing in the Shares by such Participant is prohibited under the Listing Rules, the SFO or any other applicable law or regulation or any internal policy of the Company;
- (iii) during the period commencing thirty (30) days immediately before the earlier of (a) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (b) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement;
- (iv) in respect of Trust A or any Selected Participant who is a Director, (a) during the period of sixty (60) days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to (and including) the publication date of the results; and (b) during the period of thirty (30) days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to (and including) the publication date of the results;
- (v) in respect of Trust A or any Selected Participant who is a core connected person of the Company or otherwise not recognized by the Stock Exchange as a member of “the public” (as defined in the Listing Rules), where such action would cause the Company to violate the public float requirement under Rule 8.08 of the Listing Rules; or
- (vi) in any other circumstances which are prohibited under the Listing Rules, the SFO or any other applicable law or regulation or where the requisite approval from any applicable regulatory authority has not been granted.

### 13. CAPITAL REORGANIZATION

In the event of any alteration in the capital structure of the Company whether by way of capitalization issue, rights issue, open offer (if there is a price-dilutive element), sub-division or consolidation of Shares or reduction of share capital of the Company, the Scheme Mandate Limit and the Service Provider Sublimit as well as the number of Award Shares and the Grant Consideration relating to all Grants previously made shall be adjusted in an appropriate, fair and reasonable manner. Any such adjustments must give a Selected Participant the same proportion of the equity capital, rounded to the nearest whole Share, as that to which that Selected Participant was previously entitled. The issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In respect of any such adjustments, other than any made on a capitalization issue, an independent financial adviser or the Company's auditors must confirm to the Directors in writing that the adjustments satisfy the requirements set out in the rules of the 2024 Restricted Share Award Scheme.

*Notes:*

(1) *Any adjustments to the number of Award Shares and the Grant Consideration shall follow the guidance set out in Frequently Asked Questions FAQ13 – No.16 published by the Stock Exchange (as may be further updated from time to time) and shall be made in a manner that complies with all applicable provisions then in effect under the Companies Ordinance, other relevant laws and regulations, the Listing Rules, the Takeovers Code and accounting standards.*

(2) *For illustration purposes only, any adjustments to the number of Award Shares and the Grant Consideration are expected to be made in accordance with the following formulae:*

(a) *Capitalization issue:*

*New number of Award Shares = Existing number of Award Shares x F*

*New Grant Consideration = Existing Grant Consideration x 1 / F*

*Where:*

*F = CUM / TEEP*

*CUM (cum-rights price) = Existing market price of the Shares*

*TEEP (theoretical ex-entitlement price) = [CUM + (M x R)] / (1 + M)*

*M = Entitlement per existing Share = Number of new Shares for each existing Share*

*R = Subscription price*

(b) *Rights issue or open offer:*

*New number of Award Shares = Existing number of Award Shares x F*

*New Grant Consideration = Existing Grant Consideration x 1 / F*

*Where:*

*F = CUM / TEEP*

*CUM (cum-rights price) = Existing market price of the Shares*

*TEEP (theoretical ex-entitlement price) = [CUM + (M x R)] / (1 + M)*

*M = Rights issue or open offer ratio = Number of new Shares for each existing Share*

*R = Rights issue or open offer price*

(c) *Sub-division or consolidation of Shares:*

*New number of Award Shares = Existing number of Award Shares x F*

*New Grant Consideration = Existing Grant Consideration x 1 / F*

*Where:*

*F = Sub-division factor (i.e. Number of new Shares into which each existing Share is sub-divided) or Consolidation factor (i.e. 1 / Number of existing Shares which are consolidated into each new Share)*

**14.    TRANSFERABILITY OF AWARDS GRANTED**

Any Grant made under the 2024 Restricted Share Award Scheme shall be personal to the Selected Participant to whom it is made and shall not be assignable. 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 the Award Shares under the 2024 Restricted Share Award Scheme unless a waiver is granted by the Stock Exchange allowing the transfer of the Awards from a Selected Participant to a vehicle (such as a trust or a private company) for the benefit of such Selected Participant and any family members of such Selected Participant (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of 2024 Restricted Share Award Scheme and comply with the requirements of Chapter 17 of the Listing Rules. Any breach of the foregoing shall entitle the Company to cancel any Award or any part thereof granted to such Selected Participant. Awards or any part thereof that are cancelled shall be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

**15.    ALTERATION OF THE 2024 RESTRICTED SHARE AWARD SCHEME AND CHANGE TO THE TERMS OF THE AWARDS**

The 2024 Restricted Share Award Scheme may be altered in any respect by a resolution of the Board provided that no such alteration shall operate to affect adversely any subsisting rights of any Selected Participant. No alteration shall be made to the rules of the 2024 Restricted Share Award Scheme which are of a material nature or to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Selected Participants unless such alteration is approved by Shareholders in general meeting. The amended rules of the 2024 Restricted Share Award Scheme must still comply with the relevant requirements of Chapter 17 of the Listing Rules. Any change to the authority of the Directors to alter the rules of the 2024 Restricted Share Award Scheme must be approved by Shareholders in general meeting.

Any change to the terms of any Award to any Selected Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial Grant was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be).

**16.    TERMINATION**

The 2024 Restricted Share Award Scheme shall terminate on the earlier of: (i) the tenth (10th) anniversary date of the Adoption Date; or (ii) such 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 rules of the 2024 Restricted Share Award Scheme.

Upon termination of the 2024 Restricted Share Award Scheme, (i) no further grant of Award Shares may be made under the 2024 Restricted Share Award Scheme; and (ii) all the Award Shares granted under the 2024 Restricted Share Award Scheme which are not vested shall become Unvested Shares.

# 东曜药业

## TOT BIOPHARM International Company Limited

### 東曜藥業股份有限公司

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 1875)**

Reference is made to the notice dated 23 May 2024 (the “**Main Notice**”) in relation to the hybrid annual general meeting of TOT BIOPHARM International Company Limited (the “**Company**”) to be held on Friday, 14 June 2024 at 10:00 a.m. with the combination of a physical meeting at 7/F, Wheelock House, 20 Pedder Street, Central, Hong Kong and a virtual meeting online. This supplemental notice should be read together with the Main Notice.

**SUPPLEMENTAL NOTICE IS HEREBY GIVEN** that, in addition to the resolutions set out in the Main Notice, the aforesaid meeting will also be held for the following purposes:

#### ORDINARY RESOLUTIONS

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

- 5A. “**THAT** conditional on the passing of resolutions numbered 5B and 5C set out in this notice and subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing of, and permission to deal in, the shares in the share capital of the Company (the “**Shares**”) which may fall to be allotted and issued in respect of awards (the “**Awards**”) which may be granted under the new restricted share award scheme of the Company (the “**2024 Restricted Share Award Scheme**”), the rules of which have been produced to this meeting, the 2024 Restricted Share Award Scheme be and is hereby approved and adopted, and the board of directors of the Company (the “**Board**”) and/or its sub-committee be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Board and/or its sub-committee may consider necessary, desirable or expedient to give effect to and implement the 2024 Restricted Share Award Scheme, including without limitation:
- (i) administering the 2024 Restricted Share Award Scheme under which Awards may be granted to participants eligible under the 2024 Restricted Share Award Scheme;
  - (ii) modifying and/or amending the 2024 Restricted Share Award Scheme from time to time provided that such modification and/or amendment is effected in accordance with the rules of the 2024 Restricted Share Award Scheme and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”);

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## SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

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- (iii) granting Awards under the 2024 Restricted Share Award Scheme and allotting, issuing and otherwise dealing with from time to time such number of Shares as may be required to be issued in respect of the Awards that may be granted under the 2024 Restricted Share Award Scheme, subject to the Listing Rules;
  - (iv) making application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any Shares on the Stock Exchange that may hereafter from time to time be allotted and issued in respect of the Awards that may be granted under the 2024 Restricted Share Award Scheme; and
  - (v) consenting, if they deem fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant regulatory authorities (including the Stock Exchange) in relation to the 2024 Restricted Share Award Scheme.”
- 5B. “**THAT** conditional on the passing of resolutions numbered 5A and 5C set out in this notice, the Board and/or its sub-committee be and are hereby authorised to grant Awards to the Selected Participants (as defined in the rules of the 2024 Restricted Share Award Scheme) in accordance with the rules of the 2024 Restricted Share Award Scheme up to a maximum of 10% of the Shares in issue as at the date of passing of this resolution, to allot and issue Shares in respect of Awards so granted and to take all necessary actions incidental thereto as the Board and/or its sub-committee deem fit.”
- 5C. “**THAT** conditional on the passing of resolutions numbered 5A and 5B set out in this notice, the Board and/or its sub-committee be and are hereby authorised to grant Awards to the Service Provider Participants (as defined in the rules of the 2024 Restricted Share Award Scheme) in accordance with the rules of the 2024 Restricted Share Award Scheme up to a maximum of 0.5% of the Shares in issue as at the date of passing of this resolution, to allot and issue Shares in respect of Awards so granted and to take all necessary actions incidental thereto as the Board and/or its sub-committee deem fit.”

By order of the Board  
**TOT BIOPHARM International Company Limited**  
**Dr. Liu, Jun**  
*Chief Executive Officer and Executive Director*

Hong Kong, 30 May 2024

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## SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. Please refer to Notes 1 to 3 set out in the Main Notice for details relating to attendance of, voting at, and appointment of proxy(ies) for, the above meeting or any adjournment thereof (the “AGM”).
2. To be valid, a second form of proxy, together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of that power or authority), must be deposited at the Company’s share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or via the designated website (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company not less than 48 hours before the time appointed for the holding of the AGM (i.e. not later than 10:00 a.m. on Wednesday, 12 June 2024) or the adjourned meeting (as the case may be). Completion and return of the second form of proxy will not preclude a member from attending the AGM and voting in person if he so wishes. In the event of a member who has lodged a second form of proxy attending the AGM, the second form of proxy will be deemed to have been revoked.

Registered Shareholders are requested to provide a valid email address of himself/herself/itself or his/her/its proxy (except for the appointment of the chairman of the AGM) for the proxy to receive the login access code to participate online in the e-Meeting System.

3. All the resolutions set out in this notice shall be decided by poll.
4. References to time and dates in this notice are to Hong Kong time and dates.

*As at the date of this notice, the executive director of the Company is Dr. Liu, Jun; the non-executive directors of the Company are Mr. Fu, Shan, Ms. Yeh-Huang, Chun-Ying and Dr. Liu, Weidong; and the independent non-executive directors of the Company are Ms. Hu, Lan, Mr. Chang, Hong-Jen and Dr. Wang, De Qian.*