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If you have sold or transferred all your shares in Sinco Pharmaceuticals Holdings Limited (the "Company"), you should at once hand this circular with the accompanying proxy form 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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Sinco Pharmaceuticals Holdings Limited
兴科蓉医药控股有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 6833)

**(1) PROPOSAL FOR TERMINATION OF
THE 2016 SHARE OPTION SCHEME
AND ADOPTION OF THE 2025 SHARE OPTION SCHEME;
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

Financial Adviser to the Company



**DILIGENT
CAPITAL**

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular unless otherwise stated.

A letter from the Board is set out on pages 5 to 13 of this circular

A notice convening the extraordinary general meeting ("EGM") of the Company to be held at E5-1805, New Century Global Centre, No. 1700 Tianfu Avenue, Chengdu, Sichuan, China on Monday, 26 May 2025 at 10:00 a.m.. A notice convening the EGM is set out on pages 29 to 31 of this circular. A form of proxy for use at the EGM is enclosed in this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.sinco-pharm.com).

Whether or not you are able to attend the EGM, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish. Delivery of an instrument appointing a proxy shall not preclude you from attending and voting in person at the EGM and in such event, the instrument appointing a proxy shall be deemed revoked.

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DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this circular:

“2016 Share Option Scheme”	the share option scheme adopted by the Company on 1 February 2016, which became effective on 10 March 2016 and will expire on 9 March 2026
“2025 Share Option Scheme”	the share option scheme of the Company which is proposed to be considered, and if thought fit, adopted at the EGM, the principal terms of which are set out in Appendix to this circular
“Adoption Date”	the date on which the 2025 Share Option Scheme is conditionally adopted by an ordinary resolution of the Shareholders at the EGM
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day on which the Stock Exchange is open for the trading of securities
“Chief Executives”	has the meaning ascribed to it in the Listing Rules
“Company”	Sinco Pharmaceuticals Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 6833)
“connected person”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held by the Company for the Shareholders to consider and, if thought fit, approving the adoption of the 2025 Share Option Scheme

DEFINITIONS

“Eligible Participant(s)”	including (a) the Employee Participant(s); and (b) the Related Entity Participant(s), provided that the Board may have absolute discretion to determine whether or not one falls within the above category
“Employee Participant(s)”	any full-time or part-time employee (including Chief Executives, senior management) or director (including executive Director, non-executive Director and independent non-executive Director) of the Company or its subsidiaries
“Grant Date”	when a Share Option has been accepted by the Grantee and/or Selected Participant (as the case may be) according to the 2025 Share Option Scheme and a letter of grant, the date of such letter of grant in respect of the accepted Share Option
“Grantee(s)”	any Eligible Participant who accepts an Offer in accordance with the terms of the 2025 Share Option Scheme, or (where the context so permits) a person entitled, in accordance with the laws of succession applicable, to exercise any option in consequence of the death of the original Grantee
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	6 May 2025, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Offer”	an offer for the grant of an Option made in accordance with the terms of the 2025 Share Option Scheme
“Offer Date”	the date on which an Offer is made to an Eligible Person(s)
“Option(s)”	any option(s) to be granted to Eligible Person(s) to subscribe for new Share(s) under the 2025 Share Option Scheme
“Option Holder(s)”	any Grantee who accepts the grant of any Option in accordance with the 2025 Share Option Scheme or (where the context so permits) the legal personal representative(s) of such Grantee
“Related Entity”	an associated company of the Company
“Related Entity Participant(s)”	any full-time or part-time employee (including Chief Executives, senior management) or director (including executive director, non-executive director and independent non-executive director) of the associated companies of the Company
“Scheme Mandate Limit”	the total number of Shares which may be issued in respect of all Options to be granted under the 2025 Share Option Scheme of the Company, being 10% of the total number of Shares in issue (excluding treasury shares) as at the date of the EGM
“Selected Participant(s)”	any Eligible Participant(s) selected by the Board in accordance with the terms of the 2025 Share Option Scheme
“SFO”	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share Option(s)”	a right to subscribe for Shares pursuant to the 2025 Share Option Scheme
“Share(s)”	ordinary share(s) of HK\$0.0001 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option
“%”	per cent.

LETTER FROM THE BOARD



Sinco Pharmaceuticals Holdings Limited
兴科蓉医药控股有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 6833)

Executive Directors:

Mr. Huang Xiangbin (*Chairman*)

Mr. Lei Shifeng

Mr. Huang Zhijian

Non-executive Director:

Ms. Jing Huan

Independent non-executive Directors:

Mr. Lau Ying Kit

Mr. Liu Wenfang

Mr. Wang Qing

Mr. Bai Zhizhong

Registered Office:

PO Box 309

Ugland House

Grand Cayman, KY1-1104

Cayman Islands

*Headquarters and principal place
of business in Hong Kong:*

Room 2403, Wing On Centre

111 Connaught Road Central

Hong Kong

8 May 2025

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSAL FOR TERMINATION OF
THE 2016 SHARE OPTION SCHEME
AND ADOPTION OF THE 2025 SHARE OPTION SCHEME;
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information and to seek your approval, *inter alia*, on (1) the proposed termination of the 2016 Share Option Scheme and the adoption of the 2025 Share Option Scheme; and (2) the notice of the EGM.

LETTER FROM THE BOARD

2. PROPOSED TERMINATION OF 2016 SHARE OPTION SCHEME AND ADOPTION OF THE 2025 SHARE OPTION SCHEME

Proposed termination of the 2016 Share Option Scheme

Pursuant to a written resolution passed by the Shareholders, the Company adopted the 2016 Share Option Scheme on 1 February 2016, which became effective on 10 March 2016. The 2016 Share Option Scheme is due to expire on 9 March 2026.

Following the amendments to Chapter 17 of the Listing Rules which took effect on 1 January 2023, the Company proposes to terminate the 2016 Share Option Scheme and adopt the 2025 Share Option Scheme in order to conform with the new requirements under the Listing Rules.

Since the adoption of the 2016 Share Option Scheme and up to the Latest Practicable Date, a total of 30,000,000 options were granted on 21 September 2016. Among these, 12,000,000 options were exercised, 2,500,000 options were forfeited, and 15,500,000 options were lapsed under the 2016 Share Option Scheme. Therefore, there were no outstanding options under the 2016 Share Option Scheme as at the Latest Practicable Date. Upon termination of the 2016 Share Option Scheme, no further share option may be granted under the 2016 Share Option Scheme.

As at the Latest Practicable Date, the Company's unutilised scheme mandate limit under the 2016 Share Option Scheme would allow the grant of options of over 160,000,000 Shares. The Company has no intention to grant further share options under the 2016 Share Option Scheme during the period from the Latest Practicable Date to the date of EGM.

According to the terms of the 2016 Share Option Scheme, the Board at any time terminate the 2016 Share Option Scheme.

Subject to the adoption of the 2025 Share Option Scheme as detailed below, the Board will terminate the 2016 Share Option Scheme. As at the Latest Practicable Date, save for the 2016 Share Option Scheme, the Company had no other subsisting share schemes under which the Company may grant any options over new Shares or awards in the form of new Shares or existing Shares.

Adoption of the 2025 Share Option Scheme

Reasons for the adoption of the 2025 Share Option Scheme

The Board proposed adopting the 2025 Share Option Scheme to increase the Group's value and align the interests of the Selected Participants directly with the Shareholders through share ownership.

The 2025 Share Option Scheme aim to (i) recognise the contributions made by certain Selected Participants by providing them with an opportunity to acquire a

LETTER FROM THE BOARD

proprietary interest in the Company; (ii) encourage and retain such individuals for the continual operation and development of the Group; (iii) provide additional incentives for them to achieve performance goals; (iv) attract suitable personnel for further development of the Group; and (v) motivate the Selected Participants to maximise the value of the Company for the benefits of both the Selected Participants and the Company.

Conditions precedent of the 2025 Share Option Scheme

The 2025 Share Option Scheme will take effect on the Adoption Date upon the satisfaction of the following conditions:

- (a) the passing of ordinary resolution by the Shareholders at the EGM to approve the adoption of the 2025 Share Option Scheme and to authorise the Directors to grant Share Options thereunder and to allot, issue and deal with Shares pursuant to the grant of any Share Option in accordance with the rules of the 2025 Share Option Scheme, provided that the allotment and issuance of new Shares under the 2025 Share Option Scheme or any other share schemes of the Company shall not exceed the Scheme Mandate Limit; and
- (b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Shares to be allotted and issued pursuant to Share Options that may be granted under the 2025 Share Option Scheme.

Eligible Participants

The Eligible Participants of the 2025 Share Option Scheme include (i) the Employee Participants; and (ii) the Related Entity Participants, provided that the Board may have absolute discretion to determine whether or not one falls within the above category. The eligibility of each of the Eligible Participant shall be determined by the Board.

For the Employee Participants, the Board will generally consider, among others, (i) the individual performance; (ii) time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (iii) the length of engagement with the Group.

For the Related Entity Participants, the Board will generally consider, among others, their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group.

Board's view

The scope of the Employee Participants includes independent non-executive Directors. Having considered that (i) equity-based remuneration continues to be an important means of ensuring the alignment between the interests of Shareholders

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and the Directors, including the independent non-executive Directors; and (ii) incentivising and promoting the past and future contributions of the independent non-executive Directors who provide valuable insight and advices to the Company with their deep industry knowledge and professional background, the Board (including the independent non-executive Directors) believes the inclusion of the independent non-executive Directors as Eligible Participants and the flexibility to grant the Options to the independent non-executive Directors in addition to cash-based incentives will allow the Company to keep its remuneration package competitive in order to attract and retain talents.

For the Related Entity Participants, in addition to the contributions made by the Group's employees, the success of the Group may also be influenced by the efforts and contributions of non-employees, such as the Related Entity Participants. These individuals, including directors or employees of the Company's associated companies, can play a significant role in supporting the Group and fostering the development and growth of its business through potential future collaborations, partnerships, or project engagements.

The Directors (including the independent non-executive Directors) consider the inclusion of Related Entity Participants in the 2025 Share Option Scheme are in line with the Company's business needs and the purposes of the 2025 Share Option Scheme, is fair and reasonable and in the interests of the Company and the Shareholders as a whole, and the criteria for the election of Eligible Participants align with the purpose of the 2025 Share Option Scheme, based on the following reasons:

- (a) establishing sustainable and stable relationships with the Related Entity Participants is essential to the Group's business development. By granting Share Options to the Related Entity Participants, their interests will be aligned with those of the Group, incentivizing them to actively contribute to the growth and development of the Group's business; and
- (b) while the Related Entity Participants may not be directly appointed and employed by the associated companies of the Company, their collaborative and corporate relationships often serve as valuable resources, positively impacting the Group's reputation, operations, and overall performance.

In determining the eligibility criteria for the Related Entity Participants, the Board would consider factors such as (i) the degree of their involvement in and/or cooperation with the Group; (ii) the duration and strength of their collaborative relationships established with the Group, and (iii) their contributions to the success of the Group, including synergies and benefits brought through their associations with associated companies of the Group. As such, the Company would only grant Options to the Related Entity Participants who have a high level of involvement and contribution to the Group, such that he will be in a position to influence the Group's business, reputation, operations and/or performance.

LETTER FROM THE BOARD

Given the above, the independent non-executive Directors are of the view that (i) the inclusion of Related Entity Participants are in line with (a) the purposes of the 2025 Share Option Scheme to incentivise or reward contributions of such persons to the growth and development of the Group and align their interests with the financial and business performance of the Group; and (b) the long term interests of the Company and its shareholders, and (ii) the proposed categories of the Related Entity Participants and their selection criteria in determining the eligibility of such Related Entity Participants and terms of grants thereto align with the Group's business needs and the purposes of the 2025 Share Option Scheme, respectively.

The 2025 Share Option Scheme – Scheme Mandate Limit

The maximum total number of new Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and other share schemes must not in aggregate exceed 10% of the total number of Shares in issue (excluding any treasury shares) as at the Adoption Date.

As at the Latest Practicable Date, the number of issued Shares (excluding treasury Shares) was 2,032,890,585 Shares. Assuming that there is no change in the number of issued Shares between the Latest Practicable Date and the Adoption Date, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme together with options and awards which may be granted under any other share schemes for the time being of the Company would be 203,289,058 Shares, representing approximately 10% of the total number of Shares in issue (excluding treasury Shares) as at the Adoption Date.

Vesting Period

To ensure the practicability in fully attaining the purpose of the 2025 Share Option Scheme, the Board is of the view that (i) there are certain instances where a strict twelve (12)-month vesting requirement would not work or would not be fair to the holders of the Share Options, which are set out in the paragraph headed "16. VESTING SCHEDULE" in the Appendix to this circular; (ii) there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (iii) the Company should be allowed discretions to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances.

Hence, the Board is of the view that the shorter vesting period prescribed in the paragraph headed "16. VESTING SCHEDULE" in the Appendix to this circular is in line with the market practice and is appropriate and aligns with the purpose of the 2025 Share Option Scheme.

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Basis of determining the exercise price of Share Options

Grantees to whom Share Options shall be granted, are entitled to subscribe for the number of Shares at the exercise price as determined on the Offer Date. The basis for determining the exercise price is also specified in the rules of the 2025 Share Option Scheme and is summarised under paragraph headed “5. PRICE OF SHARES” in the Appendix to this circular. As the exercise price must be not less than the price stipulated in the Listing Rules, it is expected that Grantees will endeavour to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the Share Options, which in turn is expected to benefit the Company and the Shareholders as a whole.

The Board considers that such basis is in line with the requirement of the Listing Rules while providing the Company with sufficient flexibility to determine the exercise price of Options that can provide sufficient incentive to the Eligible Persons to achieve the purpose of the 2025 Share Option Scheme and serving to preserve the value of the Company as well as encouraging the Eligible Persons to acquire proprietary interests in the Company.

Performance targets and clawback mechanism

Vesting of Share Options will be subject to performance targets, if any, to be satisfied by the Eligible Participants as determined by the Board from time to time. The performance targets may comprise a mixture of attaining satisfactory key performance indicators components (such as the business performance and financial performance of the Group or departmental and individual performance based on the annual performance assessment results) which may vary among the Eligible Participants. For the avoidance of doubt, the performance targets are not applicable to independent non-executive Directors. Such performance targets will be consistent with the purpose of the 2025 Share Option Scheme as it encourages the Eligible Participants to achieve such performance target thereby increasing the value of the Group.

Upon the occurrence of certain events in relation to an Eligible Participant, no further Share Options may be granted to such Eligible Participants and the Share Options granted to such Eligible Participants shall be clawed back and such Share Options shall lapse accordingly on the date as determined by the Board (if such Share Options are unvested). In addition, where a Share Option granted to an Eligible Participant has been vested and already exercised, at the time when the Eligible Participant's Share Options are clawed back, the Eligible Participant shall return, by the Board's determination at its sole and absolute discretion, either (i) the exact number of the relevant vested and clawed back underlying Shares in respect of such Share Options, or (ii) the monetary amount equivalent to the value of the relevant underlying Shares of the Share Options (I) on the Grant Date, (II) on the date of vesting of the relevant Share Options, or (III) on the date of such clawback.

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For details of the clawback mechanism of the 2025 Share Option Scheme, please refer to the paragraph headed “18. CLAWBACK” in the Appendix to this circular. The above clawback mechanism is consistent with the purpose of the 2025 Share Option Scheme as an Eligible Participant falling under any of the events outlined in the paragraph headed “18. CLAWBACK” in Appendix to this circular, in relation to a Grantee, shall not be rewarded under the 2025 Share Option Scheme.

General

No trustee has been appointed under the 2025 Share Option Scheme. No Director has a material interest and is required to abstain from voting for the resolutions to approve the adoption of the 2025 Share Option Scheme. None of the Shareholders is required to abstain from voting for such resolutions at the EGM pursuant to the Listing Rules and/or the Articles of Association.

As at the Latest Practicable Date, the Company had not granted any Share Options or made any immediate plan to make grants of Options under the 2025 Share Option Scheme.

A summary of the principal rules of the 2025 Share Option Scheme is set out in Appendix to this circular. A copy of the 2025 Share Option Scheme will be made available for inspection at the EGM and will be published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.sinco-pharm.com) for not less than 14 days before the date of the EGM.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued in respect of all Share Options to be granted under the 2025 Share Option Scheme.

As at the Latest Practicable Date, no Shareholder had a material interest in the adoption of the 2025 Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolution(s) in relation thereto.

3. EXTRAORDINARY GENERAL MEETING

An EGM will be convened for Monday, 26 May 2025, at which the Shareholders are to consider and, if appropriate, approve the adoption of the 2025 Share Option Scheme. The record date for the EGM is Monday, 26 May 2025, and all persons who are registered as Shareholders as of this date will be eligible to attend and vote at the EGM. The procedures for conducting a poll at the EGM are set out in section 4 below.

A form of proxy for use at the EGM is enclosed, a copy of which can also be obtained via the website of the Company at www.sinco-pharm.com or the website of HKEXnews at www.hkexnews.hk. Whether you are able to attend the EGM or not, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company’s branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183

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Queen's Road East, Hong Kong as soon as possible, and in any event so that it is received not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish. **Subject to the applicable requirements and/or guidelines of the Hong Kong Government and/or regulatory authorities, the Company may announce further updates on the EGM arrangement on the Company's website at www.sinco-pharm.com as and when appropriate.**

4. PROCEDURES FOR POLL VOTING

Pursuant to Rule 13.39(4) of the Listing Rules, at any general meeting, a resolution put to the vote of Shareholders shall 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.

Detailed procedures for conducting a poll are set out below and will also be explained at the commencement of the EGM.

The chairman of the EGM will exercise his right under Article 79 of the Articles of Association to demand for poll voting on all the resolutions as set out in the notice of the EGM. For poll voting, every Shareholder present in person or by proxy or, in case of a corporate Shareholder, by its duly authorised representative shall have one vote for every fully paid Share in accordance with Article 79 of the Articles of Association.

Every Shareholder present in person or by proxy or, in case of a corporate Shareholder, by its duly authorised representative who is entitled to more than one vote need not use all his/her/ its votes or cast all his/her/its votes in the same way. That means he/she/it can cast some of his/ her/its votes in favour of the resolutions and some of his/her/its votes against the resolutions.

The branch share registrar of the Company will act as the scrutineer for the poll voting. The scrutineer will distribute a voting slip to every Shareholder in person or a proxy or duly authorised representative of a corporate Shareholder on registration of attendance at the EGM.

The chairman of the EGM will arrange for all the resolutions to be proposed and seconded first and then conduct the voting by poll on each of the resolutions thereafter.

After completion of the voting slips by the Shareholders, the scrutineer will collect the completed voting slips and then count the votes.

The results of the poll on all the resolutions as set out in the notice of the EGM in both English and Chinese will be published on the website of the Company at www.sinco-pharm.com and the website of HKEXnews at www.hkexnews.hk later on the date of the EGM.

LETTER FROM THE BOARD

5. DOCUMENTS ON DISPLAY

A copy of the 2025 Share Option Scheme will be published on the websites of the Stock Exchange and the Company for display for a period of not less than 14 days before the date of the EGM. In addition, such copy of the 2025 Share Option Scheme will be made available for inspection at the EGM.

6. RECOMMENDATION

The Directors (including independent non-executive Directors) are of the opinion that the proposed adoption of the 2025 Share Option Scheme is in the interests of the Company and the Shareholders as a whole and so recommend you to vote in favour of all the resolutions to be proposed at the EGM.

7. 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.

On behalf of the Board
Sinco Pharmaceuticals Holdings Limited
Huang Xiangbin
Chairman and Executive Director

The following is a summary of the principal terms of the 2025 Share Option Scheme proposed to be adopted at the EGM. It does not form part of, nor is it intended to be part of the rules of the 2025 Share Option Scheme. The Directors reserve the right at any time prior to the EGM to make such amendments to the 2025 Share Option Scheme as they may consider necessary or appropriate provided that such amendments do not conflict with any material aspects with the summary in this Appendix.

1. PURPOSE OF THE SCHEME

The purpose of the 2025 Share Option Scheme is to enable the Group to grant options as defined in the 2025 Share Option Scheme to selected participants as incentives or rewards for their contributions to the Group.

Given that the Board are entitled to determine any performance targets to be achieved and that the exercise price of an option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by the Board, it is expected that Grantees of an Option will make an effort to contribute to the development of our Group so as to bring about an increase of market price of the Shares in order to capitalise on the benefits of the Options granted. For the purpose of the 2025 Share Option Scheme, references to new Shares include treasury shares, and references to the issue of new Shares include the transfer of treasury shares.

The Company may issue new Shares and/or utilise existing treasury shares (if any) to satisfy grants of the Options under the 2025 Share Option Scheme to the extent permitted by the Listing Rules, all applicable laws and regulations and the Articles of Association. As at the Latest Practicable Date, the Company had not decided whether to use treasury shares for the 2025 Share Option Scheme, if applicable.

2. WHO MAY JOIN AND CRITERIA FOR DETERMINING ELIGIBLE PERSONS

The Board may, in its absolute discretion, grant options to any Eligible Participant comprise: (i) any Employee Participant; and (ii) any Related Entity Participant.

In determining the basis of eligibility of each Eligible Participant, the Board will take into consideration matters including but without limitation the present and future contribution of the relevant Eligible Person, the performance of the relevant Eligible Person as well as the Group's overall business objectives and future development plan.

For the Employee Participants, the Board will generally consider, among others, (i) the individual performance; (ii) time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (iii) the length of engagement with the Group.

For the Related Entity Participants, the Board will generally consider, among others, their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group.

3. CONDITIONS PRECEDENT OF THE 2025 SHARE OPTION SCHEME

The 2025 Share Option Scheme will take effect on the Adoption Date upon the satisfaction of the following conditions:

- (a) the passing of ordinary resolution by the Shareholders at the EGM to approve the adoption of the 2025 Share Option Scheme and to authorise the Directors to grant Share Options thereunder and to allot, issue and deal with Shares pursuant to the grant of any Share Option in accordance with the rules of the 2025 Share Option Scheme, provided that the allotment and issuance of new Shares under the 2025 Share Option Scheme or any other share schemes of the Company shall not exceed the Scheme Mandate Limit; and
- (b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Shares to be allotted and issued pursuant to Share Options that may be granted under the 2025 Share Option Scheme.

4. GRANT AND ADMINISTRATION OF SHARE OPTION

Subject to the following restrictions, the Board shall have absolute discretion during the term of the 2025 Share Option Scheme to issue the Offers to Eligible Participants under such conditions as it deems appropriate, enabling them to subscribe for a certain number of Shares (in board lots or multiples thereof) at the Subscription Price, with the consideration being the payment of the Subscription Price.

- (a) The Offer to grant Share Options may be issued to the Eligible Participants in the form of a letter determined by the Board from time to time. The letter shall specify the number of Shares that can be subscribed for, the term of the Share Options, the Subscription Price, and the deadline for accepting the Offer, which shall not exceed 15 days (including the Offer Date) from the date of the offer of grant of the Option, and require the Eligible Participants to undertake to comply with the terms and conditions of the grant of Share Option and hold the Share Options subject to the 2025 Share Option Scheme. The Offer is exclusive to the Eligible Participants and is non-transferable.
- (b) The Board may not grant any Options after inside information has come to its knowledge until (and including) the trading day after it has announced the information. In particular, Share Options shall not be granted during the period commencing 30 days immediately before the earlier of:
 - (1) the date of the Board meeting (as such date is first notified to the Exchange under the Listing Rules) for approving any annual, semi-annual, quarterly, and other interim results of the Company (whether or not required by the Listing Rules); and

- (2) the deadline for the Company to announce its results for interim, quarterly or half-yearly period under the Listing Rules (whether or not required under the Listing Rules),

and ending on the date of the results announcement.

The Board may not grant any option to any Eligible Person who is a Director during the periods or times in which Directors are prohibited from dealing in shares pursuant to the Model Code for securities transactions by Directors prescribed by Appendix C3 of the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

5. PRICE OF SHARES

The Subscription Price for Shares under the Share Option Scheme shall be a price determined by the Directors, but shall not be less than the highest of:

- (i) the closing price of Shares as stated in the Stock Exchange's daily quotations on the date of grant of Share Option, which must be a business day;
- (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of grant of Share Option; and
- (iii) the nominal value of the Shares.

6. MAXIMUM NUMBER OF SHARES

- (i) The total number of shares which may be issued upon the exercise of all Share Options granted and to be granted under Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 203,289,058 Shares, being 10% of the Shares in issue (excluding any treasury shares) as at the Adoption Date. If the grant of Share Options under the 2025 Share Option Scheme and any other share option scheme of the Company would result in exceeding the Scheme Mandate Limit, such Share Options shall not be granted.
- (ii) The total number of Shares issued and which may fall to be issued upon exercise of the Share Options granted under the 2025 Share Option Scheme (including both exercised or outstanding Share Options) to each Eligible Participant in any 12-month period must not exceed 1% of the issued share capital of the Company (excluding treasury shares) for the time being (the "**Individual Limit**"). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant must be subject to the issue of a circular to the Shareholders and the Shareholders' approval in general meeting of the Company with such Eligible Participant and its associates abstaining from voting. The Company must

send a circular to Shareholders disclosing the identity of Eligible Participant(s), the number of Share Options to be granted (including those previously granted to such participants), the terms of the grant, and the information required under Rule 17.03D(2) of the Listing Rules. The quantity and grant terms (including the Subscription Price) must be determined prior to the approval by the Shareholders. The date of the Board meeting proposing the resolution to grant Share Options continuously shall be regarded as the Grant Date of the stock options for the purpose of calculating the Subscription Price.

- (iii) The maximum number of Shares referred to in paragraphs (i) and (ii) above will be adjusted in such manner as to give an Eligible Participant the same proportion of the equity capital, rounded to the nearest whole Share, as that to which that Eligible Participant was previously entitled, in the event of any alteration in the capital structure of the Company by way of capitalisation issue, rights issue, consolidation or sub-division in the share capital of the Company, or reduction of the share capital of the Company, provided that (A) the Company may not regard any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in respect of a transaction as a circumstance requiring adjustment of the maximum number of Shares referred to in paragraphs (i) and (ii) above; and (B) in respect of and prior to any such adjustments, other than any made on a capitalisation issue, an independent financial adviser appointed by the Company or the auditors must confirm to the Directors in writing that the adjustments satisfy the requirements set out in this paragraph (v).
- (iv) The Company may seek an approval from the Shareholders in general meeting to refresh the Scheme Mandate Limit, provided that at least three years have elapsed since the date of the last approval from the Shareholders for updating (or adopting) the 2025 Share Option Scheme. The total number of Shares which may be issued upon exercise of all Share Options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the Shares in issue (excluding any treasury shares) as of the date of the approval from the Shareholders. The Company must send a circular containing the information required under Rule 17.03C(2) of the Listing Rules to the Shareholders.
- (v) The exercise of any Option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company. Subject thereto, the Directors shall make available sufficient authorised but unissued share capital of the Company to allot the Shares on the exercise of any Option.

7. GRANT OF OPTIONS TO CONNECTED PERSONS

- (i) Any grant of Options under the 2025 Share Option Scheme and any other schemes of the Company to a Director, Chief Executive or substantial Shareholders of the Company or any of their respective associates must be pre-approved by independent non-executive Directors of the Company (excluding any independent non-executive Director who is the Grantee).
- (ii) Where any grant of Options to an independent non-executive director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all Options granted (excluding any Options lapsed in accordance with the terms of the 2025 Share Option Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of shares in issue (excluding treasury shares), such further grant of Options must be approved by Shareholders of the Company in general meeting. All connected persons of the Company must abstain from voting in favour of the proposed grant of Options at such general meeting.
- (iii) Any change in the terms of Options granted to a participant who is a director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by Shareholders of the Company in accordance with the provisions of Clause 7(ii) above.

8. ACCEPTANCE OF OFFER

- (i) When accepting any Offer for the grant of Share Options, a number of Shares less than the number offered may be accepted, provided that the accepted Shares must be in board lots or integral multiples thereof as traded on the Stock Exchange. Any offer for the grant of Share Options not accepted within the period specified in Clause 8 (ii) below shall be deemed to have been irrevocably declined for the unaccepted portion.
- (ii) Upon receipt by the secretary of the Company, within 15 days from the Offer Date (including the Offer Date), of two duly signed copies of the letter of acceptance of the Offer from the Eligible Participant and a remittance of HK\$1 paid to the Company as consideration for the grant of the Share Options, provided that such acceptance is not made after the expiry of the 2025 Share Scheme, the Company shall issue a Share Option certificate bearing the Company's seal and in the format as determined by the Board from time to time, within 30 days of the acceptance of the Offer.
- (iii) Any Share Option shall not be sold, transferred, pledged, mortgaged, assigned, encumbered, or otherwise dealt with, and shall belong solely to the Option Holder. The Option Holder shall not establish any beneficial interest in favor of a third party. Share Options shall be personally owned by the Option Holder and shall not be assigned or transferred.

- (iv) The payment for the Share Options shall not be refunded under any circumstances.

9. PERIOD OF THE 2025 SHARE OPTION SCHEME

The 2025 Share Option Scheme will remain in force for a period of 10 years commencing from the Adoption Date.

10. EXERCISE OF RIGHTS

- (i) Subject to the terms of the 2025 Share Option Scheme and the specific terms and conditions applicable to each Option, the vesting period in respect of each Option (or any part thereof) shall be determined by the Board, provided that the vesting period for any Option shall not be less than 12 months except only for Option granted to Eligible Employee; in no circumstances may a shorter period be granted to a Related Entity Participant. The exhaustive circumstances which may trigger a shorter vesting period are set out in paragraph 16 below.

- (ii) If the Option Holder ceases to be an Eligible Participant by reason of:

- (1) termination of his employment for Eligible Participants as any one or more of the grounds that he has been guilty of misconduct, bankruptcy, insolvency or conviction for a criminal offence or has made any arrangements or composition with his creditors generally;
- (2) in the event of death, winding-up or dissolution, the agent or receiver, liquidator (if applicable) may exercise the outstanding Share Options within the earlier of the following periods: (a) within 12 months after death; or (b) until the expiration of the 2025 Share Option Scheme.

For the avoidance of doubt, the date of liquidation or dissolution shall be deemed as the effective date on which the Option Holder: passes a resolution for voluntary liquidation; convenes a meeting to consider such a resolution; becomes subject to a liquidation order; assigns assets for the benefit of creditors; invokes insolvency laws; or initiates or becomes subject to judicial proceedings concerning restructuring, arrangements, debt adjustments, dissolution, or liquidation under any applicable laws or regulations of the relevant jurisdiction; or

- (3) voluntary resignation, retirement, expiry of employment contract or termination of employment for the Eligible Participant on any grounds other than those set out in (1) or (2) above,

then the Option Holder's outstanding Option shall lapse.

- (iii) All allotments and issuances of Shares shall be subject to the Memorandum and Articles of Association, and any consents required under the applicable laws and regulations in force from time to time in the Cayman Islands, Hong Kong, and other regions. The Option Holder shall be responsible for complying with all requirements necessary to obtain such consents or to avoid the necessity of obtaining such consents.
- (iv) Notwithstanding any contrary provisions in the 2025 Share Option Scheme, the 2025 Share Option Scheme shall not be extended. Upon the expiration of the 2025 Share Option Scheme, all rights relating to the Share Options shall terminate, except for those that have been validly exercised prior to expiration, which shall remain unaffected. The Company's obligations under the 2025 Share Option Scheme regarding such exercised Options shall not be discharged until they have been duly fulfilled.
- (v) The Share Option may be exercised in accordance with the terms of the 2025 Share Option Scheme at any time during a period to be notified by the Board subject to the terms of grant (including but not limited to the vesting period set out in Paragraph 16), the expiry date of such period not to exceed ten (10) years from the Offer Date.

11. RIGHTS ON A GENERAL OFFER, LIQUIDATION, OR ARRANGEMENT

In the event of a general offer, whether by way of take-over, or scheme of arrangement, is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlling the offeror and/or any person acting in association or concert with the offeror), and such offer becomes or is declared unconditional before the expiration of relevant Option, an Option Holder (or his or her legal personal representative(s)) shall be entitled to exercise the Option (to the extent not already exercised) at any time within one month after the date on which such offer becomes or is declared unconditional. In such an event, the vesting conditions and vesting periods of all Options granted but not yet vested shall remain unaffected and shall not be accelerated. Subject to the above, the Option will lapse automatically (to the extent not exercised) on the date which such offer (or, as the case may be, the revised offer) closed or the relevant record date for entitlements under the scheme of arrangement, as the case may be.

In the event that a notice is given by the Company to the shareholders to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily windup the Company, all unvested Options will immediately and automatically vest and the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee (an Employee Participant) (or his or her legal personal representative(s)) may by notice in writing to the Company (such notice to be received by the Company not later than seven business days prior to the proposed general meeting of the Company) exercise the option (to the extent not already exercised) either to its full extent or to the extent specified in such notice, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is

given whereupon the Company shall as soon as possible and, in any event, no later than one business day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Option Holders credited as fully paid. Any vested Option not exercised on or before the second Business Day prior to the general meeting will automatically lapse.

In the event of compromise or arrangement between the Company and its shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all Option Holders on the same date ("**Dispatch Date**") as it dispatches the notice which is sent to each Shareholder or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon all unvested Options will vest and a Grantee (Employee Participant) (or his/her personal representative(s)) may exercise all outstanding vested Options (in whole or in part) forthwith and until the expiry of the period commencing with the Dispatch Date and ending with the earlier of (a) the date two months thereafter and (b) the date on which such compromise or arrangement becoming effective, by sending an exercise notice to the Company and by remitting the total Subscription Price payable in respect of the exercise of the relevant vested Options. Each Grantee (Employee Participant) (his or her personal representative(s)) may by notice in writing to the Company (such notice to be received by the Company not later than seven business days prior to the proposed general meeting the Company), accompanied by the remittance for the Subscription Price in respect of the relevant Option, exercise the Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice provided that the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective and as soon as possible thereafter the Company shall allot and issue such number of Shares to the Grantee (Employee Participant) which falls to be issued on such exercise credited as fully paid and register the Grantee (Employee Participant) as holder of such Shares.

12. LAPSE OF OPTION

Notwithstanding any other provisions to the contrary, the Options shall automatically expire (to the extent not exercised) on the earliest of the following dates:

- (1) upon expiration of the period of the 2025 Share Option Scheme;
- (2) upon expiration of the periods described in clause 11 above;
- (3) on the commencement date of the winding-up of the Company;

- (4) on the date the Option Holder ceases to be an Eligible Participant for reasons specified in clause 10(ii). For one or more reasons under clause 10(ii)(1) that lead to the termination of the employment contract for the Options, the date of termination shall be the date of a relevant resolution of the Board or the board of directors of the relevant subsidiaries or associated companies of the Company; and
- (5) on the date the Option Holder violates the provisions of clause 8(ii).

13. EXERCISE OF SHARE OPTION

The Option Holder must submit the following documents to the Company secretary before the expiration of the period of Share Option:

- (1) a written notice exercising the Options, which can also be endorsed on the Option certificate. This notice must be signed by the Option Holder and specify the number of Shares to be issued;
- (2) the Option certificate that covers the number of Shares to be issued upon exercise;
- (3) full payment (equivalent to the number of Shares to be issued upon exercise multiplied by the Subscription Price); and
- (4) any other documents specified by the Board at the time the Share Options were granted.

Unless otherwise agreed by the Company and the Option Holder, the Share Options will be issued to the Option Holder within five business days from the date of exercise (i.e., the date the Company receives the required documents and payment).

Unless for the exercise of the entire Share Option, the Options shall be traded in board lots or integral multiples thereof.

Shares issued upon the exercise of an Option shall not carry voting rights until the registration on the Company's register of members of the Option Holder as the holder thereof. If under the terms of a resolution passed or an announcement made by the Company prior to the date of exercise of an Option, a dividend is to be or is proposed to be paid to holders of Shares on the register of members on a date prior to such date of exercise, the Shares to be issued upon such exercise will not be entitled to such dividend. Subject as aforesaid, Shares allotted upon the exercise of an option shall rank equally in all respects with the Shares in issue on the date of such exercise.

If the number of Shares that may be issued upon the exercise of the Share Options under the 2025 Share Option Scheme exceeds the number specified in the exercise notice, the Company will provide written notice to the person who issued the notice regarding the remaining Shares.

14. ADJUSTMENTS TO THE SUBSCRIPTION PRICE AND QUANTITY

In the event of an alteration in the capital structure of the Company whilst any Option remains exercisable by way of capitalization of profits or reserves, rights issue, subdivision or consolidation of shares, or reduction of the share capital of the Company in accordance with legal requirements (including, without limitation, the Companies Act) and requirements of the Stock Exchange (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party), such corresponding alterations (if any) shall be made to:

- (a) the number or nominal amount of Shares comprised in each Option so far as unexercised; and/or
- (b) the Subscription Price; and/or
- (c) the method of exercise of the Option,

or any combination thereof, as the auditors of the Company or an independent financial advisor engaged by the Company for such purpose shall, at the request of the Company, certify in writing to the Board, either generally or as regards any particular Grantee, to be in their opinion fair and reasonable, provided always that any such adjustments should give each Grantee the same proportion of the equity capital, rounded to the nearest whole Share, of the Company as that to which that Grantee was previously entitled prior to such adjustments, and no adjustments shall be made which will enable a Share to be issued at less than its nominal value. The capacity of the auditors or the independent financial advisor to the Company in this paragraph 14 is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the auditors or the independent financial advisor to the Company shall be borne by the Company. Notice of such adjustment shall be given to the Grantees by the Company.

To the extent not otherwise determined by the Board, the method of adjustment of the number of Option so far as unexercised is set out as below:

Capitalization issue

$$Q = Q_0 \times (1 + n)$$

Where: “ Q_0 ” represents the number of Option before the adjustment; “ n ” represents the ratio per Share resulting from the capitalization issue; “ Q ” represents the number of Option after the adjustment.

Rights issue

$$Q = Q_0 \times P_1 \times (1 + n) \div (P_1 + P_2 \times n)$$

Where: “ Q_0 ” represents the number of Option before the adjustment; “ P_1 ” represents the closing price of the Shares as at the record date; “ P_2 ” represents the subscription price of the rights issue; “ n ” represents the ratio of the rights issue allotment; “ Q ” represents the number of Option after the adjustment.

Consolidation of Shares or share subdivision or reduction of the share capital

$$Q=Q_0 \times n$$

Where: “Q₀” represents the number of Option before the adjustment; “n” represents the ratio of share consolidation or share subdivision or reduction of share capital; “Q” represents the number of Option after the adjustment.

To the extent not otherwise determined by the Board, the method of adjustment of the Subscription Price of Option is set out as below:

Capitalization issue

$$P=P_0 \div (1 + n)$$

Where: “P₀” represents the Subscription Price before the adjustment; “n” represents the ratio per Share resulting from the capitalization issue; “P” represents the Subscription Price after the adjustment.

Rights issue

$$P=P_0 \times (P_1 + P_2 \times n) \div (P_1 \times (1 + n))$$

Where: “P₀” represents the Subscription Price before the adjustment; “P₁” represents the closing price of the Shares as at the record date; “P₂” represents the subscription price of the rights issue; “n” represents the ratio of the rights issue allotment; “P” represents the Subscription Price after the adjustment.

Consolidation of Shares or share subdivision or reduction of the share capital

$$P=P_0 \div n$$

Where: “P₀” represents the Subscription Price before the adjustment; “n” represents the ratio of share consolidation or share subdivision or reduction of share capital; “P” represents the Subscription Price after the adjustment.

In respect of any adjustments required above, other than any made on a capitalization of profits or reserves, the auditors or the independent financial advisor, as the case may be, shall confirm to the Board in writing that the adjustments satisfy the requirements set out in Rule 17.03(13) of the Listing Rules and the note thereto to all issuers relating to share option schemes and/or such other requirement prescribed under the Listing Rules and such other applicable guidance and/or interpretation of the Listing Rules from time to time. If there has been any alteration in the capital structure of the Company as referred to above, the Company shall, upon receipt of an enquiry from a Grantee, inform the Grantee of such alteration.

15. ALTERATION, TERMINATION, AND CANCELLATION OF THE 2025 SHARE OPTION SCHEME

- (i) Except as provided in clause 15(ii) below, the Board (or the 2025 Share Option Scheme administrators authorized by the Board) may, at its absolute discretion, waive or amend the terms and conditions of the 2025 Share Option Scheme from time to time as deemed appropriate, without the prior approval of the Company's general meeting of Shareholders, provided that such amendments or waivers comply with the requirements of the Listing Rules in effect at the time.

- (ii) Any alternations to the 2025 Share Option Scheme in relation to the following areas shall be approved by the Shareholders in general meeting:
 - (a) any provisions relating to the matters set out in Rule 17.03 of the Listing Rules and the alternation to the terms and conditions will be more favourable to the Eligible Participants. Any change to the terms of Options granted to an Eligible Person, must also, to be effective, be approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders in general meeting (as the case may be) if the initial grant of the Options was approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of the 2025 Share Option Scheme;

 - (b) any alterations to the terms and conditions of the 2025 Share Option Scheme which are of a material nature, except where the alterations take effect automatically under the existing terms of the 2025 Share Option Scheme;

 - (c) the amended terms of the 2025 Share Option Scheme must still comply with the relevant requirements of Chapter 17 of the Listing Rules; or

 - (d) any change to the authority of the Directors or the 2025 Share Option Scheme administrators in relation to any alteration to the terms of the 2025 Share Option Scheme.

- (iii) The Board may terminate the 2025 Share Option Scheme at any time and in such event no further Options shall be offered, but Options granted prior to such termination shall continue to be valid and exercisable in accordance with the provisions of the 2025 Share Option Scheme. Upon the termination of the 2025 Share Option Scheme, detailed information regarding the Share Options granted under the scheme must be disclosed in the circular for the first new option scheme that requires shareholder approval following its termination. This disclosure should include exercised and unexercised Options, and any Options that have become invalid or unenforceable, if applicable.

- (iv) Save for any breach of the requirement under paragraphs 4(a), 17 and 18 which shall entitle the Company to cancel the Option(s) granted to the relevant Grantee to the extent not already exercised and subject to Chapter 17 of the Listing Rules, any Options granted but not exercised may not be cancelled except with the prior written consent of the relevant Grantee and the approval of the Directors. When the Company cancels any unvested Option granted to a Grantee or any vested (but not yet exercised) Option and issues new Option(s) to the same grantee, the issue of such new Option(s) may only be made with available Scheme Mandate Limit approved by the Shareholders pursuant to paragraph 6 above. The Options cancelled shall be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and Individual Limit.
- (v) In all circumstances, individuals who cease to qualify as Eligible Participants shall not be entitled to any compensation for any reduction or loss of rights or benefits (whether actual or anticipated) associated with the Share Options they hold under the 2025 Share Option Scheme.

16. VESTING SCHEDULE

- (1) Save for the circumstances prescribed in paragraph 16(2), a Share Option must be held by the Grantee for at least 12 months from the date of grant before the Share Option can be exercised.
- (2) Share Options granted to Employee Participants may be subject to a shorter vesting period as determined by (i) the remuneration committee of the Company if such Employee Participant is a Director or a senior manager of the Company, or (ii) the Board if such Employee Participant is not a Director or a senior manager of the Company, under any of the following circumstances:
 - (a) grants of “make-whole” share options to new joiners to replace the share options they forfeited when leaving their previous employers;
 - (b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control events;
 - (c) grants with performance-based vesting conditions provided in the 2025 Share Option Scheme or as specified in the offer letter in lieu of time-based vesting criteria;
 - (d) grants that are made in batches during a year for administrative or compliance requirements, for example, Share Options that should have been granted earlier but had to wait for a subsequent batch and the vesting period may be shortened to reflect the time from which the Share Options would have been granted;
 - (e) grants with a mixed or accelerated vesting schedule such as where the Share Options may vest evenly over a period of 12 months, or where the Share Options may vest by several batches with the first batch to vest within 12 months of the grant date and the last batch to vest 12 months after the grant date; and

(f) grants with a total vesting and holding period of more than 12 months,

each of which is considered appropriate and serves the purpose of the 2025 Share Option Scheme to provide flexibility to grant Options (1) as part of competitive terms and conditions to induce valuable talent to join the Group; (2) to reward past contribution which may otherwise be neglected due to administrative or technical reasons; (3) to reward exceptional performers with accelerated vesting; (4) to motivate exceptional performers based on performance metrics rather than time; and (5) in exceptional circumstances such as death of the relevant Employee Participants to provide appropriate safeguard of interests of the relevant selected Employee Participants so as to be in line with market standard.

The Board is of the view that the vesting period (including the circumstances in which a shorter vesting period may apply) enables the Company to offer competitive remuneration and reward packages to Employee Participants, on an ad hoc basis, in such circumstances that would be justified and reasonable, which is also consistent with the Listing Rules and the former practice of the Company and peer companies in the Group's industry. Accordingly, the above vesting period is considered appropriate and aligns with the purpose of the 2025 Share Option Scheme.

17. PERFORMANCE TARGETS

The 2025 Share Option Scheme provides that vesting of Share Options shall be subject to performance targets, if any, to be satisfied by the Grantees as determined by the Board from time to time. The performance targets may comprise a mixture of attaining satisfactory key performance indicators components (such as the business performance and financial performance of the Group or departmental and individual performance based on the annual performance assessment results) which may vary among the Grantees. For the avoidance of doubt, the performance targets are not applicable to independent non-executive Directors.

18. CLAWBACK

- (1) Upon the occurrence of any of the following events in relation to a Grantee, no further Share Options shall be granted to such Grantee and the Share Options granted to such Grantee shall be clawed back and shall lapse accordingly on the date as determined by the Board (if such Share Options are unvested):
 - (a) the Grantee has failed to perform duties effectively or is involved in serious misconduct or malfeasance;
 - (b) the Grantee has contravened the relevant laws and regulations of any applicable jurisdiction or the provisions of the articles of association of any member of the Group, any Related Entity;

- (c) the Grantee has, during his/her tenure of office, been involved in acceptance or solicitation of bribery, corruption, theft, leakage of trade and technical secrets, conducted other unlawful acts and misconducts, which prejudiced the interest and reputation of and caused significant negative impact to the image of any member of the Group or any Related Entity;
 - (d) the Grantee has failed to discharge, or failed to discharge properly, his/her duties and thereby resulting in serious loss in assets to any member of the Group or any Related Entity and other serious and adverse consequences;
 - (e) the Grantee has violated the Company's high voltage lines (or similar standards); or
 - (f) the Grantee has failed to comply with any non-compete covenants or restrictive covenants or any terms and conditions of a similar effect.
- (2) Where a Share Option granted to any Grantee has been vested but not yet exercised at the time when such Share Option is clawed back, the relevant Share Option shall automatically lapse forthwith and shall no longer be exercisable.
- (3) Where a Share Option granted to any Grantee has been vested and already exercised at the time when such Share Option is clawed back, the Grantee shall return to the Company, as determined by the Board at its sole and absolute discretion, either (i) the exact number of the relevant underlying Shares in respect of such Share Option, or (ii) the monetary amount equivalent to the value of the relevant underlying Shares of the Share Option.

19. RIGHTS ON VOTING AND DIVIDENDS

No Grantee shall enjoy any rights of a Shareholder by virtue of the grant of an Option pursuant to the 2025 Share Option Scheme, unless and until the Shares are actually issued to the Grantee pursuant to the exercise of an Option. The Options do not carry any right to vote in general meeting of the Company, or the right to dividend and other rights, including those arising on a liquidation of the Company until such Options have been exercised. A Share issued upon the exercise of an Option shall not carry rights until the registration of the Grantee (or any other person so permitted pursuant to the 2025 Share Option Scheme) as the holder thereof on the register of members of the Company.

The Shares transferred to the Eligible Person upon the vesting of the Options, shall rank *pari passu* in all aspects with other fully-paid Shares in issue as at the date of transfer, and shall then be entitled to voting right, dividend, right to transfer or other rights attached to other fully-paid Shares, including such rights arising from the liquidation of the Company.

NOTICE OF THE EGM



Sinco Pharmaceuticals Holdings Limited 兴科蓉医药控股有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)
(Stock Code: 6833)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of Sinco Pharmaceuticals Holdings Limited (the “**Company**”) will be held at E5-1805, New Century Global Centre, No. 1700 Tianfu Avenue, Chengdu, Sichuan, China on Monday, 26 May 2025 at 10 a.m., for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution of the Company as an ordinary resolution. Unless otherwise indicated, capitalized terms used herein shall have the same meanings as those defined in the circular of the Company dated 8 May 2025 in relation to the EGM (the “**Circular**”).

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the approval for the listing of, and permission to deal in, any Shares to be allotted and issued upon the exercise of the share options that may be granted under the new share option scheme of the Company (the “**2025 Share Option Scheme**”) (the rules relating to which (the “**2025 Share Option Scheme Rules**”) have been produced to this meeting marked “A” and signed by the chairman of this meeting for the purpose of identification), the 2025 Share Option Scheme be and is hereby approved and the 2025 Share Option Scheme Rules be and are hereby adopted as the rules of the 2025 Share Option Scheme, and that the directors of the Company or their designated committee be and are hereby authorised to exercise all powers to give full effect to the 2025 Share Option Scheme, including without limitation:

- (a) to give effect to and administer the 2025 Share Option Scheme as contemplated and in accordance with the 2025 Share Option Scheme Rules;
- (b) to allot, issue or otherwise deal in new Shares of the Company and to make or grant offers and agreements under the terms of the 2025 Share Option Scheme Rules and rules of any other share schemes (as defined in Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) adopted by the Company pursuant to Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited which is then operational, which would or might require the exercise of such powers be generally and unconditionally approved; provided that the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company or their designated committee pursuant to the approval in this resolution in respect of all the share options to be granted under all share schemes of the Company (the “**Scheme Mandate Limit**”), shall not exceed in aggregate 10% of the

NOTICE OF THE EGM

Shares in issue (excluding treasury shares) at the date of passing of this resolution or the relevant date of approval of the refreshment of the Scheme Mandate Limit; and

- (c) conditional upon the 2025 Share Option Scheme becoming effective, the existing share option scheme of the Company, adopted on 1 February 2016 and effective from 10 March 2016, and is hereby terminated upon the 2025 Share Option Scheme coming into effect (without prejudice to the rights and benefits of and attached to any outstanding options which have been granted under the 2016 Share Option Scheme prior to the date hereof (if any)).”

On behalf of the Board
Sinco Pharmaceuticals Holdings Limited
Huang Xiangbin
Chairman and Executive Director

Hong Kong, 8 May 2025

Notes:

1. All the resolutions set out in this Notice shall be decided by poll.
2. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint one, or if he/she/it is a shareholder of more than one Share, more than one proxies to attend and vote instead of him/her/it. A proxy need not be a shareholder of the Company. If more than one proxies is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him/her/it.
3. The record date for the EGM is Monday, 26 May 2025, and all persons who are registered as Shareholders as of this date will be eligible to attend and vote at the EGM.
4. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the meeting or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. In the case of joint holders of a Share, any one of such joint holders may vote at the meeting, either personally or by proxy, in respect of such Share as if he/she were solely entitled thereto; but if more than one of such joint holders are present at the above meeting personally or by proxy, the one of such joint holders so present whose name stands first on the Register of Members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.
6. In the case of an appointment of corporate representative by a corporate shareholder (other than a shareholder which is a Clearing House (as defined in the Company's articles of association) (or its nominee(s))), a copy of the resolution of its directors or other governing body of the shareholder authorising the appointment of the corporate representative or a form of notice of appointment of corporate representative issued by the Company for such purpose or a copy of the relevant power of attorney, together with an up-to-date copy of the shareholder's constitutive documents and a list of directors or members of the governing body of the shareholder as at the date of such resolution, or, as the case may be, power of attorney, in each case certified by a director, secretary or a member of the governing body of that shareholder and notarised, must be deposited at the Company's branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the meeting or the adjourned meeting (as the case may be).

NOTICE OF THE EGM

7. References to time and dates in this notice are to Hong Kong time and dates.
8. As at the date of this notice, the executive Directors are Mr. Huang Xiangbin, Mr. Lei Shifeng and Mr. Huang Zhijian; the non-executive Director is Ms. Jing Huan; and the independent non-executive Directors are Mr. Lau Ying Kit, Mr. Wang Qing, Mr. Liu Wenfang and Mr. Bai Zhizhong.