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HUA MEDICINE

華領醫藥

(Incorporated in the Cayman Islands with limited liability)

(stock code: 2552)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The board (the "**Board**") of directors (the "**Directors**") of Hua Medicine (the "**Company**") announces that on March 28, 2025, the Company granted share options (the "**Share Options**") to three executive Directors, 117 employees of the Company and one Service Provider (as defined under the Listing Rules) pursuant to the Company's share option scheme which was conditionally approved and adopted on August 26, 2018 and effective beginning September 14, 2018 (the "**Share Option Scheme**") (collectively, the "**Grantees**"), subject to acceptance by the Grantees. The Share Options entitle the Grantees to subscribe for a total of 9,700,000 new shares with a nominal value of US$0.001 each (the "**Shares**") in the share capital of the Company.

Details of the Share Options granted are as follows:

Date of the grant:	March 28, 2025
Exercise price of the Share Options granted:	HK$2.48 per Share, which is the highest of: i. the closing price of HK$2.48 per Share as stated in the daily quotation sheets issued by The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on the date of grant of the Share Options; ii. the average closing price of HK$2.388 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five (5) business days immediately preceding the date of grant of the Share Options; and iii. the nominal value of US$0.001 per Share.
Number of Share Options granted:	9,700,000 Share Options. Each Share Option shall entitle the holder thereof to subscribe for one (1) Share.

Validity period and vesting period of the Share Options:	Ten (10) years from the date of grant. 25% of the Share Options shall be vested on the first anniversary of the date of grant. The remaining 75% of the Share Options shall be vested in 36 monthly installments thereafter, subject to the Grantees' continued employment from the date of grant.
Performance targets and clawback mechanisms:	There is no performance target or clawback mechanism attached to the Share Options granted. In particular, upon taking into consideration that the grants are in recognition for the outstanding performance of the executive Directors, senior managers and selected employees, which helped the Company in achieving various milestones in 2024 that are critical for the Company's future development and growth, the remuneration committee of the Company is of the view that it is not necessary to set performance target and clawback mechanism for the grants to the three executive Directors and senior managers because such grants could reinforce their commitment to long term services of the Company. As such, the arrangement is aligned with the purpose of the Share Option Scheme.

An aggregate of 9,700,000 Share Options were granted to the Directors, employees of the Group and the Service Provider as detailed below:

Name of Grantee	**Position**	**Number of Share Options granted**
Director		
Dr. Li Chen	Executive Director and chief executive officer of the Company	3,000,000
Mr. George Chien Cheng Lin	Executive Director and chief strategy officer of the Company	200,000
Ms. Yi Zhang	Executive Director and chief medical officer of the Company	210,000
Employees*	Employees of the Group	6,140,000
Service Provider	a Service Provider who provides advisory services in relation to the commercialization of HuaTangNing (华堂宁®) to the Group	150,000

Note: including 10,000 Share Options granted to Xiao Chen, an employee of the Company who is the daughter of Dr. Li Chen.

Each of the grant of Share Options to Dr. Li Chen, Mr. George Chien Cheng Lin and Ms. Yi Zhang has been approved by the independent non-executive Directors of the Company.

As disclosed above, 150,000 Share Options were granted to one Service Provider who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group. The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. The Directors consider the Share Option Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group. It is expected that grantees of an option will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalize on the benefits of the options granted. The Board is of the view that the grant to the Service Provider is appropriate to enhance the long term relationship with the Service Provider by aligning his interests with that of the Company and shareholders and is therefore in line with the purpose of the Share Option Scheme.

Save as disclosed above, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, none of the other Grantees is (i) a Director, chief executive or substantial shareholder of the Company or their associate (as defined in the Listing Rules); (ii) a participant with options and awards granted and to be granted exceeding the 1% individual limit under Rule 17.03D of the Listing Rules; or (iii) a related entity participant or Service Provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the total issued Shares.

Subsequent to the grant of the Share Options, the number of Shares available for future grant under the scheme mandate pursuant to the Share Option Scheme is 34,096,608.

The Share Option Scheme was adopted before the effective date of the new Chapter 17 of the Listing Rules. The Company will comply with the new Chapter 17 to the extent required by the transitional arrangements for the existing share schemes.

By Order of the Board
Dr. Li Chen
Chief Executive Officer and Executive Director

Hong Kong, March 28, 2025

As of the date of this announcement, the Board comprises Dr. Li Chen, Mr. George Chien Cheng Lin and Dr. Yi Zhang as executive Directors; Mr. Robert Taylor Nelsen and Dr. Fangxin Li as non-executive Directors; and Mr. William Robert Keller, Mr. Yiu Wa Alec Tsui and Mr. Yiu Leung Andy Cheung as independent non-executive Directors.