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

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

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Hansoh Pharmaceutical Group Company Limited

翰森製藥集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3692)

**(1) PROPOSED RE-ELECTION OF DIRECTORS,
(2) PROPOSED GRANTING OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE SHARES,
(3) PROPOSED DECLARATION OF FINAL DIVIDEND,
(4) PROPOSED RE-APPOINTMENT OF AUDITORS,
(5) PROPOSED ADOPTION OF THE 2026 SHARE SCHEME
AND
(6) NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the Annual General Meeting of Hansoh Pharmaceutical Group Company Limited to be held at 50/F, Office Tower, Convention Plaza, 1 Harbour Road, Wan Chai, Hong Kong on Friday, June 26, 2026 at 10:00 a.m. is set out in this circular.

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy for use at the Annual General Meeting in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, 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 appointed for the Annual General Meeting (i.e. not later than 10:00 a.m. on Wednesday, June 24, 2026 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting if they so wish. For the avoidance of doubt and for the purpose of the Listing Rules, holders of treasury Shares (if any) shall abstain from voting at the Company's general meeting.

This circular together with the form of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.hspharm.com>).

References to time and dates in this circular are to Hong Kong time and dates.

June 4, 2026

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	
1. INTRODUCTION	7
2. PROPOSED RE-ELECTION OF DIRECTORS	8
3. PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE SHARES	8
4. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE SHARES	9
5. FINAL DIVIDEND	9
6. RE-APPOINTMENT OF AUDITORS	9
7. PROPOSED ADOPTION OF THE 2026 SHARE SCHEME	10
8. DOCUMENT ON DISPLAY	21
9. RESPONSIBILITY STATEMENT	21
10. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT	21
11. RECOMMENDATION	22
APPENDIX I – DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING	23
APPENDIX II – EXPLANATORY STATEMENT ON THE SHARE REPURCHASE MANDATE	28
APPENDIX III – SUMMARY OF PRINCIPAL TERMS OF THE 2026 SHARE SCHEME	31
NOTICE OF ANNUAL GENERAL MEETING	53

DEFINITIONS

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

“2026 Share Scheme”, “the Scheme” or “this Scheme”	the share scheme of the Company proposed to be considered, and if thought fit, adopted at the Annual General Meeting, a summary of the principal terms of which is set out in Appendix III to this circular
“Actual Selling Price”	has the meaning ascribed to it under paragraph 8(iii)(b) of Appendix III to this circular
“Administrator”	the Board or the person(s) delegated and authorized by the Board for the purpose of administering this Scheme
“Adoption Date”	being the date on which the adoption of this Scheme is approved by the Shareholders at the Annual General Meeting by way of ordinary resolution
“Annual General Meeting”	the annual general meeting of the Company to be held at 50/F, Office Tower, Convention Plaza, 1 Harbour Road, Wan Chai, Hong Kong on Friday, June 26, 2026 at 10:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 53 to 58 of this circular, or any adjournment thereof
“Articles of Association”	the articles of association of the Company currently in force
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Award(s)”	award(s) granted by the Administrator to an Eligible Participant as the Administrator may determine in accordance with the terms of this Scheme, which may take the form of a RSU or an Option Award
“Board”	the board of Directors
“Business Day(s)”	any day(s) on which the Stock Exchange is open for the business of dealing in securities

DEFINITIONS

“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“China” or “PRC”	the People’s Republic of China
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	Hansoh Pharmaceutical Group Company Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	(i) any Employee Participant, (ii) any Service Provider or (iii) any Related Entity Participant, who the Administrator considers, in its sole discretion, has the eligibility ascribed in this Scheme
“Employee Participant(s)”	any Director or employee of the Company or any of its subsidiaries (including any person who is granted Awards under this Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries)
“ESG Committee”	the environmental, social and governance committee of the Board
“Exercise Period”	with respect to any Option Award, means the period during which the Grantee may exercise the Option Award as may be determined by the Administrator, provided that such period shall not go beyond the day immediately prior to the tenth anniversary of the Grant Date in respect of such Option Award
“Exercise Price”	with respect to a particular Option, the price per Share at which the relevant Grantee may subscribe for the Shares on the exercise of the particular Option

DEFINITIONS

“Existing RSU Scheme”	the share scheme conditionally approved and adopted by the Company on May 27, 2019, which has granted restricted share unit(s) upon completion of the Global Offering, the details of which are set out in the section headed “Statutory and General Information” in Appendix IV of the Company’s prospectus dated May 31, 2019
“Fault”	with respect to a Grantee, the summary termination of employment or office on any one or more of the following grounds: the Grantee has been guilty of misconduct, or has engaged in illegal activities involving his/her integrity or honesty or (if so determined by the Administrator in its absolute discretion) on any other ground on which the Group would be entitled to terminate the Grantee’s employment or office summarily at common law or pursuant to any applicable laws or under the Grantee’s employment or service contract with the Group. Notwithstanding the foregoing, a resolution of the Administrator or the board of directors of the relevant Group company to the effect that the employment or service of a Grantee has or has not been terminated on one or more of the grounds specified herein shall be conclusive
“Grant”	the offer of the grant of an Award to be made in accordance with this Scheme
“Grant Date”	the date (which shall be a Business Day) on which the Grant is made to an Eligible Participant, being the date stated in the grant letter
“Grantee”	any Eligible Participant who accepts a Grant or is deemed to have accepted a Grant in accordance with the terms of this Scheme, or (where the Scheme so permits) any person who is entitled to any Award in consequence of the death of the original Grantee
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issuance Mandate”	a general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares (including any sale or transfer of Treasury Shares) of not exceeding 20% of the total number of issued Shares (excluding any Treasury Shares) as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting, as set out on pages 54 to 55 of this circular
“Latest Practicable Date”	May 28, 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Nomination Committee”	the nomination committee of the Board
“Option(s)”	option(s) to subscribe for or acquire Shares that may be granted by the Company under the 2026 Share Scheme
“Option Award(s)”	the grant of Option(s) to any Selected Participant pursuant to the 2026 Share Scheme
“Purchase Price”	the price (if any) payable by a Grantee to purchase Shares under the Scheme, which shall be determined at the sole and absolute discretion of the Administrator
“Related Entity Participant(s)”	directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company
“Remuneration Committee”	the remuneration committee of the Board
“RMB”	Renminbi, the lawful currency of the PRC
“RSU(s)”	restricted share unit(s) to be granted under the Scheme, each of which represents one underlying Share, and/or represents a conditional right granted to any Selected Participant(s) pursuant to the Scheme to obtain the corresponding economic value of the underlying Shares, less any tax, stamp duty and other charges applicable, as determined by the Administrator in its absolute discretion

DEFINITIONS

“Scheme Mandate Limit”	has the meaning ascribed to it under paragraph 4(i) of Appendix III to this circular
“Selected Participant(s)”	any Eligible Participant(s) selected by the Administrator in accordance with the terms of the Scheme
“Service Provider(s)”	refers to consultants and externally engaged personnel, who provide 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, provided that (i) placing agent or financial adviser providing services for fundraising, mergers or acquisitions or (ii) professional service provider such as auditor or valuer who provides assurance, or is required to perform services with impartiality and objectivity shall not be Service Providers
“Service Provider Sublimit”	has the meaning ascribed to it under paragraph 4(ii) of Appendix III to this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.00001 each in the issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Share Repurchase Mandate”	a general mandate proposed to be granted to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares (excluding any Treasury Shares) as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting, as set out on page 53 to 54 of this circular
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategy and Development Committee”	the strategy and development committee of the Board

DEFINITIONS

“Takeovers Code”	the Code on Takeovers and Mergers approved by the Securities and Futures Commission of Hong Kong as amended from time to time
“Treasury Shares”	has the meaning ascribed to it under the Listing Rules
“Trust Deed”	a trust deed to be entered into between the Company as the settlor and the Trustee as the trustee in respect of the appointment of the Trustee for the administration of the Scheme (as restated, supplemented and amended from time to time)
“Trustee”	the trustee corporation or trustee corporations (which is/are independent of and not connected with the Company) appointed by the Company for the administration of the Scheme or any additional or replacement trustee(s). None of the Directors is or will be a trustee of the Scheme or has a direct or indirect interest in the trustee (if any) of the Scheme
“Vesting Date”	with respect to any RSUs, the date(s) of the vesting of the RSUs; with respect to any Options, the earliest date on which the Options (or any part thereof) may be exercised. The vesting date shall be determined from time to time by the Administrator in accordance with this Scheme and the grant letter(s)
“working day(s)”	Chinese Mainland working day(s), excluding Saturdays, Sundays and statutory holidays
“%”	per cent

LETTER FROM THE BOARD



Hansoh Pharmaceutical Group Company Limited

翰森製藥集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3692)

Executive Directors:

Ms. Zhong Huijuan (*Chairlady and
Chief Executive Officer*)

Ms. Sun Yuan

Dr. Lyu Aifeng

Registered Office:

P.O. Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Independent Non-executive Directors:

Mr. Lin Guoqiang

Mr. Chan Charles Sheung Wai

Ms. Yang Dongtao

Mr. Yan Jia

Principal Place of Business in

Hong Kong:

Room 1928, 19/F, Lee Garden One,
33 Hysan Avenue, Causeway Bay,
Hong Kong

June 4, 2026

To the Shareholders

Dear Sir/Madam,

**(1) PROPOSED RE-ELECTION OF DIRECTORS,
(2) PROPOSED GRANTING OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE SHARES,
(3) PROPOSED DECLARATION OF FINAL DIVIDEND,
(4) PROPOSED RE-APPOINTMENT OF AUDITORS,
(5) PROPOSED ADOPTION OF THE 2026 SHARE SCHEME
AND
(6) NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting to be held on Friday, June 26, 2026 for (i) the re-election of Directors; (ii) the granting of the Share Repurchase Mandate; (iii) the granting of the Issuance Mandate and the extension of the Issuance Mandate granted to the Directors to issue and allot the Shares repurchased by the Company under the Share Repurchase Mandate; (iv) the declaration of final dividend; (v) the re-appointment of auditors; and (vi) the proposed adoption of the 2026 Share Scheme.

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Article 16.19 of the Articles of Association, Ms. Zhong Huijuan and Ms. Yang Dongtao shall retire at the Annual General Meeting. In accordance with Article 16.2 of the Articles of Association, Mr. Yan Jia, who has been appointed as independent non-executive Director by the Board with effect from December 26, 2025, shall hold office only until the Annual General Meeting. Ms. Zhong Huijuan, Ms. Yang Dongtao and Mr. Yan Jia, being eligible, will offer themselves for re-election at the Annual General Meeting.

The Board has reviewed its structure and composition, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination criteria set out in the Company's board diversity policy and director nomination policy, the Company's corporate strategy, and the independence of all independent non-executive Directors. The Company considers that the retiring independent non-executive Director is independent in accordance with the independence guidelines as set out in Rule 3.13 of the Listing Rules and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity.

Details of the Directors proposed for re-election at the Annual General Meeting are set out in Appendix I to this circular.

3. PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on June 20, 2025, a general mandate was granted to the Directors to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to repurchase Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Share Repurchase Mandate to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares (excluding any Treasury Shares) as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting as set out on pages 53 to 54 of this circular (i.e. a total of 606,415,007 Shares calculated based on the total number of issued Shares as of the Latest Practicable Date and assuming that no further Shares are issued or repurchased before the Annual General Meeting).

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Repurchase Mandate is set out in Appendix II to this circular.

LETTER FROM THE BOARD

4. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on June 20, 2025, a general mandate was granted to the Directors to issue Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to issue Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares (including any sale or transfer of Treasury Shares) of not exceeding 20% of the total number of issued Shares (excluding any Treasury Shares) as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting as set out on pages 54 to 55 of this circular (i.e. a total of 1,212,830,014 Shares calculated based on the total number of issued Shares as of the Latest Practicable Date and assuming that no further Shares are issued or repurchased before the Annual General Meeting). An ordinary resolution to extend the Issuance Mandate by adding the number of Shares repurchased by the Company pursuant to the Share Repurchase Mandate will also be proposed at the Annual General Meeting.

5. FINAL DIVIDEND

The Board has recommended a final dividend of HK\$20.00 cents per Share for the year ended December 31, 2025 to be payable on Friday, July 24, 2026 to the Shareholders whose names appear on the register of members of the Company at the close of business on Thursday, July 9, 2026, being the record date, subject to approval by the Shareholders at the Annual General Meeting.

In order to ascertain the Shareholders' entitlements to the proposed final dividend (subject to the approval by the Shareholders at the Annual General Meeting), the register of members of the Company will be closed from Tuesday, July 7, 2026 to Thursday, July 9, 2026, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, July 6, 2026.

6. RE-APPOINTMENT OF AUDITORS

Following the recommendation of the Audit Committee, the Board proposed to re-appoint Ernst & Young as the external auditor of the Company until the next annual general meeting of the Company; and the Board proposed it be authorized to fix the remuneration of the auditor of the Company for the year ending December 31, 2026. An ordinary resolution in respect of the re-appointment of the auditor of the Company will be proposed at the Annual General Meeting for consideration and approval by the Shareholders.

LETTER FROM THE BOARD

The estimated audit fee payable to Ernst & Young for the audit of the consolidated financial statements of the Company and its subsidiaries for the financial year ending December 31, 2026 is expected to be in the range from approximately RMB3.1 million to RMB3.3 million (exclusive of out-of-pocket expenses).

The estimated audit fee has been determined after arm's length negotiations between the Company and Ernst & Young, having taken into account, among other factors, the size, nature and complexity of the Group's business operations, the expected scope of the audit, the proposed audit timetable and the level and mix of professional staff expected to be deployed. The estimate has been made on the basis that there will be no material change in the Group's operations, accounting policies or the applicable regulatory environment during the relevant financial year and that the Company will provide such access, assistance and information as may be reasonably required for the purposes of the audit.

Subject to there being no material change in the basis or assumptions referred to above, the final audit fee is not expected to differ materially from the estimated amount so disclosed. If there is any material change, the Company will make such further disclosure as it considers appropriate.

7. PROPOSED ADOPTION OF THE 2026 SHARE SCHEME

Background

Reference is made to the announcement of the Company dated April 28, 2026 in relation to, among others, the termination of the Existing RSU Scheme and proposed adoption of the 2026 Share Scheme. The Board has resolved to terminate the Existing RSU Scheme with effect from the Adoption Date of the 2026 Share Scheme, and to propose the adoption of the 2026 Share Scheme.

The Existing RSU Scheme was adopted by way of a resolution of the Shareholders on May 27, 2019 and is valid and effective for a period of 10 years commencing on June 14, 2019, the listing date of the Shares (the "**Scheme Period**"). The Shares underlying all grants made pursuant to the Existing RSU Scheme shall be (i) Shares allotted and issued by the Company to the trustee of the Existing RSU Scheme under a specific mandate sought from the Shareholders on May 27, 2019 and/or (ii) Shares acquired by the trustee of the Existing RSU Scheme in accordance with the Company's instructions and with funds provided by the Company through on-market transactions or private placements at the prevailing market price. The maximum number of Shares underlying the restricted share units that could be granted pursuant to the Existing RSU Scheme is 114,118,384 Shares, representing 2% of the number of Shares in issue on the listing date of the Company.

According to the terms of the Existing RSU Scheme, the Existing RSU Scheme may be terminated at any time prior to the expiry of the Scheme Period by the Board. No further awards shall be granted after the Existing RSU Scheme is terminated but in all other respects the provisions of the Existing RSU Scheme shall remain in full force and effect. All awards granted under the Existing RSU Scheme prior to such termination that have not yet vested as at the date of the termination shall remain valid. As at the Latest Practicable Date, there were

LETTER FROM THE BOARD

restricted share units representing 108,618,910 Shares granted to the Directors, executives and employees of the Group, among which, restricted share units representing 16,718,990 Shares remained unvested. Details of the unvested restricted share units as at the Latest Practicable Date are as below:

Category	Grant Date	Vesting Period ⁽¹⁾	Purchase Price	Outstanding as at the Latest Practicable Date
1. Directors				
Ms. Sun Yuan	June 27, 2024	3 years	HK\$3.379	858,000
Dr. Lyu Aifeng	June 27, 2024	3 years	HK\$3.379	192,620
	April 28, 2025	3 years	HK\$4.573	139,860
	April 28, 2026	3 years	HK\$7.8592	109,010
2. Five Highest Paid Individuals (For the year ended December 31, 2025)				
Three Grantees	June 27, 2024	3 years	HK\$3.379	323,134
(excluding	April 28, 2025	3 years	HK\$4.573	580,290
Directors)	April 28, 2026	3 years	HK\$7.8592	381,800
3. Other Employees				
Other Employees	June 27, 2024	3 years	HK\$3.379	5,153,556
	April 28, 2025	3 years	HK\$4.573	4,479,200
	April 28, 2026	3 years	HK\$7.8592	4,501,520
Total				16,718,990

Note:

- (1) Vesting schedule: approximately 34% shall vest on the first anniversary of the grant date/vesting commencement date (as the case may be) and the remaining approximately 33% and approximately 33% shall vest on the second and third anniversary of the grant date/vesting commencement date (as the case may be), respectively.

The outstanding restricted share units granted under the Existing RSU Scheme will remain valid in accordance with their terms after the adoption of the 2026 Share Scheme, though no new restricted share units may be granted under the Existing RSU Scheme after the adoption of the 2026 Share Scheme. As at the Latest Practicable Date, the trustee of the Existing RSU Scheme is in possession of 4,131,829 Shares, representing approximately 0.07% of total issued Shares (excluding any Treasury Shares, if any). All of such Shares are to be used for satisfying the unvested restricted share units under the Existing RSU Scheme.

Apart from the Existing RSU Scheme, the Group did not maintain any other share option scheme or share award scheme as at the Latest Practicable Date.

The 2026 Share Scheme is intended to be funded by new shares to be allotted and issued by the Company, existing Shares, and/or Treasury Shares of the Company. Therefore, the 2026 Share Scheme will constitute a share scheme involving issue of new shares by the Company under Chapter 17 of the Listing Rules. The provisions of the 2026 Share Scheme will comply

LETTER FROM THE BOARD

with Chapter 17 of the Listing Rules. For the purpose of the 2026 Share Scheme, (i) references to new shares include Treasury Shares, and (ii) references to the issuance of new shares include the transfer of Treasury Shares (subject to the requirements of the relevant Listing Rules).

Conditions for adoption of the Scheme

The 2026 Share Scheme is subject to, among other things, (i) the passing of ordinary resolutions at the Annual General Meeting, and (ii) the listing committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the new shares to be issued and allotted pursuant to all the Awards to be granted under the 2026 Share Scheme.

Application will be made to the Stock Exchange for the approval for the listing of, and permission to deal in, the shares to be allotted and issued in respect of the Awards that may be granted under the 2026 Share Scheme.

The 2026 Share Scheme

For the summary of principal terms of the 2026 Share Scheme, please refer to Appendix III to this circular.

Purpose

The purpose of the 2026 Share Scheme is set out in the paragraph headed “1. Purpose” in Appendix III to this circular.

Eligibility

The Eligible Participants are the Employee Participants, Service Providers and Related Entity Participants.

Details of the Eligible Participants and the criteria for determination of their eligibility are set out in the paragraphs headed “2. Eligibility” in Appendix III to this circular.

(i) Employee Participants

Employee Participants refer to any Director or employee of the Company or any of its subsidiaries (including any person who is granted Awards under the Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries).

In assessing the eligibility of Employee Participants, the Administrator will at its discretion consider all relevant factors as appropriate, including but not limited to: (a) their individual performance, time commitment, personal capabilities and expertise, work experience and reputation, responsibilities and employment conditions; (b) their length of service with the Group; (c) their contributions or potential contributions to the

LETTER FROM THE BOARD

development and growth of the Group; (d) the level of support, assistance, guidance, advice and effort they have provided or will provide in relation to the business development of the Group; (e) in the case of existing employees holding management positions, the contribution of their respective departments to the long-term operations and development of the Group; and (f) any other factors the Administrator may consider appropriate at its discretion.

The Board is of the view that the adoption of the Scheme is in line with current market practices of providing incentives to employees to motivate them to contribute to the growth of the Group. By offering Awards to Employee Participants, the Scheme aims to align Employee Participants' interests with the overall objectives of the Group and the interests of the Shareholders, by encouraging them to work towards enhancing enterprise value, as well as achieving the long-term objectives set by the Group and ultimately benefiting the Group as a whole.

Independent non-executive Directors

The scope of Eligible Participants shall include independent non-executive Directors. Having considered that (i) the equity-based remuneration serves as an effective tool to align the interests of Board members (including independent non-executive Directors) with those of Shareholders; (ii) this is a common market practice for public companies; and (iii) the independent non-executive Directors make significant contributions to the Group through their professional expertise, independent judgement, and oversight of corporate governance and internal controls. The Board believes that inclusion of independent non-executive Directors as Eligible Participants and allowing flexibility to grant them Awards beyond cash remuneration will assist the Company in maintaining a competitive remuneration package, thereby attracting and retaining talent.

The Company considers that the independence and impartiality of the independent non-executive Directors will not be compromised by the potential Grant of any Award to them for the following reasons: (i) the independent non-executive Directors will continue to comply with the independence requirements under Rule 3.13 of the Listing Rules; (ii) should any Award be granted to the independent non-executive Directors or any of their respective associates, and such Award results in the total number of Shares issued and to be issued in respect of all share options and awards granted to that person during the twelve (12)-month period up to and including the Grant Date representing more than 0.1% of the total number of issued Shares (excluding any Treasury Shares, if any), such Award shall be subject to the Shareholders' approval; and (iii) the Board shall be mindful of the recommended best practice E.1.9 of the Corporate Governance Code set out in Appendix C1 to the Listing Rules, which recommends that issuers should generally not grant equity-based remuneration (such as share options or share grants) with performance-related elements to independent non-executive Directors when considering future awards to them.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company did not have any plan or intention to grant any Awards under the Scheme to the independent non-executive Directors.

(ii) Service Providers

Service Providers refer to:

- Consultants, being former employees of the Group who are rehired after retirement or continue to provide consultancy services to the Group after retirement on a continuing or recurring basis. Consultants provide services in respect of (a) research and development, (b) marketing for pharmaceutical product launches, (c) production and/or (d) functional management (being advisory services in respect of the internal management functions that support the Group's principal business activities, comprising human resources, information technology and digitalization and investor relations and corporate strategy). The Group maintains long-term cooperative relationships with such individuals; and
- Externally engaged personnel, being personnel engaged by the Group who provide services to the Group on a continuing or recurring basis in respect of (a) research and development, (b) marketing for pharmaceutical product launches, (c) production and/or (d) functional management (being advisory services in respect of the internal management functions that support the Group's principal business activities, comprising human resources, information technology and digitalization and investor relations and corporate strategy), but who for various reasons fail to enter into employment contracts with the Group to become full-time or part-time employees of the Group. The continuity and frequency of services provided by these individuals are similar to those of the Group's employees, and such services are of a continuing or recurring nature.

In assessing the eligibility of Service Providers, including whether the Service Providers provide services to the Group on a continuing or recurring basis in the ordinary and usual course of business of the Group, the Administrator will consider all relevant factors as appropriate, including but not limited to: (a) the individual quality of the Service Providers such as professional expertise, work performance and commercial impact; (b) the past employment and/or cooperative relationship between the Service Providers and the Group; (c) the continuous services the Service Providers intend to provide to the Group in the future; and (d) the contribution of the Service Providers to the Group. In particular:

- For consultants: (a) their professional expertise, skills, technical knowledge and professional qualifications; (b) their market reputation, industry experience and network; (c) their contributions or potential contributions to the development and growth of the Group; (d) the importance and scarcity of their

LETTER FROM THE BOARD

business relationship with the Group; (e) their future business plans for cooperation with the Group, and the possibility of providing long-term services as a service provider; and (f) any other factors the Administrator may consider appropriate at its discretion.

- For externally engaged personnel: (a) their individual performance, time commitment, personal capabilities and expertise, work experience and the quality of services previously provided to the Group; (b) the duration of their business relationship with the Group; (c) their contributions or potential contributions to the development and growth of the Group; and (d) any other factors the Administrator may consider appropriate at its discretion.

The Service Providers directly contribute to the long-term growth of the Group's business by providing services that are of a continuing and recurring nature in the ordinary and usual course of the Group's business. Such Service Providers are well-versed in the industry's development and the Company's operations, and are integral to the Group's core day-to-day operations. The grant of Awards to these Service Providers will align their interests with the interests of the Group's long-term growth and foster a sense of belonging and responsibility among them, motivating them to contribute towards the Company's success.

(iii) Related Entity Participants

Related Entity Participants refer to directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company.

In assessing the eligibility of Related Entity Participants, the Administrator will at its discretion consider all relevant factors as appropriate, including but not limited to: (a) their individual performance, time commitment, personal capabilities and expertise, work experience and reputation and responsibilities; (b) their contributions or potential contributions to the development and growth of the Group and degree of synergy; (c) the level of support, assistance, guidance, advice and effort they have provided or will provide in relation to the business development of the Group; and (d) any other factors the Administrator may consider appropriate at its discretion.

By providing strategic oversight and connecting the Company with key partners including research and development experts, institutions, technology leaders, and distribution and marketing networks, the Related Entity Participants play an essential role in supporting operations and enhancing the synergistic effects, thereby strengthening the Group's innovation capabilities, accelerating the Group's product pipeline development, and enhancing the Group's overall competitiveness and sustainable growth. The Company recognizes their significant contributions (or potential contributions) to the Group's long-term growth and sustainability through existing or prospective collaborations, and believes that the efforts of Related Entity Participants are necessary and crucial to driving the Group's sustained success.

LETTER FROM THE BOARD

Based on the above, the Board (including the independent non-executive Directors) considers that the inclusion of Employee Participants, Service Providers and Related Entity Participants as Eligible Participants, the criteria for selection of Eligible Participants, and the terms of any possible Grants under the Scheme can align with the purpose of the Scheme, and are (i) fair and reasonable, (ii) in the long term interests of the Company and its Shareholders as a whole, and (iii) in line with the Company's business needs and industry norms.

Scheme Mandate Limit and Service Provider Sublimit

The total number of Shares which may be issued in respect of all options and awards to be granted under the Scheme and any other share schemes must not exceed 121,283,001 Shares (calculated based on the total number of issued Shares as of the Latest Practicable Date and assuming that no further Shares are issued or repurchased before the Annual General Meeting), representing 2% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the Adoption Date (the “**Scheme Mandate Limit**”). The Scheme Mandate Limit of 2% is consistent with the scheme limit of the Existing RSU Scheme. The total number of Shares which may be issued in respect of all options and awards to be granted to all Service Providers under the Scheme and any other share schemes must not in aggregate exceed 60,641,500 Shares (calculated based on the total number of issued Shares as of the Latest Practicable Date and assuming that no further Shares are issued or repurchased before the Annual General Meeting), representing 1% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the Adoption Date (the “**Service Provider Sublimit**”).

For the purposes of calculating the Scheme Mandate Limit and the Service Provider Sublimit, options and awards that have already lapsed in accordance with the terms of the Scheme and any other share schemes shall not be regarded as utilized. Where the Awards are funded by existing Shares, such Awards shall not be regarded as utilized for the purposes of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

The Service Provider Sublimit was determined with reference to (i) the potential dilution effect arising from grants to the Service Providers; (ii) the importance of striking a balance between achieving the purpose of the Scheme and protecting Shareholders from the dilution effect from granting a substantial amount of Awards to the Service Providers; and (iii) the extent of the use of Service Providers in the Group's business.

Considering the Group's business model and human resources allocation strategy and that the Service Providers have contributed to the long-term growth of the Group's business development, the Board is of the view that the Service Provider Sublimit is appropriate, fair and reasonable given the Group's business needs, and such sublimit enables flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward persons who are not employees or officers of the Group, but who may have exceptional expertise in their field or who may be able to provide valuable contribution to the Group, which is in line with the purpose of the Scheme. The sublimit of 1% can provide adequate safeguard against excessive dilution of existing Shareholders' holdings. The Service Provider Sublimit is subject to separate approval of the Shareholders at the Annual General Meeting.

LETTER FROM THE BOARD

Individual Limit

Where any Grant of Awards to an Eligible Participant except for a Director would result in the Shares issued and to be issued in respect of all options and awards granted to such person under the Scheme and any other share schemes (excluding any options and awards already lapsed in accordance with the terms of the Scheme and other share schemes) in the 12-month period up to and including the Grant Date representing in aggregate over 1% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the Grant Date, such Grant shall be subject to relevant requirements under Chapter 17 of the Listing Rules.

Where any Grant of Awards to an independent non-executive Director or a substantial Shareholder (or any of their respective associates) would result in the number of Shares issued and to be issued in respect of all options and awards granted to such person under the Scheme and any other share schemes (excluding any options and awards already lapsed in accordance with the terms of the Scheme and other share schemes) in the 12-month period up to and including the Grant Date representing in aggregate over 0.1% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the Grant Date, such Grant shall be subject to relevant requirements under Chapter 17 of the Listing Rules.

Where any Grant of Awards (excluding Grant of Options, if any) to a Director (other than an independent non-executive Director) or the chief executive of the Company (or any of their respective associates) would result in the number of the Shares issued and to be issued in respect of all awards to such person under this Scheme and any other share schemes (excluding any awards lapsed in accordance with the terms of the Scheme and other share schemes) in the 12-month period up to and including the Grant Date representing in aggregate over 0.1% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the Grant Date, such Grant shall be subject to relevant requirements under Chapter 17 of the Listing Rules.

Effectiveness and Duration

The effectiveness and duration of the 2026 Share Scheme is set out in the paragraph headed “3. Effectiveness and Duration” in Appendix III to this circular.

Vesting Period

The vesting period shall not be less than 12 months, unless the Administrator determines, in its sole discretion, that the Awards granted to an Employee Participant may be subject to a vesting period of less than 12 months in the following circumstances:

- (i) Awards are “make-whole” awards granted to the Employee Participants who are new joiners of the Group to replace the awards he/she has been forfeited when leaving the previous employer;

LETTER FROM THE BOARD

- (ii) Awards are subject to performance-based vesting conditions provided, in lieu of time-based vesting criteria to stimulate the Employee Participants to achieve the relevant performance targets in a shorter period;
- (iii) Awards are granted in batches during a year for administrative and compliance reasons, in which case, the vesting period may be shorter to reflect the time from which the Awards would have been granted; or
- (iv) circumstances that may arise as set out in paragraph 10 of the Appendix III to the circular.

The Board (and the Remuneration Committee in respect of Grants of Awards to the Directors and/or senior management members) is of the view that the shorter vesting period under the circumstances set out in (i) to (iii) above is in line with market practice and is appropriate and aligns with the purposes of the Scheme, considering that under such circumstances, (a) a strict 12-month vesting period would not work or would not be appropriate or fair to the Grantees; (b) the discretion gives the Company more flexibility to attract talents or reward exceptional performers with accelerated vesting; and (c) the discretion allows the Company to formulate its own strategies to attract and retain talents in response to changing market conditions and industry competition.

The Board (and the Remuneration Committee in respect of Grants of Awards to the Directors and/or senior management members) considers that the shorter vesting period under the circumstances set out in (iv) above is appropriate and aligns with the purposes of the Scheme to promote the achievement of long term sustainable development and objectives of the Company and to align the interests of the Grantees with the interests of the Company and its Shareholders, considering that these are situations which occur infrequently and are out of the control of the Grantees (and in certain cases, the Board and the Company), and the Grantees should not be prejudiced under such circumstances.

Purchase Price and Exercise Price

In respect of Awards to be granted in the form of RSUs, the Purchase Price (if any) of the RSUs under the Scheme shall be determined at the sole and absolute discretion of the Administrator after taking into consideration (i) the purpose of the Award, (ii) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Grant Date, (iii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the ten (10) Business Days immediately preceding the Grant Date and/or (iv) any other matter which the Administrator considers relevant. For the avoidance of doubt, the Administrator may determine the Purchase Price to be nil.

The above flexibility allows the Company to control the costs incurred by the Company from the Grant of Awards under the Scheme by reserving the discretion to determine the Purchase Price on an individual basis taking into account the nature and degree of value benefiting the Group from granting Awards to such grantee, which aligns with the purpose of the Scheme.

LETTER FROM THE BOARD

In respect of Awards to be granted in the form of Option Awards, the Exercise Price shall be determined at the sole and absolute discretion of the Administrator, provided that it shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Grant Date, which must be a Business Day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the Grant Date; and (iii) the nominal value of the Shares.

The Grantee may be required to pay HK\$1.00 (or such other nominal sum in any currency as the Administrator may determine) as consideration for the acceptance of the Grant within such period as the Administrator may determine.

The Board considers that as the Exercise Price cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by the Administrator, it is expected that the Grantee will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalize on the benefits of the Options granted under the Scheme and in turn benefiting the Company and the Shareholders as a whole. As such, the Board considers that the provision in relation to the Exercise Price aligns with the purpose of the Scheme.

Performance Targets

The Administrator may, in its absolute discretion, as it thinks fit, set performance targets for the Grantees on a case-by-case basis to ensure the Awards vested would be beneficial to the Group, with general factors to be taken into account including but not limited to (i) at the Company level, the period-to-period growth and development of the Group, the key performance indicators of which will tentatively tie to the phased profit and research and development costs after taking into account the period-to-period macroeconomic condition and the market and industry condition, as well as the overall strategic planning of the Group (i.e. the business focus of the Group for the upcoming financial year) and (ii) at the individual level, his/her personal position, the results of individual performance assessments carried out by the Company's human resources committee in accordance with each department's function and target and other factors relevant to the Grantee.

The Administrator will conduct assessment at the end of a performance period by comparing the Group's overall performance and the individual performance of the Grantees with the pre-agreed performance targets to determine whether the targets have been met and the extent to which they have been met.

The Board believes that by setting general performance targets as mentioned above, the Administrator will be provided with more flexibility in setting the performance targets under particular circumstances of each Grant, thereby facilitating the Administrator to offer suitable incentives to attract and retain quality personnel that are valuable to the development of the Group. Further, the Board is of the view that the setting of performance targets can provide ample motivations and incentives for the Grantees to improve their performance and contribute to the Group's overall development and business success. Considering the aforesaid, the Board considers that the performance targets are in line with the purpose of the Scheme and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Clawback Mechanism

The Administrator may determine from time to time, including but not limited to in the occurrence of:

- (i) the cessation of a Grantee to be an Eligible Participant by reason of termination of the Grantee's employment or service by the Group as a result of the Grantee having been charged with, penalized for or convicted of an illegal act involving the Grantee's integrity or honesty;
- (ii) any material violation of a Grantee to obligations of confidentiality or non-competition to the Group, or material breach by such Grantee of an internal policy or code of the Group or the terms of the Scheme; or
- (iii) any conduct of a Grantee that is involved in a material misstatement in the Group's financial statements;

upon which, the Administrator may make a determination at its absolute discretion that: (A) any Awards granted but not yet vested and/or unexercised shall immediately lapse and shall be dealt with in accordance with the terms and conditions of the Scheme, and (B) with respect to any Shares delivered, or Actual Selling Price paid, to the Grantee pursuant to any Awards granted under the Scheme, the Grantee shall be required to transfer back to the Company or its nominee (a) the equivalent number of Shares (subject to compliance with applicable laws and the Listing Rules), (b) the monetary amount equivalent to either (i) the Actual Selling Price or (ii) the market value of the Shares as at the date determined at the sole discretion of the Administrator, which may be the Grant Date, the vesting or exercise date of such Awards, or the clawback date, or (c) a combination of (a) and (b).

The Board (and the Remuneration Committee in respect of Grants of Awards to the Directors and/or senior management members) is of the view that the clawback mechanism in the Scheme provides a choice for the Board to claw back the equity incentives granted to Eligible Participants, which would facilitate the objective to offer meaningful incentives to attract and retain quality personnel that are valuable to the development of the Group, and is in line with the purpose of the Scheme and in the interests of the Company and the Shareholders as a whole.

In conclusion, the Directors are of the view that the terms of the Scheme align with the purpose of the Scheme.

Others

As at the Latest Practicable Date, the Company has no concrete plans or intention to grant Awards to the Eligible Participants under the Scheme.

LETTER FROM THE BOARD

Listing Rules Implications

Pursuant to Chapter 17 of the Listing Rules, the Scheme will constitute a share scheme of the Company involving the issuance of new Shares and therefore the adoption of the Scheme is subject to the approval of the Shareholders. The terms of the Scheme are in accordance with the relevant requirements under Chapter 17 of the Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder had any material interest in the adoption of the 2026 Share Scheme. Accordingly, no Shareholder is required to abstain from voting on the resolution approving the adoption of the 2026 Share Scheme at the Annual General Meeting.

The above resolution has been approved by the Board and is hereby proposed at the Annual General Meeting for Shareholders' consideration and approval.

8. DOCUMENT ON DISPLAY

A copy of the Scheme will be published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.hspharm.com>) for a period of not less than 14 days before the date of the Annual General Meeting and will also be made available for inspection at the Annual General Meeting.

9. 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.

10. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 53 to 58 of this circular.

Pursuant to the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution relating purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the Annual General Meeting in the manner prescribed under the Listing Rules.

LETTER FROM THE BOARD

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.hspharm.com>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the Company's branch share registrar in Hong Kong, 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 appointed for the Annual General Meeting (i.e. not later than 10:00 a.m. on Wednesday, June 24, 2026 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish. The record date for determining entitlements of Shareholders to attend and vote at the Annual General Meeting is Friday, June 26, 2026.

11. RECOMMENDATION

The Directors consider that the proposed re-election of retiring Directors and granting of the Share Repurchase Mandate and the Issuance Mandate, declaration of final dividend, the re-appointment of auditors and adoption of the 2026 Share Scheme are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,

For and on behalf of the Board

Hansoh Pharmaceutical Group Company Limited

Zhong Huijuan

Chairlady

The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

(1) Ms. Zhong Huijuan, Executive Director

Ms. Zhong Huijuan (“**Ms. Zhong**”), aged 65, is the founder of the Group and currently the chairlady of the Board, chief executive officer and an executive Director of the Company. Ms. Zhong is the chairlady of both the Nomination Committee and the Strategy and Development Committee and a member of the Remuneration Committee. Ms. Zhong was appointed as a Director on December 2, 2015. Ms. Zhong was appointed as a director of Jiangsu Hansoh Pharmaceutical Group Co., Ltd. in September 1998. Ms. Zhong is primarily responsible for the Group’s strategic development and planning, overall operations and decision making, board governance and supervision of key management issues. Ms. Zhong is the mother of Ms. Sun Yuan.

Ms. Zhong has approximately 30 years of experience in the pharmaceutical industry in China, with substantial experience in pharmaceutical enterprise operation and management, as well as extensive industry knowledge on the development and expansion of the therapeutic areas of the Group. Under Ms. Zhong’s leadership, the Group has developed into a leading innovation-driven pharmaceutical enterprise in China.

Ms. Zhong is Co-President of the Hong Kong Jiangsu Enterprises Association.

Over the years, Ms. Zhong received numerous awards and recognitions for her contributions to both the pharmaceutical industry and pharmaceutical industrial and commercial enterprises. She received State Council Special Allowance in February 2013. In December 2013, she also received the “All China Federation of Industry Commerce Scientific and Technological Progress Award (first prize)” (中華全國工商業聯合會科技進步獎一等獎). In December 2014, Ms. Zhong received the “State Science and Technology Award (second prize)” (國家科技進步獎二等獎) from the State Council.

In July 1982, Ms. Zhong obtained her undergraduate degree in chemistry from Jiangsu Normal University (江蘇師範大學)(formerly known as Xuzhou Normal University (徐州師範學院)) in Xuzhou. She then obtained her EMBA from Nanjing University (南京大學) in December 2005.

Ms. Zhong has not held any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Ms. Zhong has entered into a service contract with the Company under which she agreed to act as an executive Director from June 14, 2019 for an initial term of three years. After the expiration of the term of office (or after the expiration of the three-year period for each renewal), if the renewal is approved at the general meeting of shareholders, the service contract will automatically be renewed for three years. She is also subject to retirement and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

As at the Latest Practicable Date, Ms. Zhong was deemed to be interested in 3,900,000,000 Shares, representing 64.31% of the issued share capital of the Company, within the meaning of Part XV of the SFO. Under the Director's service contract entered into between Ms. Zhong and the Company, Ms. Zhong is not entitled to any service fee for acting as executive Director. For the year ended December 31, 2025, Ms. Zhong received emoluments of RMB12.007 million in total.

(2) Ms. Yang Dongtao, Independent Non-executive Director

Ms. Yang Dongtao (“**Ms. Yang**”), aged 68, is an independent non-executive Director of the Company. Ms. Yang has been appointed as an independent non-executive Director of the Company with effect from May 31, 2019. Ms. Yang is the chairlady of the Remuneration Committee and a member of the Audit Committee, the Strategy and Development Committee and the ESG Committee. Ms. Yang is primarily responsible for providing independent opinion and judgment to the Board.

Ms. Yang has over 40 years of experience in the field of education. She was a teaching assistant at the Department of Chemical Machinery of the East China University of Science and Technology (華東理工大學化工機械系) from January 1982 to May 1983. She was also a lecturer from May 1983 to March 1992, an Associate Professor from March 1992 to March 1999, and a professor from March 1999 to February 2007 at the Management Department of Nanjing University School of Business (南京大學商學院管理學系). Ms. Yang has been a professor of the Human Resources Management Department of Nanjing University School of Business (南京大學商學院人力資源管理系) since February 2007, and retired from Nanjing University School of Business in December 2023. Since May 2016 to June 2021, she has also been the vice president of the Jiangsu Province Human Resources Society (江蘇省人力資源學會).

Ms. Yang is currently an independent director of Nanjing Chixia Development Co., Ltd. (南京棲霞建設股份有限公司) (Stock Code: 600533), a company listed on the Shanghai Stock Exchange, an independent director of Wuxi Rural Commercial Bank Co., Ltd. (無錫農村商業銀行股份有限公司) (Stock Code: 600908), a company listed on the Shanghai Stock Exchange, and was an independent director of Jiangsu Novoray New Materials Co., Ltd. (江蘇聯瑞新材料股份有限公司) (Stock Code: 688300) from May 2017 to February 2021 and Perfect Group Corp., Ltd. (倍加潔集團股份有限公司) (Stock Code: 603059) from October 2016 to September 2022, both are companies listed on the Shanghai Stock Exchange.

Ms. Yang received her bachelor of engineering from Southeast University (東南大學) (formerly known as Nanjing Institute of Technology (南京工學院)) in Nanjing in July 1982. She obtained both her master's degree in economics and her doctorate degree in corporate management from Nanjing University (南京大學) in February 1992 and December 1998, respectively.

Ms. Yang has entered into a letter of appointment with the Company under which she agreed to act as an independent non-executive Director from June 14, 2019 for an initial term of three years. After the expiration of the term of office (or after the expiration of the three-year period for each renewal), if the renewal is approved at the general meeting of shareholders, the letter of appointment will automatically be renewed for three years. She is also subject to retirement and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

Ms. Yang does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Ms. Yang was not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations within the meaning of Part XV of the SFO. Under the letter of appointment entered into between Ms. Yang and the Company, Ms. Yang is entitled to receive a service fee of RMB360,000 per annum for acting as an independent non-executive Director.

(3) Mr. Yan Jia, Independent Non-executive Director

Mr. Yan Jia (“**Mr. Yan**”), aged 54, is an independent non-executive Director of the Company. Mr. Yan has been appointed as an independent non-executive Director of the Company with effect from December 26, 2025. Mr. Yan is a member of the Audit Committee and the ESG Committee. Mr. Yan is primarily responsible for providing independent opinion and judgment to the Board.

Mr. Yan served as a lawyer at Paul Weiss Rifkind Wharton & Garrison LLP from September 1999 to April 2001, a chief operating officer at iSinoLaw Limited from May 2001 to March 2006, a lawyer at Paul Hastings LLP from April 2006 to October 2008 and a partner at Paul Hastings LLP from November 2008 to May 2024. He has served as a partner and Co-Chair of Greater China at Pillsbury Winthrop Shaw Pittman LLP since May 2024; an independent director of Aba Chemicals Corporation since March 2022 (a company listed on the Shenzhen Stock Exchange; stock code: 300261); an independent director of InventisBio Co., Ltd. since December 2020 (a company listed on the Shanghai Stock Exchange; stock code: 688382); and an independent director of Shanghai Feilo Acoustics Co., Ltd. since May 2021 (a company listed on the Shanghai Stock Exchange; stock code: 600651).

Mr. Yan obtained a bachelor’s degree in law and master’s degree in law from Fudan University in July 1993 and July 1996, respectively. He obtained a master’s degree in law from Yale University in June 1999 and a doctorate degree in international financial law from City University of Hong Kong in November 2003. Mr. Yan was admitted to the New York State bar in December 2000 and is a registered foreign lawyer with the Law Society of Hong Kong. He also obtained the legal professional qualification certificate issued by the Ministry of Justice of the PRC in 1994.

Mr. Yan has entered into a letter of appointment with the Company under which he agreed to act as an independent non-executive Director from December 26, 2025 for an initial term of three years. After the expiration of the term of office (or after the expiration of the three-year period for each renewal), if the renewal is approved at the general meeting of shareholders, the letter of appointment will automatically be renewed for three years. Mr. Yan is also subject to retirement and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

Mr. Yan does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Yan was not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations within the meaning of Part XV of the SFO. Under the letter of appointment entered into between Mr. Yan and the Company, Mr. Yan is entitled to receive a service fee of RMB360,000 per annum for acting as an independent non-executive Director.

DIRECTORS' EMOLUMENTS

The emoluments received for the year ended December 31, 2025 by all the above Directors are determined by the Board based on the remuneration policy of the Company, with reference to the Directors' time commitment and responsibilities.

NOMINATION POLICY AND RE-ELECTION PROCESS OF THE INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board and the Nomination Committee have followed the nomination policy and board diversity policy adopted by the Company for the re-appointment of Ms. Yang Dongtao and Mr. Yan Jia as independent non-executive Directors. In reviewing the structure of the Board, the Board and the Nomination Committee would consider the Board diversity from a number of factors, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service.

With reference to the past contributions made by Ms. Yang and Mr. Yan to the Company during their tenure, their qualifications and their experience, the Board is of the view that Ms. Yang and Mr. Yan can provide valuable advice and independent opinion and judgment to the Board and make contributions to the Board's diversity.

Each of Ms. Yang and Mr. Yan, being an independent non-executive Director eligible for re-election at the Annual General Meeting, has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. After considering all the factors for assessing independence as set out in Rule 3.13 of the Listing Rules and the annual confirmation of independence of Ms. Yang and Mr. Yan, the Company is of the view that Ms. Yang and Mr. Yan meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

OTHER INFORMATION

There is no information which is discloseable nor are the above Directors involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed in this appendix, there is no information which is discloseable pursuant to Rule 13.51(2) of the Listing Rules and there are no other matters concerning the above Directors that need to be brought to the attention of the Shareholders.

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

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 6,064,150,070 Shares, with no Treasury Shares.

Subject to the passing of the ordinary resolution set out in item 5 of the notice of the Annual General Meeting in respect of the granting of the Share Repurchase Mandate and calculated based on the total number of issued Shares as of the Latest Practicable Date and assuming that no further Shares are issued or repurchased before the Annual General Meeting, i.e. the issued Shares being 6,064,150,070 Shares, the Directors would be authorized under the Share Repurchase Mandate to repurchase, during the period in which the Share Repurchase Mandate remains in force, a total of 606,415,007 Shares, representing 10% of the total number of Shares in issue (excluding any Treasury Shares) as at the date of the Annual General Meeting.

2. REASONS FOR SHARE REPURCHASE

The Directors believe that the granting of the Share Repurchase Mandate is in the best interests of the Company and the Shareholders.

Shares repurchase may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

3. FUNDING OF SHARE REPURCHASE

The Company may only apply funds legally available for share repurchase in accordance with its Articles of Association, the laws of the Cayman Islands and/or any other applicable laws, as the case may be.

4. IMPACT OF SHARE REPURCHASE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended December 31, 2025) in the event that the Share Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during each of the previous 12 months up to and including the Latest Practicable Date were as follows:

Month	Highest HK\$	Lowest HK\$
2025		
April	25.90	19.82
May	27.00	21.40
June	30.85	24.70
July	38.00	29.75
August	39.76	33.96
September	39.08	31.74
October	39.68	33.36
November	41.34	34.80
December	44.22	35.54
2026		
January	44.22	35.70
February	38.90	33.86
March	35.94	30.42
April	40.42	35.92
May (up to the Latest Practicable Date)	38.40	31.22

6. GENERAL

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

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

The Directors will exercise the power of the Company to repurchase Shares pursuant to the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands. In addition, the Company has confirmed that neither the explanatory statement nor the proposed share repurchase has any unusual features.

The Company may cancel any repurchased Shares and/or hold them as Treasury Shares subject to market conditions and the capital management needs of the Company at the relevant time of the repurchases.

For any Treasury Shares deposited with CCASS pending resale on the Stock Exchange, the Company shall (i) procure its broker not to give any instructions to HKSCC to vote at general meetings of the Company for the Treasury Shares deposited with CCASS; and (ii) in the case of dividends or distributions, 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, or take any other measures to ensure that it will not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as Treasury Shares.

7. TAKEOVERS CODE

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

To the best knowledge of the Company, as at the Latest Practicable Date, Ms. Zhong Huijuan and Ms. Sun Yuan were both deemed to be interested in 3,900,000,000 Shares beneficially owned by Stellar Infinity Company Ltd. ("**Stellar Infinity**") representing approximately 64.31% of the total issued share capital of the Company, and Ms. Sun Yuan as a beneficial owner is also interested in 3,072,583 Shares representing approximately 0.05% of the total issued share capital of the Company. In the event that the Directors exercise the proposed Share Repurchase Mandate in full, the shareholding interest of Ms. Zhong Huijuan (through Stellar Infinity) and Ms. Sun Yuan (through Stellar Infinity and taking into account Shares held as beneficial owner) would be respectively increased to approximately 71.46% and 71.51% of the issued share capital of the Company. The Directors are not aware of any consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

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

8. SHARE REPURCHASE MADE BY THE COMPANY

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

The following is a summary of the principal terms of the 2026 Share Scheme to be approved and adopted by ordinary resolution at the Annual General Meeting, but such summary does not form part of, nor was it intended to be, part of the 2026 Share Scheme, nor should it be taken as affecting the interpretation of the terms of the 2026 Share Scheme. The Directors reserve the right at any time prior to the Annual General Meeting to make such amendments to the 2026 Share Scheme as they may consider necessary or appropriate provided that such amendments do not conflict with any material aspects with the summary in this Appendix.

1. PURPOSE

This Scheme enables the Company to grant Awards in the form of RSUs and Options, and its purpose is (a) to recognize the contributions by the Eligible Participants and give incentives to them in order to retain them for the continual operation and development of the Group; and (b) to attract suitable and skilled personnel to strive for the future development of the Group, with a view to achieving the objectives of increasing the value of the Company and aligning the interests of the Selected Participants directly to the Shareholders through ownership of Shares.

2. ELIGIBILITY

The Eligible Participants include Employee Participants, Service Providers and Related Entity Participants. Employee Participants refer to any Director or employee of the Company or any of its subsidiaries (including any person who is granted Awards under this Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries). Related Entity Participants refer to directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company. Service Providers refer to:

- (a) Consultants, being former employees of the Group who are rehired after retirement or continue to provide consultancy services to the Group after retirement on a continuing or recurring basis. Consultants provide services in respect of (a) research and development, (b) marketing for pharmaceutical product launches, (c) production and/or (d) functional management (being advisory services in respect of the internal management functions that support the Group's principal business activities, comprising human resources, information technology and digitalization and investor relations and corporate strategy). The Group maintains long-term cooperative relationships with such individuals; and
- (b) Externally engaged personnel, being personnel engaged by the Group who provide services to the Group on a continuing or recurring basis in respect of (a) research and development, (b) marketing for pharmaceutical product launches, (c) production and/or (d) functional management (being advisory services in respect of the internal management functions that support the Group's principal business activities, comprising human resources, information technology and digitalization and investor relations and corporate strategy), but who for various reasons fail to enter into

employment contracts with the Group to become full-time or part-time employees of the Group. The continuity and frequency of services provided by these individuals are similar to those of the Group's employees, and such services are of a continuing or recurring nature.

The eligibility of the Eligible Participants to the grant of the Awards shall be determined by the Administrator from time to time and on a case-by-case basis subject to the Administrator's opinion as to his/her contribution to the development and growth of the Group or such other factors as the Administrator may deem appropriate.

In assessing the eligibility of Employee Participants, the Administrator will at its discretion consider all relevant factors as appropriate, including but not limited to: (a) their individual performance, time commitment, personal capabilities and expertise, work experience and reputation, responsibilities and employment conditions; (b) their length of service with the Group; (c) their contributions or potential contributions to the development and growth of the Group; (d) the level of support, assistance, guidance, advice and effort they have provided or will provide in relation to the business development of the Group; (e) in the case of existing employees holding management positions, the contribution of their respective departments to the long-term operations and development of the Group; and (f) any other factors the Administrator may consider appropriate at its discretion.

In assessing the eligibility of Service Providers, including whether the Service Providers provide services to the Group on a continuing or recurring basis in the ordinary and usual course of business of the Group, the Administrator will consider all relevant factors as appropriate, including but not limited to: (a) the individual quality of the Service Providers such as professional expertise, work performance and commercial impact; (b) the past employment and/or cooperative relationship between the Service Providers and the Group; (c) the continuous services the Service Providers intend to provide to the Group in the future; and (d) the contribution of the Service Providers to the Group. In particular:

- (a) For consultants: (a) their professional expertise, skills, technical knowledge and professional qualifications; (b) their market reputation, industry experience and network; (c) their contributions or potential contributions to the development and growth of the Group; (d) the importance and scarcity of their business relationship with the Group; (e) their future business plans for cooperation with the Group, and the possibility of providing long-term services as a service provider; and (f) any other factors the Administrator may consider appropriate at its discretion.
- (b) For externally engaged personnel: (a) their individual performance, time commitment, personal capabilities and expertise, work experience and the quality of services previously provided to the Group; (b) the duration of their business relationship with the Group; (c) their contributions or potential contributions to the development and growth of the Group; and (d) any other factors the Administrator may consider appropriate at its discretion.

In assessing the eligibility of Related Entity Participants, the Administrator will at its discretion consider all relevant factors as appropriate, including but not limited to: (a) their individual performance, time commitment, personal capabilities and expertise, work experience and reputation and responsibilities; (b) their contributions or potential contributions to the development and growth of the Group and degree of synergy; (c) the level of support, assistance, guidance, advice and effort they have provided or will provide in relation to the business development of the Group; and (d) any other factors the Administrator may consider appropriate at its discretion.

3. EFFECTIVENESS AND DURATION

Without prejudicing the subsisting rights of any Selected Participant and subject to any early termination as may be determined by the Administrator pursuant to the Scheme, the Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date, after which no further Awards will be granted, but the provisions of the Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to any Awards granted prior to such expiry and the administration of the trust fund held by the Trustee pursuant to the Trust Deed.

4. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (i) Subject to sub-paragraphs (v) and (vi) below, the total number of Shares which may be issued in respect of all options and awards to be granted under the Scheme and any other share schemes (the “**Relevant Scheme(s)**”) must not exceed 121,283,001 Shares, representing 2% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the Adoption Date (the “**Scheme Mandate Limit**”).
- (ii) Subject to sub-paragraph (i) above and following sub-paragraphs (v) and (vi), the total number of Shares which may be issued in respect of all options and awards to be granted to all service providers (as defined therein) under the Relevant Scheme(s) must not in aggregate exceed 60,641,500 Shares, representing 1% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the Adoption Date (the “**Service Provider Sublimit**”).
- (iii) Subject to sub-paragraph 13(iii) of this Appendix, for the purposes of calculating the Scheme Mandate Limit and the Service Provider Sublimit under above sub-paragraphs (i) and (ii), options and awards that have already lapsed in accordance with the terms of the Relevant Scheme(s) shall not be regarded as utilized.
- (iv) If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit or the Service Provider Sublimit has been approved by the Shareholders in general meeting, the maximum number of Shares that may be issued in respect of all options and awards to be granted under all Relevant Scheme(s) under the Scheme Mandate Limit or the Service Provider Sublimit as a percentage

of the total number of issued Shares (excluding Treasury Shares, if any) at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

- (v) The Scheme Mandate Limit and the Service Provider Sublimit may be refreshed by the Shareholders in general meeting after three years from the date of Shareholders' approval for the last refreshment (or the Adoption Date), provided that:
 - (a) the total number of Shares which may be issued in respect of all options and awards to be granted under all Relevant Scheme(s) under the Scheme Mandate Limit as refreshed shall not exceed 10% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the date of approval of the refreshing of the Scheme Mandate Limit by the Shareholders;
 - (b) the total number of Shares which may be issued in respect of all options and awards to be granted under all Relevant Scheme(s) under the Service Provider Sublimit as refreshed shall not exceed 1% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the date of approval of the refreshing of the Service Provider Sublimit by the Shareholders; and
 - (c) a circular regarding the proposed refreshing of the Scheme Mandate Limit and the Service Provider Sublimit has been issued to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules.

Within three years from the date of Shareholders' approval for the last refreshment (or the Adoption Date), the Scheme Mandate Limit and Service Provider Sublimit may be refreshed by the Shareholders in general meeting subject to the above requirements (a) to (c) and the following provisions:

- (d) any controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
- (e) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules.

The requirements under above (d) and (e) do not apply if such refreshment is made immediately after an issue of securities by the Company to Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit and the Service Provider Sublimit (as a percentage of the total number of issued Shares (excluding Treasury Shares, if any)) upon refreshment is the same as the unused part of the Scheme Mandate Limit and the Service Provider Sublimit immediately before the issue of securities, rounded to the nearest whole Share.

- (vi) The Company may seek separate approval from the Shareholders in general meeting for granting Awards which will result in the Scheme Mandate Limit being exceeded, provided that:
 - (a) the grant is only to Eligible Participants specifically identified by the Company before the approval is sought;
 - (b) a circular containing the details of the Grant has been issued to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules; and
 - (c) the number and terms of the Awards to be granted to such Eligible Participants are fixed before the general meeting of the Company at which the same are approved.

5. GRANT OF AWARDS

- (i) On and subject to the terms of the Scheme and the terms and conditions that the Administrator imposes pursuant to the Scheme, the Administrator shall be entitled at any time during the term of the Scheme to make a Grant to any Eligible Participant, as the Administrator may in its absolute discretion determine.
- (ii) The Administrator may in its absolute discretion specify such conditions, restrictions or limitations as it thinks fit when making a Grant to an Eligible Participant (including, without limitation, as to the performance targets, clawback mechanism, the vesting period and the Exercise Period, if any, attached to the Award), provided such terms and conditions shall not be inconsistent with any other terms and conditions of the Scheme. The terms and conditions of an Award may be determined at the sole and absolute discretion of the Administrator and may differ among Selected Participants.
- (iii) In determining the Selected Participants, the number of Shares underlying the Awards and/or vesting conditions attached to such Awards may be determined at the sole and absolute discretion of the Administrator after taking into consideration the following factors:
 - (a) the present and expected contribution of the relevant Selected Participants to the profits of the Group;
 - (b) the general financial condition of the Group;
 - (c) the Group's overall business objectives and future development plan; and
 - (d) any other matter which the Administrator considers relevant.

- (iv) The Purchase Price and/or Exercise Price of the Awards shall be determined in the following manners:
- (a) In respect of Awards to be granted in the form of RSUs, the Purchase Price (if any) of the RSUs under the Scheme shall be determined at the sole and absolute discretion of the Administrator after taking into consideration (a) the purpose of the Award, (b) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Grant Date, (c) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the ten (10) Business Days immediately preceding the Grant Date and/or (d) any other matter which the Administrator considers relevant. Such consideration (if any) shall be paid to the Company at the sole and absolute discretion of the Administrator. For the avoidance of doubt, the Administrator may determine the Purchase Price to be nil.
 - (b) In respect of Awards to be granted in the form of Option Awards, the Exercise Price shall be determined at the sole and absolute discretion of the Administrator, provided that it shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Grant Date, which must be a Business Day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the Grant Date; and (iii) the nominal value of the Shares.
 - (c) In the case of the Grant of any Option Awards pursuant to sub-paragraphs 4(vi), 6(i), (iii) and (iv) of this Appendix, for the purposes of above (b), the date of the Board meeting at which the Grant of the Option Awards is proposed shall be deemed to be the Grant Date of such Option Awards.
 - (d) The Grantee may be required to pay HK\$1.00 (or such other nominal sum in any currency as the Administrator may determine) as consideration for the acceptance of the Grant within such period as the Administrator may determine.
 - (v) Subject to limitations and conditions of the Scheme, an offer of grant of Award to each of the Selected Participants will be made by the Administrator by way of a letter in writing (the "**Grant Letter**"), in such form as the Administrator may from time to time determine for acceptance by the Selected Participants, each of which shall:
 - (a) state the name of the Selected Participant;
 - (b) state the Grant Date;

- (c) specify a date, being a date not later than ten (10) working days after the following dates (whichever is earlier): (i) the date on which the Company issues the Grant Letter or (ii) the date on which the conditions (if any) for the Grant are satisfied, by which the Selected Participant must accept the Grant or be deemed to have declined it;
- (d) state the method for accepting the Grant;
- (e) specify the number of Awards to be granted together with the number of Shares represented by such Awards;
- (f) if applicable, state the Purchase Price for RSUs, the Exercise Price for Option Awards, the consideration for acceptance of the Grant (if any), the relevant payment period and mechanism;
- (g) specify the Exercise Period (if applicable), and the vesting period, which shall not be less than 12 months, unless the Administrator determines, in its sole discretion, that the Awards granted to an Employee Participant may be subject to a vesting period of less than 12 months in the following circumstances:
 - (i) awards are “make-whole” awards granted to the Employee Participants who are new joiners of the Group to replace the awards he/she has been forfeited when leaving the previous employer;
 - (ii) awards are subject to performance-based vesting conditions provided, in lieu of time-based vesting criteria to stimulate the Employee Participants to achieve the relevant performance targets in a shorter period;
 - (iii) awards are granted in batches during a year for administrative and compliance reasons, in which case, the vesting period may be shorter to reflect the time from which the Awards would have been granted; or
 - (iv) circumstances that may arise as set out in paragraph 10 of this Appendix.
- (h) specify the clawback mechanism as the Administrator may determine from time to time, including but not limited to in the occurrence of:
 - (i) the cessation of a Grantee to be an Eligible Participant by reason of termination of the Grantee’s employment or service by the Group as a result of the Grantee having been charged with, penalized for or convicted of an illegal act involving the Grantee’s integrity or honesty;

(ii) any material violation of a Grantee to obligations of confidentiality or non-competition to the Group, or material breach by such Grantee of an internal policy or code of the Group or the terms of the Scheme; or

(iii) any conduct of a Grantee that is involved in a material misstatement in the Group's financial statements;

upon which, the Administrator may make a determination at its absolute discretion that: (A) any Awards granted but not yet vested and/or unexercised shall immediately lapse and shall be dealt with in accordance with the terms and conditions of the Scheme, and (B) with respect to any Shares delivered, or Actual Selling Price paid, to the Grantee pursuant to any Awards granted under the Scheme, the Grantee shall be required to transfer back to the Company or its nominee (a) the equivalent number of Shares (subject to compliance with applicable laws and the Listing Rules), (b) the monetary amount equivalent to either (i) the Actual Selling Price or (ii) the market value of the Shares as at the date determined at the sole discretion of the Administrator, which may be the Grant Date, the vesting or exercise date of such Awards, or the clawback date, or (c) a combination of (a) and (b);

- (i) specify the performance target, as the Administrator may in its absolute discretion specify as it thinks fit, which will be imposed on a case-by-case basis to ensure the Awards vested would be beneficial to the Group, with general factors to be taken into account including but not limited to (a) at the Company level, the period-to-period growth and development of the Group, the key performance indicators of which will tentatively tie to the phased profit and research and development costs after taking into account the period-to-period macroeconomic condition and the market and industry condition, as well as the overall strategic planning of the Group (i.e. the business focus of the Group for the upcoming financial year) and (b) at the individual level, his/her personal position, the results of individual performance assessments carried out by the Company's human resources committee in accordance with each department's function and target and other factors relevant to the Grantee;
- (j) require the Eligible Participant to undertake to be bound by the provisions of the Grant Letter or the Scheme;
- (k) if applicable, specify any other conditions attached to the Grant or Award as the Administrator may determine from time to time; and
- (l) subject to the above, be made in such form as the Administrator may from time to time prescribe.

- (vi) The Grant of Awards shall be satisfied by (a) new Shares to be allotted and issued by the Company; (b) existing Shares to be acquired by the Trustee in accordance with the Company's instructions and with funds provided by the Company through on-market transactions; and/or (c) Treasury Shares to be transferred by the Company.

6. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT AND GRANT OF AWARDS TO CERTAIN CONNECTED PERSONS

- (i) Subject to the following sub-paragraph (ii), no Award shall be granted to any Eligible Participant (the “**Relevant Eligible Participant**”) if, at the time of the Grant, the number of Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards already lapsed in accordance with the terms of the scheme) to such person under the Scheme and any other share schemes in the 12-month period up to and including the Grant Date of the relevant Award would exceed 1% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the Grant Date (“**Individual Limit**”), unless:
 - (a) such Grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by the Shareholders in general meeting, at which the Relevant Eligible Participant and his/her close associates (or his/her associates if the Relevant Eligible Participant is a connected person) abstained from voting;
 - (b) a circular containing the details of the Grant has been issued to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules; and
 - (c) the number and terms of such Award are fixed before the general meeting of the Company at which the same are approved.
- (ii) Where an Award is to be granted to any Director, the chief executive or any substantial Shareholder of the Company (or any of their respective associates), the Grant shall not be valid unless it has been approved by the independent non-executive Directors, excluding any independent non-executive Director who is the proposed Grantee of the Award.
- (iii) Where an Award is to be granted to an independent non-executive Director or a substantial Shareholder of the Company (or any of their respective associates), and the Grant will result in the number of Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the scheme) to such person under the Scheme and any

other share schemes in the 12-month period up to and including the Grant Date of the relevant Award exceeding 0.1% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the Grant Date, such Grant shall not be valid unless:

- (a) the Grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by the Shareholders in general meeting, at which the proposed Grantee, his/her associates and all core connected persons of the Company abstained from voting in favour of the relevant resolution granting the approval;
 - (b) a circular containing the details of the Grant has been issued to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including but not limited to, the views of the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of the Award) as to whether the terms of the Grant are fair and reasonable and whether such Grant is in the interests of the Company and Shareholders as a whole, and their recommendation to the independent Shareholders as to voting); and
 - (c) the number and terms of such Award are fixed before the general meeting of the Company at which the same are approved.
- (iv) Where an Award (excluding grant of options, if any) is to be granted to a Director (other than an independent non-executive Director) or the chief executive of the Company or any of their respective associates, and the Grant will result in the number of the Shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the scheme) to such person under the Scheme and any other share schemes in the 12-month period up to and including the Grant Date of the relevant Award exceeding 0.1% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the Grant Date, such Grant shall not be valid unless:
- (a) the Grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by the Shareholders in general meeting, at which the proposed Grantee, his/her associates and all core connected persons of the Company abstained from voting in favour of the relevant resolution granting the approval;
 - (b) a circular containing the details of the Grant has been issued to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including but not limited to, the views of the independent non-executive

Directors as to whether the terms of the Grant are fair and reasonable and whether such Grant is in the interests of the Company and Shareholders as a whole, and their recommendation to the independent Shareholders as to voting); and

- (c) the number and terms of such Award are fixed before the general meeting of the Company at which the same are approved.
- (v) Where any change is to be made to the terms of any Award granted to a Director, the chief executive or a substantial Shareholder of the Company (or any of their respective associates) and:
 - (a) such Grant has been approved in accordance with the above sub-paragraph (iii) or (iv); or
 - (b) (where the grant was not subject to above sub-paragraph (iii) or (iv)) as a result of such proposed change, the Grant would come to be subject to above sub-paragraph (iii) or (iv),

such change shall not be valid unless:

- (c) the change has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by the Shareholders in general meeting, at which such Grantee, his/her associates and all core connected persons of the Company abstained from voting in favour of the relevant resolution granting the approval; and
 - (d) a circular regarding the change has been issued to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including but not limited to, the views of the independent non-executive Directors (excluding the independent non-executive Director who is the Grantee of the Award) as to whether the change is fair and reasonable and whether such change is in the interests of the Company and Shareholders as a whole, and their recommendation to the independent Shareholders as to voting).
- (vi) In the cases referred to in the above sub-paragraphs (i) to (v), where an Award has not been approved by the Shareholders in general meeting or by the independent non-executive Directors (as the case may be), the Purchase Price (if applicable) paid by the Eligible Participant relating to such Award shall be refunded (without interest) by the Company.

7. RESTRICTIONS ON THE GRANT OF AWARDS

No Grant shall be made to any Eligible Participant and no payment will be made to the Trustee and no instruction to acquire Shares will be given to the Trustee under the Scheme:

- (a) after information that must be disclosed under Rule 13.09 of the Listing Rules or inside information which must be disclosed under Part XIVA of the SFO has come to the knowledge of the Company until (and including) the trading day after it has announced the information;
- (b) during the period of (i) 60 days immediately preceding the publication date of the annual results or the period from the end of the relevant financial year up to the publication date of the results (whichever is shorter); and (ii) 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or the period from the end of the relevant quarterly or half-year period up to the publication date of the results (whichever is shorter);
- (c) during a specified period, where a Grant is prohibited under the Listing Rules, the SFO or other applicable laws or regulations from time to time or where such Grant would render the Company the subject of a mandatory offer under the Codes on Takeovers and Mergers and Share Buy-backs from time to time;
- (d) in any other circumstances where dealings in Shares by a Grantee (including Directors) are prohibited under the Listing Rules, the SFO or any other applicable law or regulation;
- (e) where the requisite approval for such Grant from any applicable regulatory authorities has not been obtained;
- (f) where the securities laws or regulations require that a prospectus or other offering documents be issued in respect of the Grant or in respect of the Scheme, unless the Administrator determines otherwise;
- (g) where the Grant would result in a breach of any applicable laws, rules or regulations by the Group or any of its directors or senior management members; or
- (h) where the Grant would result in a breach of the Scheme Mandate Limit, the Service Provider Sublimit or other rules of the Scheme.

8. VESTING OF RSUS AND EXERCISE OF OPTIONS

- (i) Subject to the terms of the Scheme and the specific terms and conditions applicable to each Award, the Awards granted shall be subject to a vesting schedule (if any) and to the satisfaction of performance milestones or targets and/or other conditions to be determined by the Administrator (if any) in its sole and absolute discretion. If such conditions are not satisfied or waived, the Award shall automatically lapse on the date on which any such condition is not satisfied, as determined by the Administrator in its sole and absolute discretion. The Administrator will conduct assessment at the end of a performance period by comparing the Group's overall performance and the individual performance of the Grantees with the pre-agreed performance targets to determine whether the targets have been met and the extent to which they have been met.
- (ii) (a) As to the vesting of RSUs, within a reasonable time after the fulfilment or waiver (by the Administrator in its sole and absolute discretion) of the vesting schedule and vesting conditions (if any) applicable to a Grantee or a Grant, a notice in writing will be sent to the Grantee by the Administrator, stating, inter alia, the payment notice and the payment deadline as to the Purchase Price (if any) of the RSUs. The Grantee is required to return to the Company, after receiving the notice, the documents as set out in the notice which the Administrator considers necessary (including but not limited to the evidence showing the payment of full amount of the Purchase Price (if any)). In the event that the Grantee fails to return to the Company the required documents within ten (10) working days or such other date as stated in the notice, the relevant RSUs will lapse. (b) As to the exercise of the Option Award, within a reasonable time after the fulfilment or waiver (by the Administrator in its sole and absolute discretion) of the vesting schedule and vesting conditions (if any) applicable to a Grantee or a Grant, an Option Award shall be exercisable in whole or in part by the Grantee giving notice in writing to the Administrator stating that the Option Award is thereby exercised and the number of Shares in respect of which it is so exercised.
- (iii) Subject to the execution of documents by the Grantee as set out above, the Awards shall be satisfied at the Administrator's sole and absolute discretion within twenty (20) Business Days (or such longer period if the Administrator in its sole discretion considers it appropriate due to applicable legal or regulatory restrictions) after the receipt of the notice in the following methods:
 - (a) subject to terms under the Scheme, the Administrator directing and procuring the Trustee to transfer the Shares underlying the Awards (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of these Shares) to the Grantee and/or a vehicle controlled by him/her (such as a trust or a private company) from the trust fund;

- (b) payment in cash, or the Administrator directing and procuring the Trustee to pay to the Grantee and/or a vehicle controlled by him/her (such as a trust or a private company) in cash an amount which is equivalent to the market value of the Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of these Shares) set out in sub-paragraph (i) above after deduction or withholding of any tax, fees, levies, stamp duty and other charges applicable to the entitlement of the Grantee (the “**Actual Selling Price**”) and the sales of any Shares to fund such payment and in relation thereto; and/or
- (c) subject to terms under the Scheme, the Company allotting and issuing the relevant number of Shares (including transfer of the Treasury Shares) to the Grantee and/or a vehicle controlled by him/her (such as a trust or a private company).

9. RIGHTS ATTACHED TO AWARDS AND SHARES UNDERLYING THE AWARDS

Neither the Grantees nor the Trustee may exercise any of the voting rights in respect of any unvested RSUs or unexercised Options. No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an Award pursuant to the Scheme, unless and until such Shares underlying the Awards are actually transferred to the Grantee and/or a vehicle controlled by him/her (such as a trust or a private company) upon the vesting of the RSUs and/or the exercise of the Options. Unless otherwise specified by the Administrator in its sole and absolute discretion in the Grant Letter, the Grantees do not have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Shares underlying the Awards prior to the vesting of the RSUs and/or the exercise of the Options.

Any Shares underlying the Awards to be transferred to a Grantee or a vehicle controlled by him/her (such as a trust or a private company) upon the vesting of the RSUs and/or the exercise of the Options granted pursuant to the Scheme shall be subject to all the provisions of the amended and restated articles of association of the Company and shall rank *pari passu* in all respects with the existing fully-paid Shares in issue on the date of transfer, or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members, and accordingly shall entitle the holder of such Shares to participate in all dividends or other distributions paid or made on or after the date of transfer or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members and to exercise all voting rights in respect of such Shares.

The Trustee shall not exercise any voting rights in respect of any Shares held, whether directly or indirectly, by the Trustee for the purpose of the Scheme, and will therefore abstain from voting on any Shareholders’ general meeting of the Company, unless otherwise required by law to vote in accordance with the beneficial owner’s direction and such a direction is given.

10. RIGHTS ON GENERAL OFFER, COMPROMISE OR ARRANGEMENT AND WINDING-UP

If a general offer to acquire the Shares (whether by takeover offer, merger, or otherwise in a like manner) is made to all of the Shareholders (or Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and the general offer to acquire the Shares is approved and the offer becomes or is declared unconditional in all respects, an Employee Participant's RSUs will vest immediately to the extent specified in a notice given by the Company even if the vesting period has not yet commenced, and the Employee Participant shall be entitled to exercise the Option Awards, in whole or in part, to the extent vested but not yet exercised or to the extent as notified by the Company, at any time within such period as shall be notified by the Company, provided that none of the events set out in sub-paragraph (ii) of paragraph 12 below has occurred prior to vesting and/or exercise under this paragraph. All the remaining Awards shall be automatically cancelled on the date determined by the Company.

If a compromise or arrangement between the Company and its Shareholders or creditors is proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies and a notice is given by the Company to its Shareholders to convene a general meeting to consider and if thought fit approve such compromise or arrangement and such Shareholders' approval is obtained, an Employee Participant's RSUs will vest immediately to the extent specified in a notice given by the Company even if the vesting period has not yet commenced, and the Employee Participant shall be entitled to exercise the Option Awards, in whole or in part, to the extent vested but not yet exercised or to the extent as notified by the Company, at any time within such period as shall be notified by the Company, provided that none of the events set out in sub-paragraph (ii) of paragraph 12 below has occurred prior to vesting and/or exercise under this paragraph. All the remaining Awards shall be automatically cancelled on the date determined by the Company.

If an effective resolution is passed during the effective period of the Scheme for the voluntary winding-up of the Company (other than for the purposes of a reconstruction, amalgamation or scheme of arrangement), all outstanding RSUs of Employee Participants shall be treated as having vested immediately, and all outstanding vested Option Awards of Employee Participants shall be treated as having exercised immediately, to the extent specified in a notice given by the Company. No Shares will be transferred, and no cash alternative will be paid, to the Employee Participant, but the Employee Participant will be entitled to receive out of the assets available in liquidation on an equal basis with the Company's Shareholders such sum as they would have received in respect of the Awards, provided that none of the events set out in sub-paragraph (ii) of paragraph 12 below has occurred prior to vesting and/or exercise under this paragraph. All the remaining Awards shall be automatically cancelled on the date determined by the Company.

The Exercise Period for the Option Awards shall not be more than ten (10) years from the Grant Date, subject to the terms and conditions under the Scheme.

11. TRANSFERABILITY

An Award shall be personal to the Grantee and shall not be assignable nor transferable. No Grantee shall in any way sell, transfer, charge, mortgage, encumber, hedge or create any interest (whether legal or beneficial) in favour of any third party over or in relation to any unvested RSUs, any Option Award, or any property held by the Trustee on trust for the Grantees or enter or purport to enter into any agreement to do so, unless a waiver is granted by the Stock Exchange to allow a transfer to a vehicle (such as a trust or a private company) for the benefit of the Grantee and any his/her family members (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of this Scheme and comply with other requirements of Chapter 17 of the Listing Rules.

12. LAPSE

- (i) Subject to sub-paragraph (iv) of this paragraph and other terms and conditions of the Scheme, and unless otherwise determined by the Administrator, any RSUs (to the extent unvested) or any Option Award (to the extent not exercised) shall automatically lapse upon the earliest of:
 - (a) the date on which the Grantee ceases to be an Eligible Participant;
 - (b) the date of the termination of a Grantee's employment or service with the Group for Fault;
 - (c) the date on which the Grantee commits a breach of paragraph 11 of this Appendix as described above;
 - (d) the date on which the Grantee knowingly performs any act that may confer any competitive benefit or advantage upon any competitor of the Group, or becomes a senior officer, director, employee, consultant, advisor, partner of, or a stockholder or other proprietor owning more than a 5% interest in, whether directly or indirectly, any competitor of the Group; or
 - (e) the expiry of the Exercise Period of the Option Award, subject to paragraph 10 of this Appendix.
- (ii) For the purpose of (a) in sub-paragraph (i) of this paragraph, unless otherwise determined by the Administrator, a Grantee shall cease to be an Eligible Participant if:
 - (a) the Grantee has committed any act of fraud, dishonesty or misconduct, whether or not in connection with his/her employment or service or resulting in termination of his/her employment or service with the Group;

- (b) the Grantee has been declared or adjudicated bankrupt, or failed to pay his/her debts within a reasonable time after they become due, or has made any arrangement or composition with his/her creditors generally or has a receiver appointed over any of his/her assets;
 - (c) the Grantee's employment or service with the Group has been terminated for any reason other than that provided under sub-paragraph (iv) below;
 - (d) the Grantee has been convicted of any illegal act; or
 - (e) the Grantee has been charged with, convicted of or held liable for any offence under the SFO, other relevant securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time.
- (iii) For the purpose of sub-paragraph (i) above, unless otherwise determined by the Administrator, a Grantee shall be regarded as remaining as an Eligible Participant notwithstanding that he/she ceases to hold a position of employment or office or services with the Company or a subsidiary, if the cessation is by reason of retirement, or if at the same time he/she takes up a different position of employment and/or office with, or continues to be a Service Provider of another subsidiary of the Company as the case may be, and the Awards granted to him/her shall continue to vest or be exercised in accordance with the terms and conditions of the Awards, provided that no other circumstances arise which would render him/her ceasing to be an Eligible Participant.
- (iv) Notwithstanding anything contained in sub-paragraphs (i), (ii) and (iii) above, unless other circumstances arise which would render him/her ceasing to be an Eligible Participant, in the event that the Grantee's employment or service with the Group has been terminated by reason of loss of capacity to work due to death, disability, injury or ill-health, the Administrator may at its sole and absolute discretion determine whether the Awards which have not yet vested as at the date of cessation shall continue to vest in accordance with the vesting schedule or such earlier vesting date as determined by the Administrator.
- (v) Where any unvested RSUs of a Grantee lapse in accordance with the rules of the Scheme, the Administrator shall refund to the Grantee the Purchase Price (if any) in correspondence to such unvested RSUs paid by the Grantee pursuant to sub-paragraph 5(iv) above of this Appendix and the terms and conditions as set out in the Grant Letter.
- (vi) Notwithstanding any other provisions of the Scheme (but subject to any applicable laws or regulations), in each case, the Administrator may in its sole and absolute discretion decide that any Awards shall not lapse or shall be subject to such conditions or limitations as the Administrator may decide.

- (vii) For the avoidance of doubt, as determined by the Administrator in its absolute discretion, even if the Grantee has returned the documents and the Purchase Price (if any) required for the vesting or exercise of the Awards pursuant to sub-paragraph 8(ii) above, such Awards shall lapse immediately if any of the circumstances described in above sub-paragraph (i) occurs in respect of the Grantee prior to settlement of the Shares.

13. CANCELLATION OF AWARDS

- (i) The Board may at its discretion cancel any Award that has not vested or been exercised or lapsed, provided that:
 - (a) the Company or any of its subsidiaries pays to the Grantee an amount equal to the fair value of the Awards at the date of the cancellation as determined by the Administrator, after consultation with the auditors or an independent financial adviser appointed by the Administrator;
 - (b) the Company or its relevant subsidiary provides to the Grantee a replacement award (or a grant or option under any other Share Schemes) of equivalent value to the Awards to be cancelled; or
 - (c) the Administrator makes any arrangement as the Administrator and Grantee may mutually agree in order to compensate him/her for the cancellation of the Awards.
- (ii) Where a Selected Participant remains an Eligible Participant, but the following circumstances occur, the Board may at its discretion cancel such Awards without payment of compensation under sub-paragraph (i) of paragraph 13 above to the Selected Participant:
 - (a) the Administrator reasonably believes that any vesting conditions (including performance targets) which have not been fulfilled are no longer likely to be fulfilled;
 - (b) the Selected Participant fails to pay the consideration for the acceptance of the Grant in accordance with the notice of acceptance; or
 - (c) the Selected Participant has committed an act of misconduct (the determination of whether his/her conduct constitutes an act of misconduct shall be at the sole and absolute discretion of the Administrator).

- (iii) Where the Company cancels any Awards granted to a Grantee and makes a new grant of options or awards to the same Grantee, such new grant may only be made with available Scheme Mandate Limit and Service Provider Sublimit. For the purpose of this sub-paragraph, the Awards cancelled will be regarded as utilized in calculating the Scheme Mandate Limit and Service Provider Sublimit.

14. REORGANIZATION OF CAPITAL STRUCTURE

- (i) In the event of any alteration in the capital structure of the Company (namely, capitalization issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company) whilst any Award remains outstanding, the Administrator may make equitable adjustments that it considers appropriate, at its sole and absolute discretion, including:
 - (a) in the case of a share subdivision or consolidation, an adjustment to the maximum number of Shares subject to the Scheme, as set out in paragraph 4(iv) of this appendix; and/or
 - (b) the number of the unvested RSUs and unexercised options; and/or
 - (c) the Exercise Price or Purchase Price (if any),provided that
 - (d) no such adjustments shall be made in respect of an issue of securities by the Company as consideration in a transaction;
 - (e) any such adjustments must be made so that each Grantee is given the same proportion of the share capital of the Company, rounded to the nearest whole Share, as that to which he/she was previously entitled;
 - (f) where applicable, no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value (if any);
 - (g) any such adjustments, save those made on a capitalization issue, shall be confirmed by an independent financial adviser or the Auditors in writing to the Directors as satisfying the requirements of sub-paragraph (e) above, the requirements of the relevant provisions of the Listing Rules and the supplementary guidance on Rule 17.03(13) of the Listing Rules set out in the FAQ13 – No. 16 and the related Appendix 1 entitled “Supplementary Guidance on MB Rule 17.03(13)/GEM Rule 23.03(13) and the Note to the Rule” published by the Stock Exchange (the “**Supplementary Guidance**”) and any further guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time, and that in the opinion of the Auditors or an independent financial adviser that the adjustments made by the Administrator under this sub-paragraph (i) are fair and reasonable; and

- (h) any adjustments to be made will comply with the Listing Rules, the Supplementary Guidance and any further guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.
- (ii) Based on the above principles and conditions, the default method of adjustment is set out below:

- (a) in the case of capitalization issue or rights issue:

New number of Awards = Existing number of Awards x F

New Purchase Price or Exercise Price = Existing Purchase Price or Exercise Price x $\frac{1}{F}$

$$F = \frac{\text{CUM}^1}{\text{TEEP}}$$

$$\text{TEEP (Theoretical Ex Entitlement Price)} = \frac{\text{CUM} + (\text{M}^2 \times \text{R}^3)}{1 + \text{M}}$$

Where:

1. CUM represents the closing price of the Shares as shown in the daily quotation sheet of the Stock Exchange on the last day of trading before going ex-entitlement;
 2. M represents entitlement per existing Share; and
 3. R represents the subscription price of the capitalization issue or rights issue.
- (b) in the case of subdivision, consolidation or reduction of share capital of the Company:

New number of Awards = Existing number of Awards x F

New Purchase Price or Exercise Price = Existing Purchase Price or Exercise Price x $\frac{1}{F}$

Where F represents subdivision, consolidation or reduction factor.

- (iii) If there has been any alteration in the capital structure of the Company as referred to in sub-paragraph (i) above, the Company shall inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made pursuant

to the certificate of the independent financial adviser or the Auditors (as the case may be) obtained by the Company for such purpose or, if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the independent financial adviser or the Auditors (as the case may be) as soon as practicable to issue a certificate in that regard in accordance with sub-paragraph (i) above.

- (iv) For the purposes of this paragraph 14, the independent financial adviser or the Auditors shall act as experts and not as arbitrators and their certification shall be final and binding on the Company and the Grantees. Their costs shall be borne by the Company.

15. ALTERATION OF THIS SCHEME

The Scheme may be altered in any respect by resolution of the Administrator, except that any alterations to the terms and conditions of the Scheme that are of a material nature or any alterations to the specific terms of this Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Grantees or proposed Grantees must be approved by the Shareholders in general meeting (with the Grantees and their associates abstaining from voting). The Administrator's determination as to whether any proposed alteration to the terms and conditions of the Scheme is material shall be conclusive.

Any change to the authority of the Administrator to alter the terms of the Scheme shall not be valid unless approved by Shareholders in general meeting.

Any change to the terms of Awards granted to a Grantee must be approved by the Administrator, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of such Awards under the Scheme was approved by the Administrator, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) except where the alterations take effect automatically under the existing terms of the Scheme.

The amended terms of the Scheme or the Awards must comply with the relevant requirements of Chapter 17 of the Listing Rules.

The Company must provide to all Grantees all details relating to changes in the terms of the Scheme during the life of the Scheme immediately upon such changes taking effect.

16. TERMINATION

Notwithstanding anything contained to the contrary in this Scheme and without prejudice to any subsisting rights of any Grantee hereunder, the Scheme may be terminated at any time prior to the expiry of its term by a resolution of the Board. For the avoidance of doubt, no

further Awards shall be granted after the Scheme is terminated but in all other respects the provisions of the Scheme shall remain in full force and effect. All Awards granted prior to such termination and not vested (as to RSUs) or exercised (as to Options) on the date of termination shall remain valid.

The Administrator shall notify the Trustee of such termination. The Awards granted under this Scheme before such termination and which are not vested (in the case of RSUs) or exercised (in the case of Options) as at the date of termination shall continue to be held by the Trustee and shall vest or be exercised in accordance with the terms and conditions of the Awards.

Upon the expiry of the Trust period, (i) the Trustee shall act in accordance with the instruction of the Administrator in terms of how the trust fund held by the Trustee on trust and other interests or benefits in relation to the outstanding Shares underlying the Awards shall be dealt with; (ii) all remaining Shares in the trust fund (other than the Awards to be vested in the Grantees) shall be sold by the Trustee within sixty (60) working days (or such other period as the Board may otherwise determine), provided that no suspension of trading of the Shares occurs during such sale; and (iii) the net proceeds of all the sales referred to in point (ii) of this paragraph and other remaining funds and properties in the trust fund administered by the Trustee, after appropriate deduction of all relevant selling expenses, liabilities and costs, shall then be remitted to the Company. For the avoidance of doubt, the Trustee shall not transfer the Shares to the Company, and the Company shall not otherwise hold the Shares (other than the interest in the proceeds from the sale of the Shares pursuant to point (ii) of this paragraph).

NOTICE OF ANNUAL GENERAL MEETING



Hansoh Pharmaceutical Group Company Limited

翰森製藥集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3692)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting (the “**Annual General Meeting**”) of Hansoh Pharmaceutical Group Company Limited (the “**Company**”) will be held at 50/F, Office Tower, Convention Plaza, 1 Harbour Road, Wan Chai, Hong Kong on Friday, June 26, 2026 at 10:00 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements of the Company and the reports of the directors and auditors for the year ended December 31, 2025.
2. To approve the payment of a final dividend for the year ended December 31, 2025.
- 3(a). To re-elect Ms. Zhong Huijuan as executive director.
- 3(b). To re-elect Ms. Yang Dongtao as independent non-executive director.
- 3(c). To re-elect Mr. Yan Jia as independent non-executive director.
- 3(d). To authorize the board of directors to fix the respective directors’ remuneration.
4. To re-appoint Ernst & Young as auditors and to authorize the board of directors to fix their remuneration.
5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to compliance with the prevailing requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the

NOTICE OF ANNUAL GENERAL MEETING

Company may be listed and which is recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws, rules and regulations;

- (b) the total number of shares of the Company to be repurchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and
- (c) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
 - (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”
6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to compliance with the prevailing requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to allot, issue and deal with additional shares (including any sale or transfer of treasury shares out of treasury) in the 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 to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which might require the exercise of such powers during or after the end of the Relevant Period (as defined below) in accordance with all applicable laws, rules and regulations;

NOTICE OF ANNUAL GENERAL MEETING

(b) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:

- (i) a Rights Issue (as defined below);
- (ii) the exercise of options under a share option scheme of the Company;
- (iii) any scrip dividend scheme or similar arrangement 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 articles of association of the Company; and
- (iv) any issue of shares of the Company upon the exercise of rights of subscription or conversion under the terms of any existing convertible bonds issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares,

shall not exceed 20% of the total number of issued shares (excluding any treasury shares) of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and

(c) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions 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 any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

NOTICE OF ANNUAL GENERAL MEETING

7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set out in items 5 and 6 of the notice convening the Annual General Meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 6 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued (including any sale or transfer of treasury shares out of treasury) or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of the number of shares repurchased by the Company pursuant to the mandate referred to in the resolution set out in item 5 of the Notice, provided that such number of shares shall not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution).”

8. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

the rules of the 2026 Share Scheme of the Company (the “**2026 Share Scheme**”) in the form tabled at the Annual General Meeting, marked “A” and for the purpose of identification signed by a director of the Company, be and are hereby approved and adopted, and the directors of the Company be and are hereby authorized, (i) to grant share options and share awards in accordance with the rules of the 2026 Share Scheme; (ii) to allot, issue, and deal with from time to time such number of award shares as may be required to be issued pursuant to the exercise of the options and awards under the 2026 Share Scheme; (iii) to purchase and deal with such number of shares of the Company from the open market as may be required pursuant to the grant or exercise of share options and share awards under the 2026 Share Scheme; (iv) to administer the 2026 Share Scheme; (v) to appoint and give instructions to one or more trustee(s) for the purpose of the 2026 Share Scheme; (vi) to modify and/or amend the 2026 Share Scheme from time to time provided that such modification or amendment is effected in accordance with the terms of the 2026 Share Scheme and subject to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”); and (vii) to do such acts and things and enter into such transactions, arrangements and agreements as the directors of the Company may in their sole discretion consider necessary, desirable or expedient in order to give full effect to and implement the 2026 Share Scheme.”

NOTICE OF ANNUAL GENERAL MEETING

9. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolution set out in item 8 of the Notice, the Scheme Mandate Limit (as defined in the circular of the Company dated June 4, 2026 (the “**Circular**”)) be adopted.”

10. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set out in items 8 and 9 of the Notice, the Service Provider Sublimit (as defined in the Circular) be adopted.”

By Order of the Board
Hansoh Pharmaceutical Group Company Limited
Zhong Huijuan
Chairlady

Hong Kong, June 4, 2026

Notes:

1. All resolutions at the Annual General Meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Listing Rules. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company (the “**Shareholder**”) entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and on a poll, vote instead of him/her. A proxy need not be a Shareholder. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every Shareholder present in person or by proxy shall be entitled to one vote for each share held by him/her.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the meeting (i.e. not later than 10:00 a.m. on Wednesday, June 24, 2026 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a Shareholder from attending and voting in person at the Annual General Meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. The register of members of the Company will be closed for the following periods:
 - (a) For determining the entitlement to attend and vote at the Annual General Meeting, the record date will be Friday, June 26, 2026 and the register of members of the Company will be closed from Tuesday, June 23, 2026 to Friday, June 26, 2026, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, June 22, 2026.

NOTICE OF ANNUAL GENERAL MEETING

- (b) In order to ascertain the Shareholders' entitlements to the proposed final dividend (subject to the approval by the Shareholders at the Annual General Meeting), the record date will be Thursday, July 9, 2026 and the register of members of the Company will be closed from Tuesday, July 7, 2026 to Thursday, July 9, 2026, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all Share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, July 6, 2026.
5. References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this notice, the board of directors of the Company comprises Ms. Zhong Huijuan as chairlady and executive director, Ms. Sun Yuan and Dr. Lyu Aifeng as executive directors, and Mr. Lin Guoqiang, Mr. Chan Charles Sheung Wai, Ms. Yang Dongtao and Mr. Yan Jia as independent non-executive directors.