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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

**If you have sold or transferred** all your shares in Sihuan Pharmaceutical Holdings Group Ltd., you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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### **Sihuan Pharmaceutical Holdings Group Ltd.**

**四環醫藥控股集團有限公司**

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 0460)**

**PROPOSALS FOR GENERAL MANDATES TO  
ISSUE SHARES AND REPURCHASE SHARES,  
DECLARATION AND PAYMENT OF A FINAL CASH DIVIDEND,  
RE-ELECTION OF RETIRING DIRECTORS,  
RE-APPOINTMENT OF AUDITOR,  
PROPOSED ADOPTION OF  
THE 2026 SHARE INCENTIVE SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the AGM of Sihuan Pharmaceutical Holdings Group Ltd. (the “**Company**”) to be held at Conference Room Mission 4+5, 4th Floor, Hilton Shenzhen Futian, Tower B, Great China International Finance Centre, 1003 Shennan Road, Futian, Shenzhen, the People’s Republic of China on Friday, 26 June 2026 at 10:30 a.m. is set out on pages 40 to 45 of this circular. A form of proxy for use at the AGM is also enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.sihuanpharm.com](http://www.sihuanpharm.com)). Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time fixed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish. **Please note that no refreshments and corporate gifts will be provided.**

3 June 2026

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## DEFINITIONS

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

|                        |                                                                                                                                                                                                                                                                                                                                                                                        |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Adoption Date”        | the date on which the 2026 Share Incentive Scheme is approved by the Shareholders at the AGM                                                                                                                                                                                                                                                                                           |
| “AGM”                  | the annual general meeting of the Company to be held at Conference Room Mission 4+5, 4th Floor, Hilton Shenzhen Futian, Tower B, Great China International Finance Centre, 1003 Shennan Road, Futian, Shenzhen, the People’s Republic of China on Friday, 26 June 2026 at 10:30 a.m., or any adjournment thereof and the notice of which is set out on pages 40 to 45 of this circular |
| “Award(s)”             | award(s) granted under the 2026 Share Incentive Scheme by the Board to grantee(s), which may take the form of a Share Option or a Share Award                                                                                                                                                                                                                                          |
| “Award Letter”         | the letter issued by the Company to a grantee in respect of an Award under the 2026 Share Incentive Scheme in such form as the Scheme Administrator may from time to time determine setting out the terms and conditions of the Award                                                                                                                                                  |
| “Award Shares”         | new Shares (including treasury shares) underlying an Award                                                                                                                                                                                                                                                                                                                             |
| “Board”                | the board of Directors                                                                                                                                                                                                                                                                                                                                                                 |
| “Bye-Laws”             | the bye-laws of the Company currently in force                                                                                                                                                                                                                                                                                                                                         |
| “Company”              | Sihuan Pharmaceutical Holdings Group Ltd., a company incorporated in Bermuda with limited liability, with its Shares listed on the main board of the Stock Exchange                                                                                                                                                                                                                    |
| “Director(s)”          | the director(s) of the Company                                                                                                                                                                                                                                                                                                                                                         |
| “Eligible Participant” | an eligible participant under the 2026 Share Incentive Scheme, which may be an Employee Participant, a Related Entity Participant or a Service Provider Participant                                                                                                                                                                                                                    |

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## DEFINITIONS

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|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Employee Participant”    | any person who is an employee (whether full-time or part-time), director or officer of any subsidiaries of the Group, including persons who are granted Awards under the 2026 Share Incentive Scheme as an inducement to enter into employment contracts with any subsidiaries of the Group                                                                                  |
| “Exercise Period”         | in respect of any Share Option, the period during which the grantee may exercise the Share Option                                                                                                                                                                                                                                                                            |
| “Exercise Price”          | the price per Share at which a grantee may subscribe for Shares upon the exercise of a Share Option awarded under the 2026 Share Incentive Scheme                                                                                                                                                                                                                            |
| “Grant Date”              | the date on which the grant of an Award is made to a grantee, being the date of the Award Letter in respect of such Award                                                                                                                                                                                                                                                    |
| “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 PRC                                                                                                                                                                                                                                                                                                                       |
| “Issue Mandate”           | a general mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with the additional Shares and/or to sell or transfer the Treasury Shares, the amount of which shall not exceed 20 per cent of the number of issued Shares (excluding Treasury Shares, if any) as at the date of passing of the relevant resolution granting the Issue Mandate |
| “Issue Price”             | in respect of any Share Award, the price per share a grantee is required to pay to subscribe for the Shares constituting the Share Award under the 2026 Share Incentive Scheme                                                                                                                                                                                               |
| “Latest Practicable Date” | 28 May 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular                                                                                                                                                                                                         |
| “Listing Rules”           | the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time                                                                                                                                                                                                                                                                            |
| “Nomination Committee”    | the nomination committee of the Company                                                                                                                                                                                                                                                                                                                                      |

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## DEFINITIONS

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| “PRC”                             | the People’s Republic of China excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan                                                                                                                               |
| “Related Entity”                  | (i) a holding company of the Company; (ii) subsidiaries of the holding company of the Company other than members of the Group; or (iii) an associated company of the Company                                                                                                       |
| “Related Entity Participant”      | any person who is an employee (whether full-time or part-time), director or officer of a Related Entity                                                                                                                                                                            |
| “Remuneration Committee”          | the remuneration committee of the Company                                                                                                                                                                                                                                          |
| “Repurchase Mandate”              | a general mandate proposed to be granted to the Directors at the AGM to repurchase Shares not exceeding 10 per cent of the number of issued Shares (excluding Treasury Shares, if any) as at the date of passing of the relevant resolution granting the Repurchase Mandate        |
| “Risk Management Committee”       | the risk management committee of the Company                                                                                                                                                                                                                                       |
| “RMB”                             | Renminbi, the lawful currency of the PRC                                                                                                                                                                                                                                           |
| “Scheme Administrator”            | the Board and/or any committee of the Board or other persons to whom the Board has delegated its authority in accordance with the Scheme Rules                                                                                                                                     |
| “Scheme Mandate Limit”            | shall have the meaning set out in the Scheme Rules, as increased, refreshed or renewed from time to time in accordance with the Scheme Rules                                                                                                                                       |
| “Scheme Rules”                    | the rules relating to the 2026 Share Incentive Scheme as amended from time to time                                                                                                                                                                                                 |
| “Service Provider Participant(s)” | persons providing 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 as determined by the Scheme Administrator pursuant to criteria set out in the Scheme Rules |
| “Service Provider Sublimit”       | shall have the meaning set out in the Scheme Rules, as increased, refreshed or renewed from time to time in accordance with the Scheme Rules                                                                                                                                       |

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## DEFINITIONS

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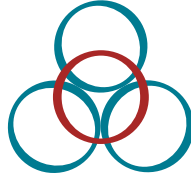
|                       |                                                                                                                                                                                                                                                 |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “SFO”                 | the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time                                                                                                                                        |
| “Share Award”         | an Award which vests in the form of the right to subscribe for and/or be issued such number of Shares as the Scheme Administrator may determine at the Issue Price in accordance with the terms of the 2026 Share Incentive Scheme              |
| “Share Option”        | an Award which vests in the form of the right to subscribe for such number of Shares as the Scheme Administrator may determine during the exercise period at the Exercise Price in accordance with the terms of the 2026 Share Incentive Scheme |
| “Share Option Scheme” | the share option scheme adopted by the shareholders of the Company at the general meeting held on 24 October 2017                                                                                                                               |
| “Share(s)”            | ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company                                                                                                                                                         |
| “Shareholder(s)”      | the holder(s) of the Share(s)                                                                                                                                                                                                                   |
| “Stock Exchange”      | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                         |
| “Takeovers Code”      | the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong, as amended from time to time                                                                                                                    |
| “Treasury Share(s)”   | has the meaning ascribed to it under the Listing Rules                                                                                                                                                                                          |
| “Trust”               | any trust or similar arrangement established for the purposes of implementing and administering the 2026 Share Incentive Scheme                                                                                                                 |
| “Trust Deed”          | the deed constituting and/or governing any Trust or such other governing documents or custodian arrangements entered into between the Company and any Trustee as the Scheme Administrator considers appropriate                                 |
| “Trustee”             | any trustee or other third party appointed by the Company to hold Shares under a Trust pursuant to a Trust Deed                                                                                                                                 |

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## DEFINITIONS

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|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Vesting Date”                | the date on which an Award (or part thereof) is to vest in the relevant grantee following which the grantee may exercise the Award, as determined from time to time by the Scheme Administrator pursuant to the Scheme Rules |
| “2022 Share Award Scheme”     | the 2022 share award scheme adopted by the Board on 25 October 2022                                                                                                                                                          |
| “2026 Share Incentive Scheme” | the share incentive scheme of the Company proposed to be approved by Shareholders at the AGM, a summary of the principal terms of which is set out in Appendix III to this circular                                          |
| “%”                           | per cent                                                                                                                                                                                                                     |



四环医药  
*SihuanPharm*

**Sihuan Pharmaceutical Holdings Group Ltd.**

四環醫藥控股集團有限公司

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 0460)**

*Executive Directors:*

Dr. Che Fengsheng  
Dr. Guo Weicheng  
Dr. Zhang Jionglong  
Ms. Chen Yanling  
Ms. Miao Guili

*Independent Non-executive Directors:*

Mr. Tsang Wah Kwong  
Dr. Zhu Xun  
Mr. Wang Guan

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal place of business  
in Hong Kong:*

Room 4905  
Office Tower  
Convention Plaza  
1 Harbour Road, Wanchai  
Hong Kong

3 June 2026

*To the Shareholders*

Dear Sirs or Madams,

**PROPOSALS FOR GENERAL MANDATES TO  
ISSUE SHARES AND REPURCHASE SHARES,  
DECLARATION AND PAYMENT OF A FINAL CASH DIVIDEND,  
RE-ELECTION OF RETIRING DIRECTORS,  
RE-APPOINTMENT OF AUDITOR,  
PROPOSED ADOPTION OF  
THE 2026 SHARE INCENTIVE SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to give you the notice of AGM and the following proposals to be put forward at the AGM: (i) the grant to the Directors of the Issue Mandate to issue Shares and the Repurchase Mandate to repurchase Shares; (ii) the declaration and payment of a final cash dividend; (iii) the re-election of the retiring Directors; (iv) the re-appointment of auditor; and (v) the proposed adoption of the 2026 Share Incentive Scheme.

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## LETTER FROM THE BOARD

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### ISSUE MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 6 June 2025, the Directors were granted a general mandate to issue Shares up to 20 per cent of the total number of issued Shares (excluding Treasury Shares, if any) as at 6 June 2025. In accordance with the conditions of the general mandate granted, such mandate expires at either (i) the conclusion of the AGM; (ii) the expiration of the period within which the AGM is required to be held by the Bye-Laws or any applicable laws of Bermuda; or (iii) the revocation or variation by an ordinary resolution of the Shareholders in a general meeting, whichever is the earliest.

In order to ensure flexibility and provide discretion to the Directors, in the event that it becomes desirable for the Company to issue any Shares, approval is to be sought from the Shareholders, pursuant to the Listing Rules, for the Issue Mandate to issue Shares. At the AGM, ordinary resolution no. 5(A) will be proposed to grant the Issue Mandate to the Directors to exercise the powers of the Company to allot, issue and deal with the additional Shares and/or to sell or transfer the Treasury Shares, the amount of which shall not exceed 20 per cent of the number of issued Shares (excluding Treasury Shares, if any) as at the date of passing of the resolution in relation to the Issue Mandate.

As at the Latest Practicable Date, the number of issued Shares (excluding Treasury Shares, if any) was 9,125,988,206 Shares. Subject to the passing of ordinary resolution no. 5(A), and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the AGM, the Company will be allowed to issue a maximum of 1,825,197,641 Shares.

In addition, subject to passing of ordinary resolution no. 5(C), the number of Shares repurchased by the Company under ordinary resolution no. 5(B) will also be added to extend the 20 per cent limit of the Issue Mandate as mentioned in ordinary resolution no. 5(A) provided that such additional amount shall not exceed 10 per cent of the number of issued Shares (excluding Treasury Shares, if any) as at the date of passing of the Issue Mandate. The Directors wish to state that they have no immediate plans to issue any new Shares pursuant to the Issue Mandate.

### REPURCHASE MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 6 June 2025, the Directors were granted a general mandate to repurchase Shares up to 10 per cent of the total number of issued Shares (excluding Treasury Shares, if any) as at 6 June 2025. In accordance with the conditions of the general mandate granted, such mandate expires at either (i) the conclusion of the AGM; (ii) the expiration of the period within which the AGM is required to be held by the Bye-Laws or any applicable laws of Bermuda; or (iii) the revocation or variation by an ordinary resolution of the Shareholders in a general meeting, whichever is the earliest.

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## LETTER FROM THE BOARD

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Ordinary resolution no. 5(B) will be proposed at the AGM to approve the granting of the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares representing up to 10 per cent of the number of issued Shares (excluding Treasury Shares, if any) as at the date of passing of the resolution in relation to the Repurchase Mandate. As at the Latest Practicable Date, the number of issued Shares (excluding Treasury Shares, if any) was 9,125,988,206 Shares. Subject to the passing of ordinary resolution no. 5(B), and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the AGM, the Company will be allowed to repurchase a maximum of 912,598,820 Shares.

### EXPLANATORY STATEMENT

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed Repurchase Mandate is set out in Appendix II to this circular. This explanatory statement contains all information necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the AGM.

### DECLARATION AND PAYMENT OF A FINAL CASH DIVIDEND

The Board recommended the declaration and payment of a final cash dividend of RMB0.96 cents per Share (equivalent to HK1.09 cents per share) for the year ended 31 December 2025 in thanking Shareholders' support, subject to approval by the Shareholders at the forthcoming AGM. The final cash dividend payable to Shareholders shall be converted to and paid in HK\$. The exchange rate adopted for conversion was based on the exchange rate of RMB1 to HK\$1.133 as of 31 March 2026 (being the medium exchange rate of RMB to HK\$ as announced by the People's Bank of China on the date of the Board meeting). Ordinary resolution no. 2 will be proposed at the AGM to approve the payment of the final cash dividend.

The final cash dividend, if approved by the Shareholders at the AGM, will be payable on Thursday, 16 July 2026 to Shareholders whose names appear on the register of members of the Company on Monday, 6 July 2026.

For details on closure of the register of members of the Company for entitlement to the final cash dividend, please refer to the paragraph headed "Closure of Register of Members" below.

### RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Bye-law 84(1) of the Bye-Laws, Dr. Guo Weicheng, Ms. Chen Yanling and Dr. Zhu Xun shall retire by rotation, and being eligible, have offered themselves for re-election as Directors at the AGM.

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## LETTER FROM THE BOARD

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The re-appointment of the abovenamed Directors has been reviewed by the Nomination Committee which made recommendation to the Board that the re-election be proposed for Shareholders' approval at the AGM. The Nomination Committee has recommended the abovenamed Directors to the Board for re-election at the AGM.

***Continuous appointment of independent non-executive Director who has served for more than nine years***

According to code provision B.2.3 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, if an independent non-executive director has served more than nine years, such director's further appointment should be subject to a separate resolution to be approved by shareholders.

Dr. Zhu Xun was appointed as independent non-executive Director in February 2014. He has served as independent non-executive Director for more than nine years in 2026. Dr. Zhu would offer himself for re-election at the AGM. The Company has received the confirmation of independence from Dr. Zhu pursuant to Rule 3.13 of the Listing Rules, that he does not (in the past or present) have any financial or other interests in the business of the Group or any connection with any core connected person of the Company other than his role in the Company, and that there are no other factors that may affect his independence. The Nomination Committee has reviewed and assessed the independence of Dr. Zhu based on his confirmation of independence submitted pursuant to the independence guidelines as set out in Rule 3.13 of the Listing Rules. Dr. Zhu is not involved in the daily management of the Company nor in any relationships which would interfere with the exercise of his independent judgment. In addition, taking into consideration the diversity perspectives (including but not limited to age, cultural and educational background, professional experience, length of service, skills and knowledge) and the current public directorships held by him, the Board believes that continuous tenure of Dr. Zhu will bring considerable stability to the Board and the Board has benefited greatly from the presence of Dr. Zhu who has contributed valuable insight to the Board and the overall operations of the Group over time. The Board also believes that he will be able to devote sufficient time to the Board and will continue to provide independent, balanced and objective view to the Company's affairs. Separate resolution will be proposed for his re-election at the AGM.

Details of the above retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules.

Under ordinary resolution no. 3, the resolutions for re-election of Directors will be voted by Shareholders separately.

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## LETTER FROM THE BOARD

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### RE-APPOINTMENT OF AUDITOR

The Board proposed to re-appoint Ernst & Young as the auditor of the Company for the year ending 31 December 2026 and to hold office until the conclusion of the next annual general meeting of the Company and to authorize the Board to fix its remuneration. Ernst & Young has indicated its willingness to be re-appointed as the auditor of the Company for the aforesaid period. The estimated audit fee agreed with Ernst & Young for the audit services for the year ending 31 December 2026 was approximately RMB4 million, which was determined based on the audit fee of the Group for the year ended 31 December 2025, and additional audit workload arising from the Company's future business development (including business complexity and business plan of the Group, expected audit scope, audit timetable and auditor's resources required).

Such estimated audit fee is determined based on the assumption that there is no material variation on the scope of the audit work for the year ending 31 December 2026 as compared with the audit work performed on the Company's consolidated financial statements for the year ended 31 December 2025. Taking into account the factors above, the Board considers that the estimated audit fee is fair and reasonable and in the best interests of the Company and the Shareholders as a whole. Unless there is a material change in the bases or assumptions set out above, the estimated audit fee is not expected to deviate materially from the aforesaid range. Otherwise, the Company will make further disclosure(s) as and when appropriate.

### PROPOSED ADOPTION OF THE 2026 SHARE INCENTIVE SCHEME

#### Existing Share Schemes and Termination of the Share Option Scheme

The Company has two existing share schemes, namely the Share Option Scheme and the 2022 Share Award Scheme. Please refer to the Company's annual reports for a summary of the principal terms of the Share Option Scheme and the 2022 Share Award Scheme.

The Share Option Scheme was approved and adopted by the Shareholders at the special general meeting held on 24 October 2017. The total number of Shares that may fall to be allotted and issued under the Share Option Scheme after the resolution regarding the adoption of the Share Option Scheme was passed at the special general meeting would be 947,108,220 Shares, representing approximately 10% of the total number of Shares in issue as at 24 October 2017. As at the Latest Practicable Date, the number of options granted under the Share Option Scheme that were still outstanding was 68,086,000.

According to the terms of the Share Option Scheme, the Company may by a resolution of the Shareholders in general meeting at any time terminate the operation of the Share Option Scheme. Upon expiry or termination of the Share Option Scheme, no further options shall be offered but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect. All options granted before such expiry or termination (as the case may be) and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Share Option Scheme. Accordingly, the Board has determined that, conditional upon and

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## LETTER FROM THE BOARD

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with effect from the 2026 Share Incentive Scheme taking effect, the Share Option Scheme shall be terminated.

The 2022 Share Award Scheme was approved and adopted by the Board on 25 October 2022. The 2022 Share Award Scheme does not involve any issue of new shares or grant of options for any new securities of the Company. As of the Latest Practicable Date, 115,188,000 shares were repurchased by trustee on the market for the purpose of the 2022 Share Award Scheme, and these shares will be granted to the grantees according to the 2022 Share Award Scheme after the adoption of the 2026 Share Incentive Scheme. As of the Latest Practicable Date, no awards had been granted, exercised, cancelled or lapsed under the 2022 Share Award Scheme and there are no outstanding awards.

As (i) the 2022 Share Award Scheme does not involve issuance of any new Shares and (ii) the Share Option Scheme will be terminated with effect from the 2026 Share Incentive Scheme taking effect as disclosed above, the Company does not expect to make any further grants involving the issue of new Shares under the Share Option Scheme after the adoption of the 2026 Share Incentive Scheme. For the avoidance of doubt, all outstanding grants under the Share Option Scheme shall continue to be valid and exercisable in accordance with the terms of such grants.

### **Adoption of the 2026 Share Incentive Scheme**

On 8 May 2026, the Board resolved to propose the adoption of the 2026 Share Incentive Scheme. The 2026 Share Incentive Scheme will constitute a share scheme funded by issuance of new Shares under Chapter 17 of the Listing Rules and, pursuant to Rule 17.02(1)(a) of the Listing Rules, its adoption will be subject to, among others, the approval of the Shareholders in general meeting.

The 2026 Share Incentive Scheme aims to further improve the Group's long-term incentive and restraint mechanism, attract, retain and motivate outstanding management talent, professional research and development technical talent and core business talent in the Group's medical aesthetics segment, fully unleash the initiative, creativity and sense of responsibility of the core team, and closely align the personal value of employees with the long-term development of the Group and the overall interests of the shareholders, so as to jointly drive the sustained and healthy development of the Group in core areas such as medical aesthetics product research and development, compliant operations, brand building and market expansion, with a view to becoming a globally leading and nationally renowned leader in the medical aesthetics and healthcare industry.

As at the Latest Practicable Date, there were 9,125,988,206 Shares (excluding the Treasury Shares) in issue. Assuming there is no change in the number of issued Shares during the period from the Latest Practicable Date to the Adoption Date, the maximum number of Shares issuable pursuant to the 2026 Share Incentive Scheme and any other schemes of the Company (if any) in aggregate will be 912,598,820 Shares, being 10% of the total number of Shares in issue (excluding the Treasury Shares) on the date of approval of the 2026 Share Incentive Scheme.

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## LETTER FROM THE BOARD

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The 2026 Share Incentive Scheme shall take effect subject to: (i) the Shareholders passing a resolution at the general meeting to approve the adoption of the 2026 Share Incentive Scheme; and (ii) the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares to be allotted and issued in respect of any awards that may be granted pursuant to the terms and conditions of the 2026 Share Incentive Scheme.

Please see the Appendix III to this circular for a summary of the principal terms of the 2026 Share Incentive Scheme and the views of the Directors and Remuneration Committee (*in italics and as notes to the summary*) as to the appropriateness and reasonableness of particular terms and how they align with the purpose of the 2026 Share Incentive Scheme. This 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 2026 Share Incentive Scheme.

As of the Latest Practicable Date, no proposed grantees had been identified by the Company, and thus no Awards has been intended to be granted under the 2026 Share Incentive Scheme.

A copy of the Scheme Rules of the 2026 Share Incentive 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 AGM and the Scheme Rules of the 2026 Share Incentive Scheme will be made available for inspection at the AGM.

### **CLOSURE OF REGISTER OF MEMBERS**

The transfer books and register of members will be closed from Monday, 22 June 2026 to Friday, 26 June 2026, both days inclusive, in order to determine the entitlement of Shareholders to attend and vote at the AGM, during which period no share transfers can be registered. In order to qualify for attending and voting at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 18 June 2026. The record date for determining the identity of the Shareholders who are entitled to attend and vote at the AGM is Friday, 26 June 2026.

The transfer books and register of members will be closed from Friday, 3 July 2026 to Monday, 6 July 2026, both days inclusive, in order to determine the entitlement of Shareholders to receive the proposed final cash dividend, during which period no share transfers can be registered. In order to qualify for the proposed final cash dividend, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 2 July 2026.

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## LETTER FROM THE BOARD

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As at 31 December 2025, the Company held 184,011,000 Treasury Shares, and the Company did not hold any repurchased shares pending cancellation. All Treasury Shares and repurchased shares pending cancellation will not receive the final cash dividend of the Company. To the extent that any Treasury Shares are deposited with the Central Clearing and Settlement System (“CCASS”) pending resale on the Stock Exchange, the Company will withdraw the Treasury Shares from CCASS, and either re-register them in its own name as Treasury Shares or cancel them, in each case before the last registration date for the final cash dividend.

### NOTICE OF ANNUAL GENERAL MEETING

Set out on pages 40 to 45 of this circular is the notice of AGM at which, *inter alia*, ordinary resolutions will be proposed to Shareholders to consider and approve (i) the grant to the Directors of the Issue Mandate to issue Shares and the Repurchase Mandate to repurchase Shares; (ii) the declaration and payment of a final cash dividend; (iii) the re-election of the retiring Directors; (iv) the re-appointment of auditor; and (v) the proposed adoption of the 2026 Share Incentive Scheme.

### FORM OF PROXY

A form of proxy is enclosed for use at the AGM. Such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.sihuanpharm.com](http://www.sihuanpharm.com)). Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time fixed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting at the AGM in person should they so wish.

### VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules and Bye-law 66 of the Bye-Laws, at any general meeting, a resolution put to the vote of the meeting is to be decided by way of a poll.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she/it is the holder but no amount paid up or credited as paid up on a Share in advance of calls or instalments is treated for the foregoing purposes as paid up on the Share. A person/corporation entitled to more than one vote on a poll need not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

An announcement on the results of the voting by poll will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

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## LETTER FROM THE BOARD

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### 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.

### RECOMMENDATION

The Directors consider that the proposed resolutions for (i) the granting to the Directors of the Issue Mandate to issue Shares and the Repurchase Mandate to repurchase Shares; (ii) the declaration and payment of a final dividend; (iii) the re-election of the retiring Directors; (iv) the re-appointment of auditor; and (v) the proposed adoption of the 2026 Share Incentive Scheme are in the interests of the Group and the Shareholders as a whole. The Directors therefore recommend Shareholders to vote in favour of all the relevant resolutions to be proposed at the AGM.

Your attention is drawn to additional information as set out in the Appendices.

Yours faithfully  
By Order of the Board  
**Sihuan Pharmaceutical Holdings Group Ltd.**  
**Dr. Che Fengsheng**  
*Chairman and Executive Director*

*The following are the particulars of the Directors (as required by the Listing Rules) proposed to be re-elected at the AGM.*

Save as disclosed herein, none of the following Directors holds any position with the Company or any other members of the Group, nor has any directorships in other listed public companies in the last three years. None of the following Directors who are subject to re-election has an unexpired contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than under normal statutory obligations.

In addition, save as disclosed herein, none of the following Directors has any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders (as defined under the Listing Rules) of the Company.

Save as disclosed in this circular, there is no other matter in relation to the following Directors that needs to be brought to the attention of the Shareholders and there is no other information relating to the following Directors which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) (h) to (v) of the Listing Rules.

**Dr. Guo Weicheng (“Dr. Guo”)**, aged 62, is an executive Director, the deputy chairman, the chief executive officer and a member of each of the Nomination Committee and the Risk Management Committee of the Company. He was appointed to the Board on 18 May 2006 and is a co-founder of the Group. Dr. Guo is responsible for the overall operations of the Group, sales and marketing and our R&D activities, with a focus on strategic planning, particularly in relation to mergers and acquisitions and product collaborations. He has also become responsible for the overall operations of Shenzhen Sihuan Pharmaceutical Co., Ltd. after it was acquired in 2007. Dr. Guo has been instrumental to the Group’s growth and business expansion since our establishment in 2001. Prior to our establishment, Dr. Guo had more than 4 years of experience as a general surgeon and more than 20 years of experience in the sales and marketing of pharmaceutical products. From 1992 to 1993, Dr. Guo held the position of chief surgeon in Guangzhou Military 177 Hospital. Dr. Guo was a surgeon and an assistant lecturer at the Fourth Military Medical University, Tang Du Hospital, Xi’an, the PRC from 1986 to 1989. Dr. Guo received his Bachelor of Medicine and Master of Medicine (General Surgery) from the Fourth Military Medical University, the PRC in 1986 and 1992, respectively.

Dr. Guo renewed his service contract with the Company on 27 October 2025 for a term of three years commencing from 28 October 2025, subject to termination before expiry by either party giving not less than three months’ notice in writing to the other. Pursuant to the Bye-Laws, Dr. Guo will be subject to retirement by rotation and re-election at the general meeting of the Company. Pursuant to the service contract, Dr. Guo is entitled to an executive’s remuneration of RMB3,000,000 per annum, which has been determined with reference to the duties and responsibilities of Dr. Guo and the prevailing market condition and a discretionary bonus as may be decided by the Board and the Remuneration Committee at their discretion, having regard to his performance.

As at the Latest Practicable Date, Dr. Guo was deemed to be interested in 5,327,136,704 Shares within the meaning of Part XV of the SFO.

**Ms. Chen Yanling** (“**Ms. Chen**”), aged 48, is an executive Director, a joint company secretary, a co-chairman of the Risk Management Committee and a member of the Nomination Committee of the Company. She was appointed to the Board on 20 April 2018. Currently, her main responsibilities are to manage day-to-day matters of the Board, the daily compliance matters relating to the listing of the Company, the environmental, social and governance and risk control and management matters of the Group and day-to-day matters on the management of the Group in Hong Kong, Macau and overseas companies. She is also a director of certain companies of the Group and a non-executive director of Xuanzhu Biopharmaceutical Co., Ltd. (stock code: 2575) (a company listed on the Stock Exchange). She joined the Group in March 2006 and has served in the Group for 20 years. Since joining the Group in 2006, she has been working as an assistant to the Chairman and the Board secretariat. Prior to joining the Group, she worked as an English translation officer at the information centre of Guangzhou Tourism Bureau in 2001. In 2002, she worked as an assistant to general manager at Yip’s Ink & Chemicals (Zhongshan) Company Ltd. (葉氏油墨(中山)有限公司) and was in charge of the daily management of the general manager’s office as well as planning and promotion. In 2004, she worked as an assistant to the president of Guangzhou Culturecom Company Ltd. (廣州文化傳信有限公司) and was in charge of the daily management of the president’s office, planning and budgeting, media resources integration and development, and maintenance, etc.

Ms. Chen renewed her service contract with the Company on 19 April 2024 for a term of three years commencing from 20 April 2024, subject to termination before expiry by either party giving not less than three months’ notice in writing to the other. Pursuant to the Bye-Laws, Ms. Chen will be subject to retirement by rotation and re-election at the general meeting of the Company. Pursuant to the service contract, Ms. Chen is entitled to an executive’s remuneration of HK\$1,440,000 per annum, which has been determined with reference to the duties and responsibilities of Ms. Chen and the prevailing market condition and a discretionary bonus as may be decided by the Board and the Remuneration Committee at their discretion, having regard to her performance.

As at the Latest Practicable Date, Ms. Chen was deemed to be interested in 4,000,000 Shares within the meaning of Part XV of the SFO.

**Dr. Zhu Xun (“Dr. Zhu”)**, aged 68, is an independent non-executive Director, the chairman of the Remuneration Committee and a member of each the audit committee and the Nomination Committee of the Company. He was appointed to the Board on 20 February 2014. Dr. Zhu is a native of Changchun. From 1995 to 2000, he served as the vice principal of Norman Bethune University of Medical Science. From 2000 to 2003, he served as a deputy secretary general of the Changchun Municipal Government and from 2004 to 2006, he served as a special assistant to the mayor of Changchun Municipal Government. Prior to joining the Group, Dr. Zhu has over 20 years of experience in the pharmaceutical industry. He is currently the chairman of the board of directors of the Tongxieyi New Drugs Talent Club\* (同寫意新藥英才俱樂部), the chief of Medicine and Strategy\* (藥渡戰略) and the honorary principal of Shell University\* (貝殼大學). He is also a special medical expert of Advantech Capital Investment\* (尚城資本), a senior consultant of Changchun Jinsai Pharmaceutical\* (長春金賽藥業) and Shenzhen Osa Pharmaceutical\* (深圳奧薩醫藥). Dr. Zhu is currently a non-executive director of HighTide Therapeutics, Inc. (stock code: 2511) and an independent non-executive director of Medtide Inc. (stock code: 3880) (all of which are listed on the Stock Exchange). He was also an independent non-executive director of Lansan Pharmaceutical Holdings Limited (stock code: 503) from September 2022 to December 2023 (a company that was listed on the Stock Exchange) and an independent director of Shenzhen Chipscreen Biosciences Co., Ltd. (深圳微芯生物科技股份有限公司) (stock code: 688321) from March 2021 to April 2024 (a company listed on the Shanghai Stock Exchange).

Dr. Zhu founded Changchun Medical Biotechnology Center\* (長春醫藥生物技術中心) in 2001 as the supervisor of the center. In the same year, he founded Changchun Boxun Biotechnology Co., Ltd.\* (長春博迅生物技術公司) and served as the chairman of the board. Funded with 8 million US dollars from the British listed company, Cathay International Pharmaceutical Limited in 2003, he founded Changchunbotai\* (長春博泰) as chief executive officer until 2010.

Dr. Zhu has served as a member of the National New Drug Advisory Committee\* (國家新藥諮詢委員會), a member of the expert review group of the Life Science Division of the National Natural Science Foundation of China (國家自然科學基金委員會生命科學部專家評審組), a member of the expert advisory group in Biotechnology of the National Development and Reform Commission (國家發改委生物技術專家諮詢組), a member of the review group of the Innovation Fund for SMEs of the Ministry of Science and Technology of the PRC (國家科技部中小企業技術創新基金評審組) and a member of the China Medical Science Awards Committee\* (中華醫學科學獎評審委員會), the founding editor of the Chinese Journal of Experimental Diagnostics\* (中國實驗診斷雜誌), the deputy editor of the Journal of Pharmaceutical Progress\* (藥學進展雜誌), the editorial board of the Chinese Journal of Cancer Biotherapy\* (中國腫瘤生物治療雜誌), and the editorial board of the Chinese Journal of Immunology\* (中國免疫學雜誌).

\* For identification purposes only

Dr. Zhu entered into his letter of appointment with the Company on 16 February 2026 for a term of one year commencing from 20 February 2026, and may be terminated by either party giving at least three months' notice in writing. Pursuant to the Bye-Laws, Dr. Zhu will be subject to retirement by rotation and re-election at the general meeting of the Company. Pursuant to the letter of appointment, Dr. Zhu is entitled to a Director's fee of HK\$412,000 per annum, which was determined by the Board with reference to his job duties and the prevailing market conditions. The Director's fee will be reviewed by the Board and the Remuneration Committee annually.

As at the Latest Practicable Date, Dr. Zhu was deemed to be interested in 3,000,000 Shares within the meaning of Part XV of the SFO.

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*The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the proposed Repurchase Mandate.*

## **NUMBER OF ISSUED SHARES**

As at the Latest Practicable Date, the number of issued Shares (excluding Treasury Shares, if any) was 9,125,988,206 Shares of nominal value of HK\$0.01 each. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 912,598,820 Shares which represent 10 per cent of the number of issued Shares (excluding Treasury Shares, if any) during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Bye-Laws or any applicable laws of Bermuda; or (iii) the revocation or variation by an ordinary resolution of the Shareholders in a general meeting.

## **REASONS AND FUNDING OF REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase its Shares. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

Repurchases of Shares will be financed out of funds legally available for the purpose in accordance with the Bye-Laws, the Listing Rules and the applicable laws of Bermuda. Under Bermuda law, any repurchases by the Company may be made out of capital paid up on the repurchased Shares or out of funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase. Any premium payable on a repurchase over the par value of the Shares to be repurchased must be provided for out of funds of the Company which would otherwise be available for dividend or distribution or the Company's share premium account before the Shares are repurchased.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors consider that if the Repurchase Mandate was to be exercised in full, it may not have a material adverse impact on the working capital and on the gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

### **GENERAL MATTERS**

None of the Directors and to the best of their knowledge, having made all reasonable enquiries, none of their close associates, as defined under the Listing Rules, currently intends to sell any Shares to the Company or its subsidiaries, if the Repurchase Mandate is approved by the Shareholders.

The Directors will exercise the Repurchase Mandate in accordance with the Listing Rules, the Bye-Laws and the applicable laws of Bermuda. The Directors have confirmed that neither the explanatory statement set out in Appendix II to this circular nor the proposed share repurchase has unusual features.

No core connected person, as defined under the Listing Rules, has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

The Company will cancel any repurchased Shares and/or hold the repurchased Shares as Treasury Shares depending on the circumstances prevailing at the time of the repurchase, such as market conditions and its capital management requirements.

To the extent that any Treasury Shares are deposited with the Central Clearing and Settlement System (“CCASS”) pending resale on the Stock Exchange, the Company will adopt appropriate measures to ensure that it does not exercise any Shareholders’ rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in the Company’s own name as Treasury Shares. These measures may include approval by the Board that (i) the Company will not (or will procure its broker not to) give any instructions to Hong Kong Securities Clearing Company Limited to vote at general meetings for the Treasury Shares deposited with CCASS and (ii) in the case of dividends or distributions, the Company will withdraw the Treasury Shares from CCASS, and either re-register them in its own name as Treasury Shares or cancel them, in each case before the record date for the dividends or distributions.

**TAKEOVERS CODE IMPLICATIONS**

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase of Shares pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Dr. Che Fengsheng (together with his parties acting in concert (as defined under the Takeovers Code)) was interested and deemed to be interested (as applicable) in 5,133,125,704 Shares (excluding the interests that Dr. Che is deemed to hold in Treasury Shares), representing an approximate total of 56.25% of the number of existing issued Shares (excluding Treasury Shares, if any). In the event that the Directors should exercise in full the Repurchase Mandate, Dr. Che's (together with his parties acting in concert) interests in the Company will be increased to approximately 62.50% of the number of issued Shares (excluding Treasury Shares, if any). To the best knowledge and belief of the Directors, such increase in the interests in the Company would not give rise to any obligation to make a mandatory offer under the Takeovers Code.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25 per cent (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

**SHARE REPURCHASE MADE BY THE COMPANY**

The Company repurchased a total of 28,000,000 Shares on the Stock Exchange during the six months prior to the Latest Practicable Date. Particulars of the repurchases are as follows:

| Date of the repurchases | Total number of<br>ordinary shares<br>repurchased | Repurchasing price for<br>each Share |                |
|-------------------------|---------------------------------------------------|--------------------------------------|----------------|
|                         |                                                   | Highest<br>HK\$                      | Lowest<br>HK\$ |
| 29 December 2025        | 8,000,000                                         | 1.27                                 | 1.24           |
| 13 May 2026             | 10,000,000                                        | 1.10                                 | 1.08           |
| 18 May 2026             | 10,000,000                                        | 1.08                                 | 1.05           |
| <b>Total:</b>           | <b>28,000,000</b>                                 |                                      |                |

Save as disclosed above, the Company had not repurchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months prior to the Latest Practicable Date.

**SHARE PRICES**

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous 12 calendar months preceding the Latest Practicable Date were as follows:

| <b>Month</b>                                          | <b>Highest prices</b><br><i>HK\$</i> | <b>Lowest prices</b><br><i>HK\$</i> |
|-------------------------------------------------------|--------------------------------------|-------------------------------------|
| <b>2025</b>                                           |                                      |                                     |
| May                                                   | 1.010                                | 0.650                               |
| June                                                  | 1.250                                | 0.900                               |
| July                                                  | 1.440                                | 1.050                               |
| August                                                | 1.580                                | 1.290                               |
| September                                             | 1.710                                | 1.440                               |
| October                                               | 1.920                                | 1.410                               |
| November                                              | 1.510                                | 1.290                               |
| December                                              | 1.360                                | 1.200                               |
| <b>2026</b>                                           |                                      |                                     |
| January                                               | 1.620                                | 1.220                               |
| February                                              | 1.790                                | 1.500                               |
| March                                                 | 1.520                                | 1.260                               |
| April                                                 | 1.490                                | 1.260                               |
| May (up to and including the Latest Practicable Date) | 1.300                                | 0.950                               |

*The following is a summary of the principal terms of the Scheme Rules to be considered and approved by Shareholders at the AGM. It does not form part of, nor is it intended to be part of, the Scheme Rules. The Directors reserve the right at any time prior to the AGM to make amendments to the 2026 Share Incentive Scheme as they may consider necessary or appropriate provided that such amendments do not conflict in any material aspect with the summary set out in this Appendix.*

### **Purpose of the 2026 Share Incentive Scheme**

The purpose of the 2026 Share Incentive Scheme is: (a) to provide the Company with a flexible means of remunerating, incentivizing, retaining, rewarding, compensating and/or providing benefits to Eligible Participants; (b) to align the interests of Eligible Participants with those of the Company and Shareholders by providing such Eligible Participants with the opportunity to acquire shareholding interests in the Company; and (c) to encourage Eligible Participants to contribute to the long-term growth and profitability of the Company and to enhance the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole. In the 2026 Share Incentive Scheme, references to new Shares include treasury shares, and references to the issue of Shares include the transfer of treasury shares. The Company may use treasury shares to satisfy the exercise of vesting of Awards under the 2026 Share Incentive Scheme.

### **Awards**

An Award may take the form of a Share Option or a Share Award, which shall be funded by Award Shares.

### **Scheme administration**

The 2026 Share Incentive Scheme shall be administered by the Scheme Administrator, being the Board and/or any committee of the Board or other persons to whom the Board has delegated its authority in accordance with the Scheme Rules.

### **Eligible Participant**

Eligible Participants under the 2026 Share Incentive Scheme shall include:

- (i) **Employee Participants**, namely, any person who is an employee (whether full-time or part-time), director or officer of any subsidiaries of the Group, including persons who are granted Awards under the 2026 Share Incentive Scheme as an inducement to enter into employment contracts with any subsidiaries of the Group.
- (ii) **Related Entity Participants**, being any person who is an employee (whether full-time or part-time), director or officer of a Related Entity; and

- (iii) **Service Provider Participants**, being any person providing 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 as determined by the Scheme Administrator pursuant to criteria set out below. Service Provider Participants shall include the following categories:

Those who (a) operate in the industries of therapeutic areas such as medical aesthetics, oncology, metabolism, diabetes, cardiovascular and cerebrovascular, modern Chinese medicine and industrial hemp in which the Group operates from time to time; (b) engage with the Group on a regular or recurring basis. For example, the medical aesthetic institutions directly provide the end-user clients with benchmark joint treatment plans and portfolio product strategy, contributing significant incremental growth to the medical aesthetic business; the external sales teams who provide omnichannel sales services for a diverse range of injection products, including botulinum toxin, regenerative materials, and skin booster products; and (c) have specialties or expertise in areas that supplement the Group or otherwise significant to the Group's business, with reference to, among other metrics, consulting and advisory services and contribution, research and development, technical contribution, manufacturing or sourcing or distribution of products provided by the Group, or other financial or business significance. The sales, operational, and consulting services provided by these service providers are highly relevant to the Company's ordinary and usual course of medical aesthetics and innovative pharmaceutical businesses. They have signed long-term agreements with the Group and maintain long-term cooperation with the Group to provide aforementioned services on a continuous or recurring basis.

provided that (i) placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, or (ii) professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity may not be Service Provider Participants for the purposes of this Scheme.

Where a consultant or service provider qualifies for one of the above categories and meets the initial eligibility criteria to fall within the above categories, the Scheme Administrator will decide whether such consultant or service provider qualifies as a Service Provider Participant based on qualitative and quantitative performance indicators to be on a case-by-case basis in accordance with the above initial criteria. In assessing whether a Service Provider provides services to the Group on a continuing basis, the Scheme Administrator will take into account factors such as: (i) length and type of services provided or will be provided to the Group, recurrence and regularity of such services; (ii) how the selection metrics benchmark against comparable metrics used to determine other Eligible Participants who have been granted options and/or awards under the Company's share schemes; (iii) the Group's objectives in engaging the consultant or service provider and how granting options and/or awards to the consultant or service provider would align with the purpose of

the 2026 Share Incentive Scheme or benefit the Group; and (iv) remuneration packages of comparable listed peers with respect to similar service providers, if any, based on available industry information.

*Note:*

*The Directors (including the independent non-executive Directors) consider the proposed categories of Related Entity Participants and Service Provider Participants to be in line with industry norms and that the proposed scope for “Eligible Participants” to be appropriate and aligns with the purpose of the 2026 Share Incentive Scheme. In particular, Related Entity Participants will have a sufficiently close relationship with the Group and would likely be in a position to influence the Group’s business, reputation, operations and performance; Service Provider Participants are those service provider sub-categories that the Company considers to be particularly important to the success of the Group’s business and future development. In particular, the Company has always adhered to the overall strategic goal of “Adhering to the full-speed promotion of a two-wheeled strategy of Sihuan medical aesthetics and biopharmaceuticals”. The Company believes that maintaining long-term cooperative relationships with the service providers is particularly important for the future development of the Group’s medical aesthetics business and innovative drug business, and that service providers have been continuously or frequently providing the Group with sales, operational, and consulting services that are essential to the Group’s business, such service providers may also meet the definition of “Service Provider Participants”. Based on the above, the Directors (including the independent non-executive Directors) believe that the proposed scope for “Eligible Participants” is in line with the purpose of 2026 Share Incentive Scheme.*

#### **Scheme Mandate Limit and the Service Provider Sublimit**

- (i) **Scheme Mandate Limit:** The total number of Award Shares which may be issued pursuant to all Awards to be granted under this Scheme together with the number of Shares which may be issued pursuant to any awards to be granted under any other share incentive schemes of the Company (if any) is 912,598,820 Shares, being not more than 10% of the Shares in issue (excluding any Treasury Shares) on the date of approval of the Scheme.
- (ii) **Service Provider Sublimit:** The total number of Award Shares which may be issued pursuant to Awards granted to Service Provider Participants under this Scheme is 182,519,764 Shares, being not more than 2% of the Shares in issue (excluding any Treasury Shares) on the date of approval of the Scheme.

Shares which would have been issued pursuant to Awards which have lapsed in accordance with the terms of the Scheme Rules (or the terms of any other share incentive schemes of the Company) shall not be counted for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

- (iii) **Awards in excess of the Scheme Mandate Limit:** The Company may seek separate approval of the Shareholders in general meeting to grant Awards beyond the Scheme Mandate Limit to Eligible Participants specifically identified by the Company, subject to compliance with the requirements set out in the Listing Rules.

The Company must send a circular to the Shareholders containing the name of each Eligible Participant who may be granted such Awards, the number and terms of the Awards to be granted to each Eligible Participant, and the purpose of granting the Awards to the specified Eligible Participants with an explanation as to how the terms of the Awards serve such purpose.

The number and terms of Awards to be granted to such Eligible Participant must be fixed before Shareholders' approval.

*Note:*

*The Service Provider Sublimit is determined based on the maximum possible number of Award Shares that the Company intends to grant to Service Provider Participants and the Company's future business and development plan, including, among other things, the following: (1) consolidating the key stages of commercialization of its own brands in the medical aesthetics business and focusing on injectable and energy source devices; and (2) accelerating the commercialization of innovative drug products in the oncology and metabolic fields. The Directors (including the independent non-executive Directors) consider the Service Provider Sublimit to be appropriate and reasonable given the nature of the industries in which the Group operates and the Group's current and future business needs, and takes into account:*

- (a) the rationale behind the scope and eligibility criteria of Service Provider Participants, as detailed above;*
- (b) that this sublimit provides the Group with flexibility to provide equity incentives to reward and collaborate with persons who are not employees or Directors of the Group, but who may have exceptional expertise in their field or who may be able to provide valuable expertise and services to the Group, which is in line with the purpose of the 2026 Share Incentive Scheme;*
- (c) Comparing to providing one-off cash incentive, the inclusion of the Service Provider Participants as participants of the 2026 Share Incentive Scheme will (i) more effectively offer them long-lasting incentives to maintain on-going relationship with the Group by linking their interests with the interests of the Group; and (ii) allow the Group to allocate its financial resources more efficiently by retaining more cash. For example, ① in terms of the commercialization layout of the medical aesthetics business, the Company has built a nationwide sales network supported by the direct sales team and cooperative agents. In terms of team building, it also relies on the core team with mature sales management experience of multinational companies and achieves coverage of medical aesthetic institutions. At the same time, a special team for public hospitals has been established to focus on the application and project cooperation of key products in public hospitals; and ② By linking industry associations, academic units and international partners, the Group have built a solid academic foundation for the clinical compliance application and innovative implementation of products through academic co-construction, professional training and clinical research. At the same time, the Group have deepened cooperation with more than 70 experts, operators and consultants in the field of regeneration across the country to expand the market influence of products with professional academic output, and improved the construction of the regeneration product advisory group and expert database. The Group have promoted the trial prototyping and joint project creation of core product strategic cooperative institutions, promoted the innovation and implementation of product clinical application and artificial intelligence technology in the field of medical aesthetics product research and development. To incentive such service providers, the Company may consider granting share awards or options to service providers who satisfy the relevant eligibility criteria awards under the 2026 Share Incentive Scheme in appropriate case in the future;*

- (d) *the fact that this sublimit represents a maximum limit and that the Company retains the flexibility to allocate Award Shares from this sublimit to satisfy Awards to other Eligible Participants depending on business growth and needs in the future as and when appropriate. For example, where the Company considers that the business needs of the Group at a future point in time suggests that the full Service Provider Sublimit is no longer needed for Service Provider Participants and that it would be more appropriate and beneficial to serve the purpose of the 2026 Share Incentive Scheme to allocate a portion of the Award Shares under this sublimit to other Eligible Participants.*

### **Refreshing the Scheme Mandate Limit and the Service Provider Sublimit**

The Company may refresh either of the Scheme Mandate Limit and/or the Service Provider Sublimit:

- (i) from the later of three years after the Adoption Date or three years after the date of the previous shareholder approval for refreshment of the Scheme Mandate Limit or Service Provider Sublimit (as the case may be) pursuant to this Rule, with the prior approval of Shareholders in general meeting by way of ordinary resolution; or
- (ii) at any time, with the prior approval of the Shareholders in general meeting and subject to compliance with any additional requirements set out in the Listing Rules.

The total number of Award Shares which may be issued in respect of all Awards to be granted under this Scheme and all other schemes of the Company under the Scheme Mandate Limit as refreshed pursuant to the 2026 Share Incentive Scheme shall not exceed 10% of the Shares in issue (excluding any treasury shares) as at the date of the approval to refresh the Scheme Mandate Limit by the Shareholders in general meeting. Awards already granted under the Scheme and any other share incentive schemes of the Company (including those exercised, outstanding, cancelled or lapsed in accordance with its terms) shall not be counted for the purpose of calculating the number of Award Shares that may be issued under the Scheme Mandate Limit as refreshed.

### **Maximum entitlement of a grantee**

There is no specific maximum entitlement for each Eligible Participant under the 2026 Share Incentive Scheme. Awards granted to individuals that exceed the thresholds set out in Chapter 17 of the Listing Rules will be subject to additional approval requirements as required under Chapter 17 of the Listing Rules and set out in the section headed “Further approval requirements” below.

### **Further approval requirements**

- (i) 1% Individual Limit:

Unless approved by the Shareholders in the manner set out in the Scheme Rules, the total number of Shares issued and to be issued upon exercise of Awards granted and to be granted under this Scheme and any other share incentive schemes of the Company

to each Eligible Participant (including both exercised and outstanding Share Options) in any 12 month period shall not exceed 1% of the total number of Shares in issue (excluding any treasury shares). Any further grant of Awards to an Eligible Participant which would exceed this limit shall be subject to separate approval of the Shareholders in general meeting with the relevant Eligible Participant and their associates abstaining from voting.

(ii) **Limit on Grant to Director, Chief Executive or Substantial Shareholder:**

Any grant of Awards to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates, shall be subject to the prior approval of the Remuneration Committee of the Board (excluding any member who is a proposed recipient of the grant of the Award) and the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of Awards).

Where any grant of Share Awards (but not any grant of Share Options) to any Director (other than an independent non-executive Director) or chief executive of the Company or any of their associates would result in the Shares issued and to be issued in respect of all Awards granted under the Scheme Rules together with awards granted under any other share incentive schemes of the Company (excluding any awards lapsed in accordance with the terms of the relevant 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 Shares in issue (excluding any Treasury Shares) at the date of such grant; or where any grant of Awards to an independent non-executive Director or substantial shareholder of the Company (or any of their respective associates) would result in the number of Shares issued and to be issued upon exercise of all Awards already granted under this Scheme together with awards granted under any other share incentive schemes of the Company (excluding any awards lapsed in accordance with the terms of the relevant scheme) to such person in the 12 month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of Shares in issue (excluding any Treasury Shares) at the date of such grant, such further grant of Awards must be approved by shareholders of the Company in general meeting in the manner required, and subject to the requirements set out, in the Listing Rules.

**Limitation on the timing of grants of Awards**

No Award shall be granted to any Eligible Participant:

- (i) in circumstances prohibited by the Listing Rules or at a time when the relevant Eligible Participant would be prohibited from dealing in the Shares by the Listing Rules or by any applicable rules, regulations or law;

- (ii) where the Company is in possession of any unpublished inside information in relation to the Company, until (and including) the trading day after such inside information has been announced;
- (iii) during the periods commencing 30 days immediately before the earlier of the date of the Board meeting for approving the Company's results for any year, half-year, quarterly or any other interim period and the deadline for the Company to announce such results, and ending on the date of the results announcement, provided that such period will also cover any period of delay in the publication of any results announcement;
- (iv) if any member of the Group is required under applicable laws, rules or regulations to issue a prospectus or other offer documents in respect of such grant or the 2026 Share Incentive Scheme;
- (v) where such grant or dealing in the Shares in respect of such grant would result in a breach by any member of the Group or any of its directors of any applicable laws, rules, regulations or codes in any jurisdiction from time to time;
- (vi) in circumstances where the requisite approval from any applicable governmental or regulatory authority has not been obtained, provided that to the extent permissible in accordance with applicable laws, rules and regulations an Award may be made conditional upon such approval being obtained;
- (vii) in circumstances which would result in a breach of the Scheme Mandate Limit, provided that to the extent permissible in accordance with applicable laws, rules and regulations an Award may be made conditional upon the Scheme Mandate Limit being refreshed or approval of Shareholders being otherwise obtained; or
- (viii) where such Award under the Listing Rules requires the specific approval of Shareholders, until such approval of Shareholders is obtained, provided that to the extent permissible in accordance with applicable laws, rules and regulations an Award may be made conditional upon such specific shareholder approval being obtained.

### **Acceptance**

The Board or Scheme Administrator may determine the amount (if any) payable on application or acceptance of an Award and the period within which any such payments must be made, which amounts (if any) and periods shall be set out in the Award Letter. Unless otherwise specified in the Award Letter, the grantee shall have 20 Business Days from the Grant Date to accept the Award, following which, the portion not accepted by the grantee shall automatically lapse.

**Issue Price of Share Awards and Exercise Price of Share Options**

The Issue Price for Awards which take the form of Share Awards shall be such price determined by the Board or Scheme Administrator and notified to the grantee in the Award Letter.

The Board or Scheme Administrator shall determine the Exercise Price for such Share Options in which it shall in any event be no less than the higher of: (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Grant Date; and (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the Grant Date.

*Note:*

*The above flexibility allows the Company to control the costs incurred by the Company from the grant of Awards under the 2026 Share Incentive Scheme by correlating the exercise price for Share Options with prevailing market prices at the time of grant and the Company reserving the discretion to determine the issue price, if any, on an individual basis taking into account the nature and degree of value benefiting the Group from granting Awards to such grantee, which is aligned with the purpose of the 2026 Share Incentive Scheme.*

**Exercise Period of Share Options**

The Exercise Period for such Share Options shall in any event be not longer than 10 years from the Grant Date. A Share Option shall lapse automatically and shall not be exercisable (to the extent not already exercised) on the expiry of the tenth anniversary from the Grant Date.

**Vesting period**

The Vesting Date in respect of any Award shall be not less than 12 months from the Grant Date, provided that for Employee Participants, the Vesting Date may be less than 12 months from the Grant Date (including on the Grant Date) in the following circumstances:

- (i) grants of “make whole” Share Awards to new Employee Participants to replace share awards such Employee Participants forfeited when leaving their previous employers;
- (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 of Awards which are subject to the fulfilment of performance targets;
- (iv) grants of Awards that are made in batches during a year for administrative and/or compliance requirements, in which case the Vesting Date may be adjusted to take account of the time from which the Award would have been granted if not for such administrative or compliance requirements;

(v) grants of Awards with a mixed or accelerated vesting schedule such that the Awards vest evenly over a period of 12 months; or

(vi) grants of Awards with a total vesting and holding period of more than 12 months.

*Note:*

*The Directors and the Remuneration Committee are of the view that the vesting period (including the circumstances in which a shorter vesting period may apply), as detailed above, 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 2026 Share Incentive Scheme.*

### Performance target

The Scheme Administrator may in respect of each Award and subject to all applicable laws, rules and regulations determine such performance targets or other criteria or conditions for vesting of Awards in its sole and absolute discretion. Any such performance targets, criteria or conditions shall be set out in the Award Letter. For the avoidance of doubt, an Award shall not be subject to any performance targets, criteria or conditions if none are set out in the relevant Award Letter.

| Grantee                                                                                     | Considerations                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) Director and member of senior management of the Company                                 | Business or financial milestones, transaction milestones, performance appraisal within a specified period reaching a desirable level, or the grantee's anticipated future contribution to the Group (including with respect to their experience, expertise, insight, participation in specific projects, or achievement of specific work targets etc.) |
| (ii) Employee Participant (except a Director or member of senior management of the Company) | Performance appraisal within a specified period reaching a desirable level, or the grantee's anticipated future contribution to the Group (including with respect to their experience, expertise, insight, participation in specific projects, or achievement of specific work targets etc.)                                                           |

| Grantee                           | Considerations                                                                                                                                                                                                                                                               |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (iii) Related Entity Participant  | The grantee's anticipated future contribution to the long-term development of the Group (including with respect to their experience, expertise, insight, participation in specific projects, or achievement of specific work targets or business collaboration targets etc.) |
| (iv) Service Provider Participant |                                                                                                                                                                                                                                                                              |

*Note:*

*The Board and the Remuneration Committee believe that it is in the best interests of the Company to retain the flexibility to impose appropriate conditions in light of the particular circumstances of each grant, which would then be a more meaningful reward for each eligible participant's contribution or potential contribution. It is considered that by allowing the Company to require the Eligible Participant to achieve such performance targets as may be stipulated in the Award Letter on a case-by-case basis, the Company may be in a better position to incentivise suitable eligible participants to deliver high quality work or to complete specified projects or goals important to the Group, which is in line with the purpose of the 2026 Share Incentive Scheme. Where Awards are granted to Directors or senior management of the Company without performance targets, the views of the Remuneration Committee on why performance targets are not necessary and how the grants align with the purpose of the 2026 Share Incentive Scheme, will be included in the announcement to be issued after any grant of Awards as required by the Listing Rules.*

**Ceasing to be an Eligible Participant**

- i. Resignation: If a grantee ceases to be an Eligible Participant by reason of his/her resignation (including termination of employment contract upon expiration, termination of employment contract through negotiation, or voluntary resignation): (i) any outstanding Awards not yet vested shall lapse immediately; and (ii) any vested Share Option may be exercised within the Exercise Period in accordance with terms relating to the resignation under the Award Letter, failing which the Share Option shall lapse; If a Grantee ceases to be an Eligible Participant by reason of negligence (including demotion or termination of employment due to disciplinary violations or illegal activities), any Awards shall lapse immediately.
- ii. Dispute or Controversy: If a grantee, whether currently employed or former, has any disputes or controversy with the Company, any Awards shall lapse immediately.
- iii. Death or permanent incapacity: If a grantee ceases to be an Eligible Participant by reason of (i) death of the grantee; or (ii) the termination of his/her employment or contractual engagement with any member of the Group or Related Entity by reason of his/her permanent physical or mental disablement:

- (a) in the case of Share Options: any vested Share Option may be exercised within the Exercise Period in accordance with terms under the Award Letter by the personal representatives of the grantee. In the case where a grantee no longer has any legal capacity to exercise the Share Option, the vested Share Option may be exercised within that period by the persons charged with the duty of representing the grantee under applicable laws within the Exercise Period in accordance with terms under the Award Letter. If the vested Share Option is not exercised within the time mentioned above, the Share Option shall lapse. Any Share Options not yet vested shall vest in accordance with terms under the Award Letter; and
- (b) in the case of Share Awards: any outstanding Share Awards not yet vested shall immediately vest, and the Company shall issue such number of Award Shares to the legal personal representatives of the grantee or the persons charged with the duty of representing the grantee under applicable laws as soon as practicable following the death or incapacity of the grantee.

References in the Scheme Rules to “grantee” shall be construed as references to a grantee’s personal representative or estate.

- iv. Bankruptcy: If a grantee is declared bankrupt or becomes insolvent or makes any arrangements or composition with his/her creditors generally, they shall cease to be an Eligible Participant under the 2026 Share Incentive Scheme and any Awards not yet vested and any outstanding Share Options not yet exercised shall immediately be forfeited and shall lapse, unless the Scheme Administrator determines otherwise at their absolute discretion. A resolution of the Scheme Administrator to the effect that a grantee or an Eligible Participant has or has not ceased to be an Eligible Participant for purposes of the Scheme Rules shall be conclusive.
- v. Other reasons: If a grantee ceases to be an Eligible Participant for reasons other than those set out in the preceding provisions:
  - (a) subject to the provisions of clawback mechanism, a grantee may exercise any vested Share Options within the Exercise Period in accordance with the terms under the Award Letter, or such other period as the Scheme Administrator may decide in their sole discretion. If a Share Option is not exercised within the stipulated time, the Share Option shall be forfeited and shall lapse; and
  - (b) any outstanding Awards not yet vested shall immediately be forfeited and shall lapse, unless the Scheme Administrator determines otherwise at their absolute discretion.

**Transferability**

Awards shall be personal to the grantee to whom they are made and shall not be assignable or transferable, except in circumstances where the written consent of the Company has been obtained and a waiver has been granted by the Stock Exchange for such transfer in compliance with the requirements of the Listing Rules and provided that any such transferee agrees to be bound by the Scheme Rules as if the transferee were the grantee.

**Administration by trust**

The Company may establish a Trust and appoint a Trustee to hold Shares and other trust property under the Trust for the purposes of implementing and administering the 2026 Share Incentive Scheme. The administration and operation of the Trust shall be governed by the Trust Deed. A Trustee shall not exercise any voting rights in respect of any unvested Shares held by it, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

**Voting and dividend rights**

Awards do not carry any right to vote at general meetings of the Company, nor any right to dividends, transfer or other rights. No grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an Award unless and until the Award Shares are issued or transferred to the grantee pursuant to the vesting and/or exercise of such Awards. Where vested Award Shares are held on trust for the grantee until such time as the Scheme Administrator directs the Trustee to transfer the relevant Award Shares to the grantee or sell them on-market at prevailing prices and remit the proceeds to the grantee, in each case together with any related income accrued on the Award Shares from the relevant Vesting Date to the date of such direction, a grantee may give instructions to the Trustee to exercise the voting rights in respect of those Award Shares pursuant to, and to the extent permitted by, the Trust Deed.

**Lapse of Awards**

Without prejudice to the authority of the Scheme Administrator to provide additional situations when an Award shall lapse in the terms of any Award Letter, an Award shall lapse automatically (to the extent not already vested and, where relevant, exercised) on the earliest of:

- (a) the expiry of any applicable Exercise Period;
- (b) the date on which the Board makes a determination under the clawback mechanism (as described below);
- (c) the expiry of any of the periods for accepting or exercising the Award;

- (d) the date on which the grantee commits a breach of the rule against transferring the Awards;
- (e) (i) the audit was not conducted in accordance with the procedures and requirements of applicable law; (ii) the auditor has issued an adverse opinion or a disclaimer of opinion on the financial statements for the recent financial year; (iii) the regulatory authority has raised significant objections to the Company's performance or financial statements; (iv) the regulatory authority has imposed a significant penalty; or any other situation where the 2026 Share Incentive Scheme must be terminated at the request of the regulatory authority.

The circumstances in which the Award shall automatically lapse are exhaustive in this Appendix.

### **Cancellation of Awards**

If the grantee left the Company or did not meet the conditions required under the Award Letter, any Awards granted but not exercised may be cancelled by the Scheme Administrator at any time without the prior consent of the grantee. Issuance of new Awards to the same grantee whose Awards have been cancelled may only be made if there are unissued Awards available under the Scheme Mandate (excluding the Awards of the relevant grantee cancelled) and in compliance with the terms of the Scheme Rules.

### **Clawback**

In the event that:

- i. a grantee ceases to be an Eligible Participant by reason of the termination of his/her employment or contractual engagement with the Group or Related Entity for cause or without notice or with payment in lieu of notice;
- ii. a grantee has been convicted of a criminal offence involving his/her integrity or honesty; or
- iii. in the reasonable opinion of the Board, a grantee has engaged in serious misconduct or breaches the terms of this Scheme in any material respect,

then the Board may make a determination at its absolute discretion that: (A) any Awards issued to that grantee but not yet exercised shall immediately lapse, regardless of whether such Awards have vested or not, (B) with respect to any Award Shares issued or transferred to that grantee, the grantee shall be required to transfer back to the Company or its nominee (1) the equivalent number of Shares, (2) an amount in cash equal to the market value of such Shares, or (3) a combination of (1) and (2), and/or (C) with respect to any Award Shares held by the Trustee for the benefit of the grantee, those Award Shares shall no longer be held on trust for nor inure to the benefit of the grantee.

*Note:*

*The Directors are of the view that the above clawback mechanism enables the Company to clawback Awards (or the Award Shares underlying such Awards) received by those grantees that have, for example, seriously violated the policies of the Group, put the Group into disrepute, adversely harmed the Group, or otherwise exposed the Group to significant risk. In these circumstances, the Company would not consider it in the Company or Shareholders' best interests to incentivise them with proprietary interests of the Company under the 2026 Share Incentive Scheme, nor would the Company consider such grantees benefiting under the 2026 Share Incentive Scheme to align with the purpose of the 2026 Share Incentive Scheme. As such, The Company considers this clawback mechanism appropriate and reasonable.*

### **Term of the 2026 Share Incentive Scheme**

10 years commencing on the Adoption Date unless terminated earlier.

### **Change of Control**

If there is a change in control ("control" has the meaning given to it in the Takeovers Code) of the Company as the result of a merger, scheme of arrangement or general offer, the Scheme Administrator shall at its sole discretion (subject to compliance with the Listing Rules and the Takeovers Code) determine whether the Vesting Dates of any Awards granted to the Employee Participants will be accelerated and/or the vesting conditions or criteria of any Awards granted to the Employee Participants will be amended or waived, and notify grantees accordingly.

### **Termination**

Subject to the Scheme Rules, the 2026 Share Incentive Scheme shall terminate on the earlier of (a) the 10th anniversary of the Adoption Date; and (b) such date of early termination as determined by the Board, provided that notwithstanding such termination, the 2026 Share Incentive Scheme and the Scheme Rules shall continue to be valid and effective to the extent necessary to give effect to the vesting and exercise of any Awards granted prior to the termination of the 2026 Share Incentive Scheme and such termination shall not affect any subsisting rights already granted to any grantee thereunder.

### **Amendment of the 2026 Share Incentive Scheme or Awards**

The Board may amend the 2026 Share Incentive Scheme or an Award granted under the 2026 Share Incentive Scheme, provided that:

- (a) the amendment must comply with Chapter 17 of the Listing Rules;

- (b) Shareholders' approval at general meeting is required for the following:
- (i) any amendment or alteration to the terms and conditions of the 2026 Share Incentive Scheme that is of a material nature or any amendment or alteration to those provisions that relate to the matters set out in rule 17.03 of the Listing Rules to the advantage of Eligible Participants;
  - (ii) any change to the authority of the Board or the Scheme Administrator to alter the terms of the 2026 Share Incentive Scheme; and
- (c) any amendment or alteration to the terms of an Award the grant of which was subject to the approval of a particular body shall be subject to approval by that same body, provided that this requirement does not apply where the relevant alteration takes effect automatically under existing terms of the 2026 Share Incentive Scheme. Without limiting the generality of the foregoing, any change in the terms of Awards granted to any grantee who is a director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the Shareholders in general meeting in the manner required in the Listing Rules if the initial grant of the Awards requires such approval (except where the changes take effect automatically under the Scheme Rules).

### **Alterations in Share Capital**

In the event of any alteration in the capital structure of the Company by way of capitalization of profits or reserves, rights issue, open offer, subdivision or consolidation of Shares or reduction of the share capital of the Company (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) after the Adoption Date, the Scheme Administrator shall make such corresponding adjustments, if any, as the Scheme Administrator in its discretion may deem appropriate to reflect such change with respect to:

- i. the number of Shares constituting the Scheme Mandate Limit or Service Provider Sublimit, provided that in the event of any Share subdivision or consolidation the Scheme Mandate Limit and Service Provider Sublimit as a percentage of the total issued Shares of the Company at the date immediately before any consolidation or subdivision shall be the same on the date immediately after such consolidation or subdivision;
- ii. the number of Shares in each Award to the extent any Award has not been exercised; and
- iii. the Exercise Price of any Share Option or Issue Price of any Share Award,

or any combination thereof, as the auditors or a financial advisor engaged by the Company for such purpose have certified satisfy the relevant requirements of the Listing Rules and are, in their opinion, fair and reasonable either generally or as regards any particular grantee, provided always that (i) any such adjustments should give each grantee the same proportion of the equity capital of the Company, rounded to the nearest whole Share, as that to which that grantee was previously entitled prior to such adjustments, and (ii) no such adjustments shall be made which would result in a Share being issued at less than its nominal value. The capacity of the auditors or financial advisor (as the case may be) 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.

To the extent not otherwise determined by the Scheme Administrator in accordance with the above, the default method of adjustment for various alterations in share capital events are set out below:

***Capitalization issue***

*Adjustment of number of Award Shares underlying outstanding Awards*

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

Where:  $Q_0$  represents the number of outstanding Award Shares prior to adjustment;  $n$  represents the rate of increase per Share resulting from the capitalization issue;  $Q$  represents the number of outstanding Award Shares after adjustment.

*Adjustment of Exercise Price or Issue Price of outstanding Awards*

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

Where:  $P_0$  represents the Exercise Price or Issue Price before the adjustment;  $n$  represents the rate of increase per Share resulting from the capitalization issue;  $P$  represents the Exercise Price or Issue Price after the adjustment.

***Rights issue or open offer***

*Adjustment of number of Award Shares underlying outstanding Awards*

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

Where:  $Q_0$  represents the number of outstanding Award Shares prior to adjustment;  $P_1$  represents the closing price of Shares on the record date;  $P_2$  represents the subscription price of the rights issue or open offer;  $n$  represents the ratio of the rights issue or open offer;  $Q$  represents the number of outstanding Award Shares after adjustment.

*Adjustment of Exercise Price or Issue Price of outstanding Awards*

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

Where:  $P_0$  represents the Exercise Price or Issue Price before the adjustment;  $P_1$  represents the closing price as at the record date;  $P_2$  represents the subscription price of the rights issue or open offer;  $n$  represents the rights issue or open offer;  $P$  represents the Exercise Price or Issue Price after the adjustment.

*Share consolidation, share subdivision or reduction of share capital**Adjustment of number of Award Shares underlying outstanding Awards*

$$Q = Q_0 \times n$$

Where:  $Q_0$  represents the number of outstanding Award Shares prior to adjustment;  $n$  represents the ratio of share consolidation, share subdivision or reduction of share capital;  $Q$  represents the number of outstanding Award Shares after adjustment.

*Adjustment of Exercise Price or Issue Price of outstanding Awards*

$$P = P_0 \div n$$

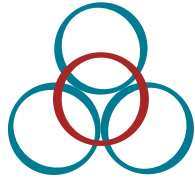
Where:  $P_0$  represents the Exercise Price or Issue Price before the adjustment;  $n$  represents the ratio of share consolidation, share subdivision or reduction of share capital;  $P$  represents the Exercise Price or Issue Price after the adjustment.

Such adjustments will be made in according with the requirements under Appendix 1 to Frequently Asked Questions FAQ13 – No.16 published by the Stock Exchange.

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## NOTICE OF ANNUAL GENERAL MEETING

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四环医药  
*SihuanPharm*

### Sihuan Pharmaceutical Holdings Group Ltd.

四環醫藥控股集團有限公司

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 0460)**

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of Sihuan Pharmaceutical Holdings Group Ltd. (the “**Company**”) will be held at Conference Room Mission 4+5, 4th Floor, Hilton Shenzhen Futian, Tower B, Great China International Finance Centre, 1003 Shennan Road, Futian, Shenzhen, the People’s Republic of China on Friday, 26 June 2026 at 10:30 a.m. for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolutions:

### ORDINARY RESOLUTIONS

#### ORDINARY BUSINESS

1. To receive and adopt the audited consolidated financial statements of the Company and the reports of the directors of the Company (the “**Directors**”) and auditor of the Company (the “**Auditor**”) for the year ended 31 December 2025.
2. To approve the declaration and payment of a final cash dividend for the year ended 31 December 2025.
3. (a) To re-elect the following retiring Directors:
  - (i) Dr. Guo Weicheng as an executive Director
  - (ii) Ms. Chen Yanling as an executive Director
  - (iii) Dr. Zhu Xun as an independent non-executive Director
- (b) To authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors.
4. To re-appoint the Auditor.

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## NOTICE OF ANNUAL GENERAL MEETING

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### SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modification, the following resolutions as ordinary resolutions:

(A) “That:

- (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares in the share capital of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of the Company, and/or to sell or transfer the Treasury Shares, and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such powers be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;
- (iii) the total number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise), and/or the Treasury Shares sold or transferred, by the Directors during the Relevant Period pursuant to paragraph (i) above, otherwise than pursuant to (1) a Rights Issue (as hereinafter defined) or (2) the grant or exercise of any option under the option scheme of the Company or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the eligible participants of shares or rights to acquire shares of the Company; or (3) any scrip dividend or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company (the “**Bye-Laws**”) in force from time to time; or (4) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed 20 per cent of the number of issued shares of the Company (excluding Treasury Shares, if any) as at the date of passing this resolution and the approval shall be limited accordingly;

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(iv) for the purpose of this resolution:

(a) “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

(1) the conclusion of the next annual general meeting of the Company;

(2) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or any applicable laws of Bermuda to be held; or

(3) the revocation or variation by an ordinary resolution of the shareholders of the Company in general meeting; and

(b) “Rights Issue” means an offer of shares in the capital of the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares in the capital of the Company (other than holders of any Treasury Shares) whose names appear on the register of shareholders on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”

(B) “That:

(i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and recognised for this purpose by the Securities and Futures Commission and the Stock Exchange and, subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), be and is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (ii) the total number of the shares of the Company, which may be repurchased pursuant to the approval in paragraph (i) above shall not exceed 10 per cent of the number of issued shares of the Company (excluding Treasury Shares, if any) at the date of passing of this resolution, and the said approval shall be limited accordingly;
- (iii) subject to the passing of each of the paragraphs (i) and (ii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (iv) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
  - (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or any applicable laws of Bermuda to be held; or
  - (c) the revocation or variation by an ordinary resolution of the shareholders of the Company in general meeting.”
- (C) “**That** conditional upon the resolutions numbered 5(A) and 5(B) set out in the notice convening this meeting being passed, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with additional shares of the Company, and/or to sell or transfer the Treasury Shares, and to make or grant offers, agreements and/or options which might require the exercise of such powers pursuant to the ordinary resolution numbered 5(A) set out in the notice convening this meeting be and is hereby extended by the addition to the total number of shares of the Company which may be allotted by the Directors pursuant to such general mandate an amount representing the total number of shares of the Company repurchased by the Company under the authority granted pursuant to ordinary resolution numbered 5(B) set out in the notice convening this meeting, provided that such number shall not exceed 10 per cent of the number of issued shares of the Company (excluding Treasury Shares, if any) as at the date of passing of the resolutions.”

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## NOTICE OF ANNUAL GENERAL MEETING

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6. To consider and, if thought fit, to pass, with or without modification, the following resolutions as ordinary resolutions:

(A) “**That:**

the approval of terminating the existing share option scheme adopted by the shareholders of the Company at the general meeting held on 24 October 2017 and the adoption of the 2026 Share Incentive Scheme proposed by the Board of the Company, a copy of which is produced to this meeting marked “A” and signed by the chairman of the meeting for the purpose of identification, with the Scheme Mandate Limit (as defined in the 2026 Share Incentive Scheme) of 10% of the total issued and outstanding Shares (excluding any Treasury Shares) as at the date of the Shareholders’ approval of the 2026 Share Incentive Scheme, be and is hereby approved and adopted, and the Scheme Administrator (as defined in the 2026 Share Incentive Scheme) be and are hereby authorized to grant the awards pursuant to the 2026 Share Incentive Scheme (“**Awards**”), and do all such acts and execute all such documents as the Scheme Administrator may consider necessary or expedient in order to give full effect to the 2026 Share Incentive Scheme”; and

(B) “**That:**

conditional upon the passing of ordinary resolution 6(A), the Service Provider Sublimit (as defined in the 2026 Share Incentive Scheme) of 2% of the total issued and outstanding Shares (excluding any Treasury Shares) as at the date of the Shareholders’ approval of the 2026 Share Incentive Scheme be and is hereby approved and adopted.”

Ordinary resolution 6(A) is not conditional upon the passing of ordinary resolution 6(B), but ordinary resolution 6(B) is conditional upon the passing of ordinary resolution 6(A). In the event that ordinary resolution 6(A) is passed but ordinary resolution 6(B) is not passed, the Company will adopt the 2026 Share Incentive Scheme but the Board shall alter the 2026 Share Incentive Scheme to remove references to the grant of Awards to Service Provider Participants. In the event that ordinary resolution 6(B) is passed but ordinary resolution 6(A) is not passed, the 2026 Share Incentive Scheme will not be adopted.

Unless indicated otherwise, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 3 June 2026 in relation to the proposed adoption of the 2026 Share Incentive Scheme.

By Order of the Board  
**Sihuan Pharmaceutical Holdings Group Ltd.**  
**Dr. Che Fengsheng**  
*Chairman and Executive Director*

Hong Kong, 3 June 2026

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## NOTICE OF ANNUAL GENERAL MEETING

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*Registered office:*  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal place of business in Hong Kong:*  
Room 4905  
Office Tower  
Convention Plaza  
1 Harbour Road, Wanchai  
Hong Kong

*Notes:*

- (i) Ordinary resolution numbered 5(C) will be proposed to the shareholders of the Company for approval provided that ordinary resolutions numbered 5(A) and 5(B) are passed by the shareholders of the Company.
- (ii) A shareholder entitled to attend and vote at the above meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her; a proxy need not be a shareholder of the Company.
- (iii) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the persons so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.
- (iv) In order to be valid, a form of proxy must be deposited at the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof) not less than 48 hours before the time fixed for the holding of the above meeting or any adjournment thereof. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.
- (v) The transfer books and register of members will be closed from Monday, 22 June 2026 to Friday, 26 June 2026, both days inclusive, in order to determine the entitlement of shareholders to attend and vote at the above meeting, during which period no share transfers can be registered. In order to qualify for attending and voting at the annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 18 June 2026.
- (vi) The transfer books and register of members will be closed from Friday, 3 July 2026 to Monday, 6 July 2026, both days inclusive, in order to determine the entitlement of shareholders to receive the proposed final cash dividend, during which period no share transfers can be registered. In order to qualify for the proposed final cash dividend, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 2 July 2026 (if applicable).
- (vii) In respect of ordinary resolution numbered 3 above, Dr. Guo Weicheng, Ms. Chen Yanling and Dr. Zhu Xun shall retire at the above meeting pursuant to the Bye-Laws and being eligible, have offered themselves for re-election as directors of the Company. Details of the above retiring directors are set out in Appendix I to the accompanying circular dated 3 June 2026.
- (viii) In respect of ordinary resolution numbered 5(A) above, the directors wish to state that they have no immediate plans to issue any new shares of the Company. Approval is being sought from the shareholders of the Company as a general mandate for the purposes of the Listing Rules.
- (ix) In respect of ordinary resolution numbered 5(B) above, the directors wish to state that they will exercise the powers conferred by the general mandate to repurchase shares of the Company in circumstances which they deem appropriate for the benefits of shareholders of the Company. The explanatory statement containing the information necessary to enable shareholders of the Company to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own shares, as required by the Listing Rules, is set out in Appendix II to the accompanying circular dated 3 June 2026.