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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 B&K Corporation 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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B&K CORPORATION LIMITED
青城新藥生物科技（青島）股份有限公司

(formerly known as 華芒生物科技（青島）股份有限公司)

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2396)

- (I) PROPOSED APPLICATION FOR FULL CIRCULATION OF
UNLISTED SHARES OF THE COMPANY;**
**(II) PROPOSED GRANT OF AUTHORISATION TO THE BOARD OF
DIRECTORS AND ITS DELEGATED PERSONS TO HANDLE MATTERS
RELATING TO THE APPLICATION FOR FULL CIRCULATION OF
UNLISTED SHARES OF THE COMPANY;**
(III) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
(IV) PROPOSED 2026 INTERIM PROFIT DISTRIBUTION PLAN;
(V) PROPOSED ADOPTION OF THE SHARE AWARD SCHEME;
**(VI) PROPOSED AUTHORISATION TO THE BOARD AND/OR
THE SCHEME ADMINISTRATOR TO HANDLE MATTERS
RELATING TO THE SHARE AWARD SCHEME;**
AND
(VII) NOTICE OF THE EGM

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

The EGM will be held at Plum Blossom Hall, 2nd Floor, Metropark Hotel Yingkun Beijing, Block H, No. 6 East Qiche Bowuguan Road, Fengtai District, Beijing, China on Friday, 4 September 2026 at 10:00 a.m.. A notice convening the EGM is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of the HKEXnews of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (qingchengxinyao.com).

Whether or not you are able to attend the EGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's H share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (in case of holders of H Shares), or to the Company's head office and principal place of business in the PRC at Room 1507, Building 1, Xiexin Center, No. 19 Qinling Road, Laoshan District, Qingdao, Shandong Province, PRC (in case of holders of Unlisted Shares) as soon as possible but in any event not less than 24 hours before the time appointed for the holding of the EGM (i.e. before 10:00 a.m., on Thursday, 3 September 2026) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the EGM or any adjournment thereof (as the case may be) if they so wish and in such event, the proxy form shall be deemed to be revoked.

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

20 August 2026

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DEFINITIONS

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

“Actual Selling Price”	an amount that is equal to the actual price at which the H Shares are sold (net of brokerage, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy and any other applicable costs) on vesting of an Award pursuant to the Share Award Scheme
“Adoption Date”	the date on which the proposed adoption of Share Award Scheme is approved by the Shareholders in general meeting or, if applicable, the date on which any other requisite approval(s) for the adoption of the Share Award Scheme as required under the Listing Rules is obtained, whichever is later
“AFRC”	the Accounting and Financial Reporting Council
“Applicable Laws”	all applicable laws, regulations, ordinances or requirements of the relevant regulatory authorities including without limitation the Company Law of the PRC, the Securities Law of the PRC, the SFO, the Listing Rules or the relevant provisions of the Articles
“Articles” or “Articles of Association”	the articles of association of the Company, as amended from time to time
“associate”	has the meaning ascribed to this term in the Listing Rules
“Auditors”	the auditors for the time being of the Company
“Award(s)”	an award granted by the Board or the Scheme Administrator to a Grantee of a conditional right for such Grantee to receive such number of Award Shares, subject to the satisfaction of vesting conditions and such other terms and conditions, as the Board or the Scheme Administrator may in its absolute discretion determine

DEFINITIONS

“Award Share(s)”	in respect of a Grantee, such number of H Share(s) underlying the Award(s) as determined by the Board or the Scheme Administrator, and as may be issued as new H Shares in accordance with the terms of the Share Award Scheme
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities, and excluding Saturdays, Sundays and any other days when banks in the PRC and Hong Kong are closed for business
“Company”, “we”, “us” or “our”	B&K Corporation Limited (青城新藥生物科技(青島)股份有限公司) (formerly known as 華芒生物科技(青島)股份有限公司), a joint stock company established in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2396)
“Company Law”	the Company Law of the PRC
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Disability”	permanent and total disability, determined by the Board or the Scheme Administrator in accordance with non-discriminatory standards as adopted by the Board from time to time

DEFINITIONS

“EGM” or “extraordinary general meeting”	the second extraordinary general meeting of 2026 of the Company to be held at Plum Blossom Hall, 2nd Floor, Metropark Hotel Yingkun Beijing, Block H, No. 6 East Qiche Bowuguan Road, Fengtai District, Beijing, China, on Friday, 4 September 2026 at 10:00 a.m. to consider, and if thought fit, to approve the resolutions contained in the notice of the meeting which is set out on pages EGM-1 to EGM-3 of this circular, or any adjournment thereof
“Eligible Person”	(a) an Employee Participant, (b) a Related Entity Participant, or (c) a Service Provider Participant who has contributed or may contribute to the development and growth of the Group, subject to the eligibility criteria as provided in the Share Award Scheme
“Employee Participant”	any PRC or non-PRC director (including executive, non-executive and independent non-executive director) and employee (whether full-time or part-time) of the Company or any of its subsidiaries, and including any person who are granted Awards as an inducement to enter into employment contracts with the Company or any of its subsidiaries
“Grant Date”	the date on which the Board (or the Scheme Administrator) resolves to grant an Award to a Participant by way of a Board meeting or Board resolutions or any other committee meeting or such date as otherwise determined by the Board or the Scheme Administrator, which must be a Business Day
“Grant Price”	the consideration payable by the Grantee on acceptance of an Offer as determined by the Board or the Scheme Administrator in its sole and absolute discretion, which shall be nil
“Grantee”	any Eligible Person who accepts an Offer in accordance with the terms of the Share Award Scheme
“Group”	the Company and its subsidiaries

DEFINITIONS

“H Share(s)”	overseas listed foreign share(s) in the Company’s ordinary share capital, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange and be subscribed for and traded in Hong Kong dollars
“H Share Full Circulation” or “Full Circulation”	The proposed conversion of domestic shares held by the Participating Shareholders into H Shares and the listing and circulation of such H Shares on the Main Board of the Stock Exchange
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules” or “Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Issuance Registration Procedures”	the shareholder registration procedure(s) for the newly issued H shares or treasury shares (as the case maybe) pursuant to the Share Award Scheme
“Latest Practicable Date”	20 August 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Offer”	has the meaning as set out in the definitions and interpretation of the Appendix hereto
“Offer Letter”	has the meaning as set out in the definitions and interpretation of the Appendix hereto
“Participant”	any Eligible Person who is approved for participation in the Share Award Scheme and who has been granted any Award pursuant to the Share Award Scheme
“Participating Shareholders”	the participating shareholders in the Full Circulation
“PRC” or “China”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau and Taiwan regions

DEFINITIONS

“R&D”	Research & development
“Related Entity”	the holding companies, fellow subsidiaries or associated companies of the Company, and a member of the Related Entity means any of the aforementioned entities
“Related Entity Participant”	any director or employee (whether full-time or part-time employees) of any member of the Related Entity
“Residual Cash”	cash remaining in the Trust (including interest income derived from deposits maintained with licensed banks in Hong Kong) which has not been applied in the subscription of the Award shares
“Returned Share(s)”	such Award Share(s) that failed to be vested and/or are lapsed or cancelled in accordance with the terms of the Share Award Scheme and the relevant Offer Letter, or such H Share(s) being deemed to be Returned Share(s) under the Share Award Scheme
“RMB”	Renminbi, the lawful currency of the PRC
“Scheme Administrator”	the committee of the Board or person(s) to which the Board has delegated its authority (as applicable) to administer the Share Award Scheme
“Scheme Period”	a period of ten (10) years commencing from (and including) the Adoption Date, unless terminated earlier in accordance with the Share Award Scheme

DEFINITIONS

“Service Provider Participant”	means persons providing services to the Group on a continuing or recurring basis in the Group’s ordinary and usual course of business which are in the interests of the long term growth of the Group as determined by the Board or the Scheme Administrator, including suppliers, agents, consultants and/or contractors, which provide services and/or intermediary, professional and/or consultancy services to any member of the Group, but excluding placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, and professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share Award Scheme”	the 2026 H Share Award Scheme of the Company proposed to be approved by the Shareholders at the EGM
“Share(s)”	shares in the share capital of our Company, with a nominal value of RMB1.00 each, comprising the Unlisted Shares and H Shares
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“treasury shares”	has the meaning ascribed thereto under the Hong Kong Listing Rules

DEFINITIONS

“Trust”	a trust established or to be established by the Company in respect of and for the purpose of the Share Award Scheme
“Trust Deed”	the trust deed to be entered into between the Company as settlor and the Trustee as trustee of the Trust (as restated, supplemented and amended from time to time)
“Trustee”	a professional trustee as may be appointed by the Company from time to time to administer the Trust and who, for the avoidance of doubt, shall be an independent third party to the Company
“Unlisted Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are not listed on any stock exchange
“Vesting Price”	the purchase price per Award Share (if any)
“%”	per cent

* *for identification purpose only*

LETTER FROM THE BOARD

B&K CORPORATION LIMITED
青城新藥生物科技（青島）股份有限公司

(formerly known as 華芒生物科技（青島）股份有限公司)

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2396)

Executive Directors:

Ms. JIA Lijia (賈麗加)
Mr. WANG Kelong (王軻龍)
Dr. ZHAI Junhui (翟俊輝)
Mr. MIAO Tianxiang (苗天祥)

Registered Office:

Room 1507, Building 1
Xiexin Center, No. 19 Qinling Road
Laoshan District, Qingdao
Shandong Province, PRC

Non-executive Directors:

Ms. LIN Ying (林穎)
Mr. YUAN Fei (袁飛)

*Head Office and Principal Place of
Business in the PRC:*

Room 1507, Building 1
Xiexin Center, No. 19 Qinling Road
Laoshan District, Qingdao
Shandong Province, PRC

Independent Non-executive Directors:

Mr. FOK Chi Tat Michael (霍志達)
Mr. LI Jiayan (李嘉焱)
Mr. YUE Yichun (岳儀春)

*Principal Place of Business
in Hong Kong:*

Room 1915, 19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

20 August 2026

To the Shareholders

Dear Sir/Madam,

- (I) PROPOSED APPLICATION FOR FULL CIRCULATION OF
UNLISTED SHARES OF THE COMPANY;**
**(II) PROPOSED GRANT OF AUTHORISATION TO THE BOARD OF
DIRECTORS AND ITS DELEGATED PERSONS TO HANDLE MATTERS
RELATING TO THE APPLICATION FOR FULL CIRCULATION OF
UNLISTED SHARES OF THE COMPANY;**
(III) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
(IV) PROPOSED 2026 INTERIM PROFIT DISTRIBUTION PLAN;
(V) PROPOSED ADOPTION OF THE SHARE AWARD SCHEME;
**(VI) PROPOSED AUTHORISATION TO THE BOARD AND/OR
THE SCHEME ADMINISTRATOR TO HANDLE MATTERS
RELATING TO THE SHARE AWARD SCHEME;**
AND
(VII) NOTICE OF EGM

LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to give you notice of the EGM and to provide you with information regarding certain resolutions to be proposed at the aforementioned meeting relating to the following matters to enable you to make informed decisions on whether to vote for or against the proposed resolutions at the meeting.

At the EGM, resolutions will be proposed to approve, among others:

- (I) the proposed application for Full Circulation of unlisted Shares of the Company;
- (II) the proposed grant of authorisation to the Board of Directors and its delegated persons to handle matters relating to the application for Full Circulation of unlisted Shares of the Company;
- (III) the proposed amendments to the Articles of Association;
- (IV) the proposed 2026 interim profit distribution plan;
- (V) the adoption of the Share Award Scheme; and
- (VI) the authorisation to the Board and/or the Scheme Administrator to handle matters relating to the Share Award Scheme.

(I) PROPOSED APPLICATION FOR FULL CIRCULATION OF UNLISTED SHARES OF THE COMPANY

Reference is made to the Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請“全流通”業務指引》) issued by CSRC on 14 November 2019 and further amended on 10 August 2023 (the “**Guidelines**”), and the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) issued by the CSRC on 17 February 2023 regarding the procedures to apply for full circulation of shares by companies whose H shares are listed on the Stock Exchange.

In view of the Guidelines, the Board considered and approved H Share Full Circulation. Upon obtaining all relevant approvals (including the filing notice by the CSRC and the approval of the Stock Exchange) and having complied with all applicable laws, rules and regulations, 21,681,762 domestic Shares will be converted into H Shares and the Company will apply to the

LETTER FROM THE BOARD

Stock Exchange for the listing of, and permission to deal in, such H Shares on the Main Board of the Stock Exchange. The details of the Participating Shareholders and the respective domestic Shares held by them to be converted into H Shares are as follows:

No.	Name of Shareholder	Current number of Shares held in the Company (share)	Shareholding percentage of the total share capital (%)	Number of Shares proposed for Full Circulation (share)	Percentage of Full Circulation in the total share capital (%)
1.	Ms. Jia Lijia (賈麗加)	19,540,937	16.61	8,046,780	6.84
2.	Mr. Wang Kelong (王軻瓏)	17,980,000	15.28	820,287	0.70
3.	Mr. LI Gewei (李葛衛)	12,000,000	10.20	8,400,000	7.14
4.	Qingdao Huaren Gongchuang Corporate Management Consultancy Partnership (Limited Partnership)* (青島華芒共創企業管理諮詢合夥企 業(有限合夥))	8,000,000	6.80	3,600,000	3.06
5.	Hainan Huaren Gongying Corporate Management Consultancy Partnership (Limited Partnership) (海南華人共贏企業管理諮詢合夥企 業(有限合夥))	4,785,000	4.07	382,800	0.33
6.	Jiaxing CDH Zhaoyun Equity Investment Partnership (Limited Partnership) (嘉興鼎輝兆筠股權投資 合夥企業(有限合夥))	1,799,562	1.53	431,895	0.37
Total		64,105,499	54.48	21,681,762	18.43

LETTER FROM THE BOARD

Conditions for the H Share Full Circulation

The H Share Full Circulation is subject to the fulfilment of the following conditions precedent:

- (1) the approval of the proposed H Share Full Circulation having been obtained at the EGM;
- (2) the grant of authorisation to the Board and its delegated persons to handle matters relating to the H Share Full Circulation having been obtained at the EGM;
- (3) the approval of the proposed H Share Full Circulation by the relevant PRC administrative and regulatory authority (i.e. the CSRC) having been obtained; and
- (4) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, all the H shares converted from the H Share Full Circulation.

As of the Latest Practicable Date, none of the aforesaid conditions have been satisfied. The Company has not submitted the filing application to the CSRC and the details of the implementation plan of the H Share Full Circulation and the conversion and listing have not been finalised. The Company will make further announcement(s) on the progress of the H Share Full Circulation in accordance with the Inside Information Provisions and/or the requirements of the Listing Rules.

(II) PROPOSED GRANT OF AUTHORISATION TO THE BOARD OF DIRECTORS AND ITS DELEGATED PERSONS TO HANDLE MATTERS RELATING TO THE APPLICATION FOR FULL CIRCULATION OF UNLISTED SHARES OF THE COMPANY

The Participating Shareholders have agreed to authorise the Board and its delegated persons to apply to the CSRC, the Stock Exchange and other relevant regulatory authorities for the H Share Full Circulation and be responsible for dealing with matters relating to the H Share Full Circulation.

The Board proposes to seek approval from the Shareholders at the EGM to grant authorisation to the Board and its delegated persons to handle all matters in relation to the H Share Full Circulation at their sole discretion. The specific scope of authorisation includes but is not limited to:

LETTER FROM THE BOARD

- (1) adjusting the specific plan for the H Share Full Circulation in accordance with the implementation rules, new regulations, guidance opinions, national policies formulated by the competent authorities and the review opinions or requirements of the relevant regulatory authorities on the matters relating to the H Share Full Circulation on the basis of the full circulation plan determined by the Company;
- (2) handling the application for the H Share Full Circulation on behalf of relevant Shareholders, including but not limited to preparing, modifying, signing, supplementing, submitting, reporting and executing relevant application documents and other legal documents in accordance with the requirements of authorised securities regulatory authorities, and signing, modifying, supplementing, submitting, reporting and executing various legal documents in connection with the H Share Full Circulation application on behalf of relevant Shareholders;
- (3) handling various matters relating to the listing of relevant Shares on the Main Board of the Stock Exchange on behalf of relevant Shareholders after the approval or filing notice on application of the H Share Full Circulation has been obtained from authorised securities regulatory authorities;
- (4) To identify and appoint domestic and overseas securities institutions, law firms, and other professional service providers as necessary for the implementation of the H Share Full Circulation and subsequent trading on the Stock Exchange;
- (5) as permitted by applicable laws and regulations, taking all necessary actions on behalf of relevant Shareholders to determine and handle all other matters relating to the H Share Full Circulation application.

The proposed grant of authorisation to the Board and its delegated persons to handle matters relating to the H Share Full Circulation shall be valid and effective within the validity period of the power of attorney issued by the relevant shareholders applying for Full Circulation. If the abovementioned relevant shareholders reissue the power of attorney to extend the authorisation period, the validity period of the grant of authorisation to the Board and its delegated persons to handle H Share Full Circulation shall be extended accordingly.

On the basis that the proposed grant of authorisation was considered and approved at the EGM, the Board shall determine Ms. JIA Lijia (賈麗加), as the delegated person (may be delegated).

LETTER FROM THE BOARD

(III) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In view of the grant of authorisation to the Board and its delegated persons to handle matters relating to the application for Full Circulation of unlisted Shares of the Company, the Board proposed to make certain amendments to the Articles of Association. Details are as follows:

Article No.	Before amendment	After amendment
Article 19	Ordinary shares issued by the Company and listed on the Hong Kong Stock Exchange shall be referred to as H Shares. Ordinary shares issued by the Company (other than H Shares) shall be referred to as shares other than H Shares.	Ordinary shares issued by the Company and listed on the Hong Kong Stock Exchange shall be referred to as H Shares. Ordinary shares issued by the Company (other than H Shares) shall be referred to as shares other than H Shares.
	Holders of shares other than H Shares and holders of H Shares are both ordinary shareholders.	Holders of shares other than H Shares and holders of H Shares are both ordinary shareholders.
	Upon the completion of overseas offering and listing of the Company's shares, the shareholders of the Company may list and trade their unlisted shares overseas to the extent permitted by relevant laws, administrative regulations and departmental rules, subject to filing with the securities regulatory authorities of the State Council and other relevant regulatory authorities. Listing and trading of such shares on overseas stock exchange(s) shall also comply with the regulatory procedures, provisions and requirements of overseas securities market(s).	Upon the completion of overseas offering and listing of the Company's shares, the shareholders of the Company may list and trade their unlisted shares overseas to the extent permitted by relevant laws, administrative regulations and departmental rules, subject to filing with the securities regulatory authorities of the State Council and other relevant regulatory authorities. Listing and trading of such shares on overseas stock exchange(s) shall also comply with the regulatory procedures, provisions and requirements of overseas securities market(s).

LETTER FROM THE BOARD

Article No.	Before amendment	After amendment
	The H Shares issued by the Company are mainly deposited in the nominee companies subordinate to Hong Kong Securities Clearing Company Limited. The shares other than H Shares issued by the Company shall be deposited in China Securities Depository and Clearing Co., Ltd. in a centralised way.	<u>The conversion of the aforesaid unlisted shares into overseas listed shares and their listing and trading on an overseas stock exchange does not require review and approval by the general meeting; it shall be reviewed and approved by the Board, which shall also make the implementation arrangements.</u>
		The H Shares issued by the Company are mainly deposited in the nominee companies subordinate to Hong Kong Securities Clearing Company Limited. The shares other than H Shares issued by the Company shall be deposited in China Securities Depository and Clearing Co., Ltd. in a centralised way.

The above amendments are subject to the final business registration and filing. Except for the above amendments, other contents of the Articles of Association remain unchanged.

The amendments to the Articles of Association were prepared in Chinese without an official English version. As such, the English translation is for reference only. In case of any discrepancies, the Chinese version shall prevail.

The proposed amendments to the Articles of Association are subject to approval by the Shareholders by way of a special resolution at the EGM, and will become effective upon the approval by the Shareholders at the EGM.

(IV) PROPOSED 2026 INTERIM PROFIT DISTRIBUTION PLAN

An ordinary resolution will be proposed at the EGM to consider and approve the 2026 interim profit distribution plan. Based on the financial position and business development status of the Company, there was no profit available for distribution as of 30 June 2026. Therefore, the Company proposes not to declare interim dividend, nor to transfer capital reserves to share capital or make other forms of distribution for the six months ended 30 June 2026.

LETTER FROM THE BOARD

(V) PROPOSED ADOPTION OF THE SHARE AWARD SCHEME

A. Introduction

Reference is made to the announcement of the Company dated 14 August 2026, in relation to, among other things, the proposed adoption of the Share Award Scheme.

On 14 August 2026, the Board resolved to approve the proposed adoption of the Share Award Scheme. The adoption of the Share Award Scheme will be subject to the approvals of the Shareholders.

As of the Latest Practicable Date, save for the employee incentive plan implemented by the Company prior to its listing on the Stock Exchange, the Company did not have any share option scheme or share award scheme in effect.

The provisions of the Share Award Scheme will comply with the requirements of Chapter 17 of the Listing Rules. Full text of the Share Award Scheme is set out in the Appendix to this circular.

B. Purpose of the Share Award Scheme

The purposes of the Share Award Scheme are:

- (a) to attract, motivate and retain skilled and experienced personnel who are Eligible Persons to strive for the long-term development goals of the Group and maximise the value of the Company for the benefits of both the Participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Participants directly to the Shareholders through ownership of Shares;
- (b) to recognise and acknowledge the contributions that Eligible Persons have or may have made or may make to the Group and to encourage the Eligible Persons to work towards enhancing the value of the Group and the Shares for the benefit of the Group and the Shareholders as a whole; and
- (c) to provide the Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to Eligible Persons.

LETTER FROM THE BOARD

C. Conditions

The Share Award Scheme shall take effect subject to and is conditional upon:

- (a) the passing of the necessary resolution(s) by the Shareholders in general meeting and the obtaining of any other requisite approval(s) (or waiver(s), as the case may be) as required under the Listing Rules; and
- (b) the Stock Exchange has granted its approval for the listing of, and permission to deal in, the H Shares which may fall to be allotted and issued pursuant to the vesting of any Awards which may be granted under the Share Award Scheme.

D. Duration

Subject to provisions under the Share Award Scheme, the Share Award Scheme shall be valid and effective for the Scheme Period, after which no further Awards may be granted under the Share Award Scheme, but the provisions of the Share Award Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect as to the administration of Awards granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Award Scheme. Subject always to the terms of the relevant grant, Awards granted prior to the end of the Scheme Period but not yet vested shall continue to be valid and/or exercisable in accordance with the Share Award Scheme.

E. Administration

The Share Award Scheme shall be subject to the administration of the Board or the Scheme Administrator in accordance with the Share Award Scheme. A decision of the Board or the Scheme Administrator shall be final and binding on all persons affected thereby. The authority to administer the Share Award Scheme (whether in whole or in part) may be delegated by the Board to the Scheme Administrator at the sole discretion of the Board, provided that nothing in the Share Award Scheme shall prejudice the Board's power to revoke (in whole or in part) such delegation, at any time or derogate from the discretion rested with the Board as contemplated under the Share Award Scheme.

As at the Latest Practicable Date, the Company had not appointed any trustee for the administration of the Share Award Scheme. If the Company were to engage any trustee in the future, none of the Directors shall be a trustee of the Share Award Scheme or shall have any direct or indirect interest in the trustee to be appointed, and that the trustee to be appointed will be an independent third party to the Company.

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The Company has sought legal advice in respect of the Share Award Scheme and understands that the adoption of the Share Award Scheme would not constitute offer to public, and prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong) are not applicable.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the new Shares to be granted under the Share Award Scheme.

F. Participants and Basis of Determining the Eligibility

The Eligible Persons who may be selected to become a Participant of the Share Award Scheme include the Employee Participants, the Related Entity Participants and the Service Provider Participants.

The basis of eligibility of any Eligible Person shall be determined by the Board (or the Scheme Administrator) in its sole and absolute discretion from time to time on the basis of the Eligible Person's contribution or potential contribution to the development and growth of the Group. In determining the basis of eligibility of Eligible Persons, the Board would take into account, on a case-by-case basis, among other things, the following factors:

- (a) with respect to Employee Participants, (i) their general working performance, (ii) their time commitment, (iii) their length of service within the Group, (iv) their work experience and responsibilities; and (v) the employment conditions with reference to the prevailing market practice and industry standards; and
- (b) with respect to Related Entity Participants, (i) their length of service, job position and job duties in the related entity, the shareholding relationship between the Group and the related entity and the benefits and synergies provided by the related entity to the Group.

Under the Share Award Scheme, Employee Participants include independent non-executive Directors. The Company considers that the inclusion of independent non-executive Directors as Employee Participants and thus Eligible Persons is in line with the purpose of the Share Award Scheme to attract, motivate and retain skilled and experienced personnel to strive for the long-term development goals of the Group and therefore maximise the value of the Company. The flexibility to grant Awards to the independent non-executive Directors will enable the Company to maintain its competitive remuneration package in order to attract talent with the appropriate experience and expertise to add value to Board meetings. The Company also takes into account the invaluable advice and recommendations appropriate independent non-executive Directors could contribute to the Board by virtue of their industry knowledge, experience and diverse professional backgrounds,

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and the fact that equity-based compensation is an important means of ensuring that Shareholders' interests are aligned with those of the members of the Board (including the independent non-executive Directors).

The Company believes that the objectivity and independence of independent non-executive Directors will not be affected by the potential grants of Awards to independent non-executive Directors as (i) independent non-executive Directors must continue to comply with the independence requirements as set out in Rule 3.13 of the Listing Rules (which specifically allows (without potentially implicating independence) shareholding in the listed issuer held by independent non-executive directors provided it is below the 1% threshold under Rule 3.13(1) of the Listing Rules); (ii) independent Shareholders' approval must be obtained for any Award proposed to be granted to independent non-executive Directors or their respective associates if such grant would result in the Shares issued and to be issued in respect of all options and awards under all share scheme(s) of the Company (excluding options or awards lapsed in accordance with the relevant Scheme Rules) to such person in any 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total issued Shares (excluding any treasury shares), which is only a fraction of the permitted threshold prescribed under Rule 3.13(1) of the Listing Rules; and (iii) when considering granting Awards to independent non-executive Directors, the Board will be mindful to the recommended best practice E.1.9 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules that issuers should generally not grant performance-linked equity-based remuneration to independent non-executive directors. If the Grantee is an independent non-executive Director, the Board will only make such grants if it is satisfied that there will be no bias in decision-making or impact on the objectivity and independence of the Grantee in discharging his/her duties as an independent non-executive Director. It is intended that through compliance trainings organised by the Company, independent non-executive Directors will also be reminded of their duties to (among other things) maintain independence pursuant to Rule 3.13 of the Listing Rules.

The Company currently has no plan or intention to grant Awards to any independent non-executive Director but may do so in the future where appropriate.

In addition to Employee Participants, Eligible Persons also include Related Entity Participants and Service Provider Participants. Considering the Company's business nature, hiring practices and organisational structures and that Related Entity Participants and Service Provider Participants have contributed to the growth of the Company's businesses, the Company is of the view that it would be in the Company's interest to also have the flexibility to grant Awards to the Related Entity Participants and the Service Provider Participants in recognition of their contribution to the Company. In particular, noting the Company being within the conglomerate of pharmaceutical and other corporations, it is believed that Related Entities will remain an important part of the Company's strategic partnerships in striving for future success given the nature of the

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Company's business (including but not limited to R&D, manufacturing and commercialisation of biopharmaceutical products). Although Related Entity Participants are not employees of the Group, they are expected to closely collaborate with members of the Group in the pursuit of common business.

With respect to Service Provider Participants, the following categories of service providers shall be included:

Category	Eligibility criteria for Service Provider Participant
Suppliers	is, or is anticipated to be going forward, a significant supplier, or otherwise significant to the Group's business, with reference to, among others: (a) the scale of its historical business dealings with the Group in terms of purchases or sales attributable to it; (b) the length of business relationships between the Service Provider Participant and the Group; (c) the quality of the services provided by the Service Provider Participant; (d) whether the Service Provider Participant has a proven track record of delivering quality services; (e) the positive impacts or strategic benefits brought by, or expected from, the Service Provider Participant to the Group's business growth and development in light of the Group's business plan from time to time.

Suppliers are those that enter into agreements with the Group for a term of not less than 12 months and provide the Group with services such as manufacturing, testing and registration, compliance, commercialisation, engineering equipment and digital systems for the Company's product candidates on a regular or recurring basis. The Group considers that it is important to maintain a close and stable business relationship with such suppliers on an ongoing basis as they would help align their interests with the Group's long-term development and incentivise them to continue contributing their expertise, technical capabilities, infrastructure and resources to the Group.

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Category	Eligibility criteria for Service Provider Participant
Agents, consultants and contractors	is, or is anticipated to be going forward, a significant agent, consultant or contractor, or otherwise significant to the Group's business, with reference to, among others: (a) the expertise, professional qualifications and industry experience of the Service Provider Participant; (b) the length of business relationships or engagement of the Service Provider Participant by the Group; (c) the positive impacts or strategic benefits brought by, or expected from, the Service Provider Participant to the Group's business growth and development in light of the Group's business plan from time to time.

Agents, consultants and contractors are those that enter into agreements with the Group for a term of not less than 12 months and provide intermediary, professional or consultancy services to the Group in relation to its product commercialisation on a regular or recurring basis. The Group considers that it is important to maintain an ongoing collaborative relationship with such agents, consultants or contractors, and where the grant of Awards would help strengthen such collaboration and encourage them to participate in the Group's future development as shareholders. Such agents, consultants and contractors command industry-specific insights, technical expertise, or valuable experience in the business, scientific, regulatory, or commercial areas of the Group, and contribute their specialised skills and knowledge on a continuing and recurring basis to support the Group's business development.

Granting Awards to such service providers will motivate them to continuously devote resources towards the Group and serve to bind their interests with the Group's interests in the long term. Any (i) placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, or (ii) professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity shall not be Service Provider Participants for the purposes of the Share Award Scheme and any other share scheme of the Company.

In assessing the eligibility of the Service Provider Participants, the Board (or the Scheme Administrator) shall consider a number of factors, including but not limited to (i) their experience and network in the relevant industry; (ii) the frequency of their collaboration and the length, materiality and nature of their business relationship with the Group; (iii) their background, track record and reputation in the industry; (iv) their potential and/or actual contribution to the business affairs of the Group including any positive impacts to the Group's business attributable to them;

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(v) the synergy between them and the Group; and (vi) the Group's future business plans in relation to further collaboration with such Service Provider Participants and the long-term support that the Group may receive accordingly.

Considering that the Service Provider Participants have contributed to the growth of the Group's businesses, the Board is of the view that it would be in the Company's interest to also have the flexibility to grant Awards to the Service Provider Participants in recognition of their contribution to the Group. The Directors (including the independent non-executive Directors) also consider that it is beneficial to include the Service Provider Participants since a sustainable and stable relationship with them is essential to the business development of the Group, and that the grant of Awards to these non-employee participants will align their interests with the Group's, incentivising them to provide better services to the Group and/or contribute to the success of the Group in the long run.

Based on the above, the independent non-executive Directors consider that (i) the inclusion of Related Entity Participants and Service Provider Participants as Eligible Persons aligns with the purpose of the Share Award Scheme and the long-term interests of the Company and the Shareholders as a whole, (ii) the proposed categories of Related Entity Participants and Service Provider Participants are in line with the Company's business needs and the industry norm; and (iii) the criteria for the selection of Eligible Persons set out above align with the purpose of the Share Award Scheme.

G. Scheme Mandate Limit and Service Provider Sublimit

The total number of H Shares which may be issued in respect of all Awards to be granted under the Share Award Scheme and all options and awards to be granted under any other share scheme(s) of the Company shall not exceed 10% of the total number of Shares in issue (excluding any treasury shares) as at the Adoption Date (the "**Scheme Mandate Limit**").

The total number of H Shares which may be issued in respect of all Awards to be granted under the Share Award Scheme and all options and awards to be granted under any other share scheme(s) of the Company to the Service Provider Participants shall not exceed 20% of Scheme Mandate Limit (the "**Service Provider Sublimit**").

Considering that there are no other share schemes over new H Shares or treasury shares other than the Share Award Scheme proposed to be adopted at the EGM, the Group's hiring practice and organisational structures and that the Service Providers have contributed to the long term growth of the business of the Group, the Directors (including the independent non-executive Directors) are of the view that, the Service Provider Sublimit is appropriate and reasonable given the nature of the innovation-driven industry and the Group's business needs, and such limit provides the Group

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with flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward and collaborate with 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 expertise and services to the Group, which is in line with the purpose of the Share Award Scheme.

As at the Latest Practicable Date, there were 117,657,522 Shares in issue. Assuming that there will be no change in the number of the issued Shares between the Latest Practicable Date and the Adoption Date, (i) the Scheme Mandate Limit would be 11,765,752 H Shares, representing approximately 10% of the total number of Shares in issue (excluding any treasury shares) as at the Adoption Date; and (ii) the Service Provider Sublimit would be 2,353,150 H Shares, representing approximately 2% of the total number of Shares in issue (excluding any treasury shares) as at the Adoption Date.

For the purposes of satisfying grants of Awards under the Share Award Scheme, the sources of the Award Shares under the Share Award Scheme shall be (i) new H Shares allotted and issued by the Company; and (ii) treasury shares (if any).

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued by the Company to any Grantee pursuant to the terms and conditions of the Share Award Scheme as and when required under the Listing Rules.

H. Vesting Period

The vesting period, i.e., the minimum period for which an Award must be held before it can be vested, is determined by the Board or the Scheme Administrator, which shall not be less than 12 months except for Awards granted to Employee Participants which may be subject to a shorter vesting period under any the following circumstances:

- (a) grants of “make whole” Awards to new Employee Participant to replace awards that such Employee Participants forfeited when leaving their previous employers;
- (b) grants to an Employee Participant whose employment is terminated due to death or Disability or event of force majeure;
- (c) grants of Awards which are subject to fulfillment of performance targets (as opposed to time-based conditions);

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- (d) grants of Awards the timing of which is determined by administrative or compliance requirements not connected with the performance of the relevant Participant, in which case the relevant vesting date may be adjusted to take account of the time from which the Awards would have been granted if not for such administrative or compliance requirements;
- (e) grants of Awards with a mixed or accelerated vesting schedule such that the Awards may vest evenly over a period of twelve (12) months; and
- (f) grants of Awards with a total vesting period of more than twelve (12) months, such as where the Awards may vest by several batches with the first batch to vest within twelve (12) months of the Grant Date and the last batch to vest at least twelve (12) months after the Grant Date.

To ensure the practicability in fully attaining the purpose of the Share Award Scheme, the Board is of the view that (i) in case of the circumstances prescribed above, a strict 12-month vesting requirement would not work or would not be appropriate or would not be fair to the Grantees; (ii) there is a need for the Company to retain flexibility in certain cases to provide a competitive remuneration package to attract and retain individuals to work for the Group, to provide for succession planning and the effective transition of employee responsibilities and to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (iii) the Company should be allowed discretions to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances. Hence, the Board is of the view that a shorter vesting period for Employee Participants prescribed in the circumstances set out above is in line with the market practice and is appropriate and aligns with the purposes of the Share Award Scheme.

I. Performance Targets

Any Award granted to a Grantee vests in such Grantee in accordance with the vesting schedule(s) (if any) and the performance target(s) (if any) as set out in the Offer Letter. The Board (or the Scheme Administrator) may, in respect of each Award and subject to Applicable Laws, determine any performance targets having regard to the key performance indicators, at corporate, subsidiary, division, operating unit, business line, project, geographic or individual level or otherwise, commonly adopted by businesses operating in the industries and markets in which the Group operates or other criteria as condition(s) to the vesting of Awards. Performance targets may combine qualitative and quantitative requirements and include an annual assessment of a participant and/or performance of the Company. From time to time the Board (or the Scheme

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Administrator) will conduct an assessment to compare performance to pre-established targets in order to determine whether and to what extent such targets have been achieved. After the assessment, if the Board (or the Scheme Administrator) determines that any of the specified performance targets have not been achieved, the unvested Award Shares will automatically lapse.

The Board (including the independent non-executive Directors) is of the view that it is not practicable to expressly set out a generic set of performance targets in the Scheme Rules, as each Grantee will play different roles and contribute in different ways to the Group. Instead, the Scheme Rules include factors to be considered by the Board (or the Scheme Administrator) for determining individual performance targets, if any, from time to time. The Board (or the Scheme Administrator) shall have regard to the purpose of the Share Award Scheme in making such determinations and ensure that appropriate specific performance targets will be set under particular circumstances of the relevant Grantee(s).

J. Clawback Mechanism

The Share Award Scheme will give the Board discretion (but not obligation) to impose that any Award shall be subject to a clawback under certain circumstances. Upon the occurrence of such circumstances, the Board (or the Scheme Administrator) may (but is not obliged to) claw back a number of Awards (to the extent not being vested) granted as the Board (or the Scheme Administrator) may consider appropriate. For details of the clawback mechanism of the Share Award Scheme, please refer to paragraph 12 in the Appendix to this circular. The Board is of the view that the clawback mechanism in the Share Award Scheme provides a choice for the Board to claw back the equity incentives granted to Eligible Persons who become culpable of misconduct and provides the Board with more flexibility in setting the terms and conditions of the Awards under particular circumstances of each grant, which would facilitate the objective to offer meaningful incentives to attract, motivate and retain skilled and experienced personnel that is valuable to the development of the Group, and is in line with the purpose of the Share Award Scheme and in the interests of the Company and the Shareholders as a whole.

K. Vesting Price for Award Shares Underlying Awards

The Vesting Price, being the purchase price per Award Share payable by a Grantee to the Company on the vesting of an Award (if any), shall be determined by the Board (or the Scheme Administrator). The Board considers that such arrangement aligns with the purpose of the Share Award Scheme where the Awards are intended to be granted to the Eligible Persons to reward their contributions to the Group.

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Given the discretion and flexibility given to the Board or the Scheme Administrator under the Share Award Scheme to determine the terms and conditions of the grant of Awards (including the performance targets for Participants, Vesting Price), the authority to select the appropriate Participants under the Share Award Scheme, as well as the minimum vesting period of 12 months (save for specified circumstances for Employee Participants) and the clawback mechanism as set out above, the Board considers that the terms of the Share Award Scheme as summarised above and more fully set out in the Appendix to this circular align with the purpose of the Share Award Scheme as set out above.

As of the Latest Practicable Date, to the best knowledge of the Directors and having made all reasonable inquiries, no Shareholder had any material interest in the proposed adoption of the Share Award Scheme. As such, no Shareholder is required to abstain from voting on the resolutions in relation to the proposed adoption of Share Award Scheme.

(VI) PROPOSED AUTHORISATION TO THE BOARD AND/OR THE SCHEME ADMINISTRATOR TO HANDLE MATTERS RELATING TO THE SHARE AWARD SCHEME

In order to ensure the successful implementation of the Share Award Scheme, the Board proposes that, subject to the approval of the Share Award Scheme by the Shareholders at the EGM, the Shareholders shall grant an authorisation to the Board and/or the Scheme Administrator to take all relevant measures and deal with all relevant matters to approve and execute on behalf of the Company such documents as are necessary, appropriate or expedient for the purpose of giving effect to and implementation of the Share Award Scheme and to handle matters in relation to the Share Award Scheme with full authority, including but not limited to:

- (a) to manage and operate the Share Award Scheme, and to grant Awards to Eligible Persons under the Share Award Scheme;
- (b) subject to compliance with Chapter 17 of the Listing Rules, to modify and/or amend the Share Award Scheme from time to time, provided that such modification and/or amendment shall be made in accordance with the provisions of the Share Award Scheme relating to modification and/or amendment and shall comply with Chapter 17 of the Listing Rules;
- (c) to grant Awards under the Share Award Scheme, and to allot and issue from time to time such number of H Shares as required to be allotted and issued pursuant to the Awards granted under the terms and conditions of the Share Award Scheme and the Listing Rules;

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- (d) to make application at appropriate time or period to the Stock Exchange for the listing of, and permission to deal in, any H Shares which may be allotted and issued in connection with the Awards granted under the terms and conditions of the Share Award Scheme;
- (e) where applicable, to increase the registered capital of the Company and to make appropriate and necessary amendments to the Articles after completion of the allotment and issuance of new H Shares under the Share Award Scheme according to the method, type and number of new H Shares allotted and issued by the Company, as well as the shareholding structure of the Company at the time of completion of the allotment and issuance;
- (f) to obtain all necessary consents, approvals and authorisations from any governmental and regulatory bodies in respect of the approval, filing and amendments of the Share Award Scheme; and
- (g) to make all necessary registration, amendments and filing with applicable company registration authorities.

The aforementioned authorisation to the Board and/or the Scheme Administrator shall be valid for the Scheme Period of the Share Award Scheme.

(VII) CONDITIONAL GRANTS OF AWARDS UNDER THE SHARE AWARD SCHEME

On 14 August 2026, the Board resolved to make, pursuant to the Share Award Scheme, the initial conditional grant of Awards to (i) one employee and (ii) one consultant, who provides consultancy services to the Group in relation to its product commercialisation, such as assisting the Group in coordinating the overall global commercialisation planning and execution and analysing healthcare and commercialisation policies across domestic and international markets.

The Initial conditional grants of Awards will be conditional upon the adoption of the Share Award Scheme at the EGM but is not subject to the approval of the Shareholders.

The terms of the conditional grant of Awards are as follows:

Grant Date: 14 August 2026

Number of Grantees: 2

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Number of Award Shares granted:

For the employee:

A total of 1,164,800 Award Shares, representing approximately 0.99% of the total issued Shares (excluding any treasury shares) at the Latest Practicable Date.

For the consultant:

A total of 1,164,800 Award Shares, representing approximately 0.99% of the total issued Shares (excluding any treasury shares) at the Latest Practicable Date.

None of the grantees is (i) a Director, chief executive or substantial shareholder of the Company, or an associate (as defined under the Listing Rules) of any of them; or (ii) a participant with Awards granted and to be granted exceeding the 1% individual limit under the Listing Rules.

Consideration of the Award Shares:

Nil

The vesting period and performance targets of the Awards:

The Award Shares granted under the conditional grants all are performance based Awards and shall be vested after 12 months from the date of grant.

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The Group has implemented a performance review mechanism for the employee and consultant to evaluate their performance and contribution to the Group. An appraisal will be conducted against the employee and consultant for the year after the grant of Awards. For the employee, the performance score will be based on the implementation process of the business plan of the Group; for the consultant, the performance score will be based on a comprehensive assessment across four key evaluation dimensions: strategic advisory & decision support, key resource matchmaking & introduction, industry insight & risk management, and core professional duties. The Award Shares granted shall vest upon achieving a performance score of 70 or more out of 100, as stipulated in the offer letter received by each of them.

Having considered that (1) the Awards will give the grantees an opportunity to have a personal stake in the Company; (2) the employee has demonstrated notable commitment and contributions in relation to the Group's collaborative projects and commercialisation planning; (3) the consultant is expected to provide consultancy services to the Group in relation to its product commercialisation as mentioned above; and (4) the Group aims to further motivate the grantees to enhance their performance, thereby contributing to the overall improvement of the Group's performance, the remuneration committee of the Board considers that the grant of the Awards aligns with the objectives of the Share Award Scheme as set out below:

- (a) there's a material misstatement in the audited financial statements of the Company that requires a restatement;

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- (b) where the grant or vesting of any Award is linked to any performance targets and the Board or the Scheme Administrator is of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner;
- (c) in the reasonable opinion of the Board or the Scheme Administrator, a Grantee has violated the terms of this Scheme or the terms of the grant of Award(s) as set out in the Offer Letter; or
- (d) where the Company is required to exercise a clawback in accordance with the Applicable Laws (including without limitation the Listing Rules) and/or pursuant to a request from any regulatory authority (including without limitation the Stock Exchange).

The Awards that are clawed back shall be regarded as lapsed and the Awards so clawed back will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit (including any refreshed limit, where applicable).

Clawback mechanism:

The Awards are subject to the clawback provisions under the Share Award Scheme.

Financial support:

There are no arrangements for the Company or any of its subsidiaries to provide financial support to the grantees to facilitate their respective purchase of Shares under the conditional grants.

The Award Shares

The Award Shares to be allotted and issued by the Company to the grantees shall be identical to all existing issued H Shares and will rank pari passu with the other fully paid H Shares in issue in all respects, except that such H Shares shall not carry any voting rights. The grantees shall not

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have any voting rights or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the shareholders prior to the completion of the Issuance Registration Procedures. Upon completion of such Issuance Registration Procedures, the Grantees shall be entitled to the same rights to dividends, transfer and other rights (other than voting rights) as attached to the other fully paid H Shares in issue.

Any Award granted under the Share Award Scheme must be personal to the Participant to whom it is made. No Awards may be transferred or assigned.

Number of Shares Available for Future Grant

As at the Latest Practicable Date, there were 117,657,522 Shares in issue. Assuming that no further Shares will be allotted, issued, repurchased or cancelled prior to the EGM and after the resolutions regarding the proposed adoption of the Share Award Scheme are passed at the EGM, the total number of Shares which may be issued in respect of all Awards under the Scheme and other share schemes of the Company would be no more than 11,765,752 Shares, representing no more than 10% of the total number of Shares in issue as at the Adoption Date and excluding treasury shares.

After taking into account the initial grants of Awards, the number of Shares available for future grant after the grant of the Awards under the Share Award Scheme under the Scheme Mandate Limit and the Service Provider Sublimit will be 9,436,152 Shares and 1,188,350 Shares, respectively.

Reasons for the Conditional Grants

The purpose of the Share Award Scheme is to provide the Company with a flexible means to retain, incentivise, reward, remunerate, and/or compensate its eligible persons and drive the performance and growth of the Group's business by providing such eligible persons with the opportunity to acquire equity interests in the Company. The grantees involve an employee and a consultant. The consultant, with biopharma expertise, global industry management and top-tier resources, has entered into an agreement (the "**Service Agreement**") with the Group for a term of not less than 12 months and provides consultancy services to the Group in relation to the commercialisation of its core products, such as assisting the Group in coordinating the overall global commercialisation planning and execution and analysing healthcare and commercialisation policies across domestic and international markets. To the knowledge of the Directors, the consultant has the capability to facilitate communication and engagement with distributors and hospital channels, as well as to assist in distributor selection and negotiations regarding centralised medical insurance procurement and is expected to bring valuable resources to the Group. The

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Board considers the provision of such consultancy services to be in the ordinary and usual course of business of the Group and is of the view that such grant to the consultant will benefit the Group's long-term growth by incentivising the consultant to contribute expertise and support the Group's operations and future development. Having considered the resources and benefits expected to be brought by the consultant to the commercialisation of the Group's core products and that the consultant will not receive any service fees under the Service Agreement, the Board believes that the amount of Awards granted to the consultant is fair and reasonable and such grant of Awards is in the interest of the Company and the Shareholders as a whole and aligns with the purposes of the Share Award Scheme. The purpose of the conditional grants is to align the interests of the grantees with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares. The conditional grants also serve to reinforce the grantees' commitment to long-term services to the Group, attract and retain high-calibre individuals.

In view of the above, the Directors (including the independent non-executive Directors) and the remuneration committee of the Board consider that the terms of the conditional grant of Awards to the grantees are fair and reasonable, align the interests of the grantees with those of the Company and the Shareholders and are in the interests of the Company and the Shareholders as a whole.

In light of this, the Board proposes to grant Awards to the grantees under the Share Award Scheme.

(VIII) IMPLICATIONS OF THE LISTING RULES

The Share Award Scheme will constitute a share scheme under Chapter 17 of the Listing Rules. Pursuant to Chapter 17 of the Listing Rules, share schemes must be approved by shareholders of the listed issuer in a general meeting. Accordingly, the proposed adoption of the Share Award Scheme is subject to, among others, the Shareholders' approval at the EGM.

(IX) EGM AND PROXY ARRANGEMENT

A notice of EGM is set out on pages EGM-1 to EGM-3 of this circular (the "**EGM Notice**"). The EGM will be convened and held at Plum Blossom Hall, 2nd Floor, Metropark Hotel Yingkun Beijing, Block H, No. 6 East Qiche Bowuguan Road, Fengtai District, Beijing, China on Friday, 4 September 2026 at 10:00 a.m.. A form of proxy for the EGM (the "**Form of Proxy**") is enclosed with this circular.

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Shareholders who intend to appoint a proxy to attend the EGM and to vote on the resolution set out in the EGM Notice are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon not less than 24 hours before the time appointed for the holding of the EGM (i.e. 10:00 a.m., on Thursday, 3 September 2026) or any adjournment thereof (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 EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Poll results will be announced by the Company by means set out in Rule 13.39(5) of the Listing Rules after the EGM.

In order to determine the list of Shareholders who will be entitled to attend and vote at the EGM, the registers of members of the Company will be closed from Tuesday, 1 September 2026 to Friday, 4 September 2026 (both dates inclusive), during which period no transfer of Shares will be effected. Shareholders whose names appear on the registers of members of the Company on Friday, 4 September 2026 (the record date) shall be entitled to attend and vote at the EGM. In order to qualify for attending and voting at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by before 4:30 p.m. on Monday, 31 August 2026.

(X) 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.

(XI) RECOMMENDATIONS

The Directors consider that all resolutions set out in the EGM Notice are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions set out in the EGM Notice.

LETTER FROM THE BOARD

(XII) DOCUMENTS AVAILABLE ON DISPLAY

A copy of the Share Award Scheme will be published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (qingchengxinyao.com) for at least 14 days prior to the date of the EGM and will be made available for inspection at the EGM.

(XIII) GENERAL

Your attention is drawn to the appendices to this circular.

Yours faithfully,

B&K Corporation Limited

Ms. JIA Lijia

Chairperson and Executive Director

1. DEFINITIONS AND INTERPRETATION

1.1 In these Rules, unless the context otherwise requires, each of the following words and expressions shall have the meaning respectively shown opposite to it:

“1% Individual Limit”	shall have the meaning as set out in Rule 15.5;
“Adoption Date”	the date on which the proposed adoption of the Scheme is approved by the Shareholders in general meeting or, if applicable, the date on which any other requisite approval(s) for the adoption of the Scheme as required under the Listing Rules is obtained, whichever is later;
“Articles”	the articles of association of the Company, as amended from time to time;
“Applicable Laws”	all applicable laws, regulations, ordinances or requirements of the relevant regulatory authorities including without limitation the Company Law of the PRC, the Securities Law of the PRC, the SFO, the Listing Rules or the relevant provisions of the Articles;
“associate”	has the meaning ascribed to this term in the Listing Rules;
“Auditors”	the auditors for the time being of the Company;
“Award”	an award granted by the Board or the Committee to a Grantee of a conditional right for such Grantee to receive such number of Award Shares, subject to the satisfaction of vesting conditions and such other terms and conditions, as the Board or the Committee may in its absolute discretion determine;

“Award Share(s)”	in respect of a Grantee, such number of H Share(s) underlying the Award(s) as determined by the Board or the Committee, and as may be issued as new H Shares in accordance with the terms of this Scheme;
“Board”	the board of directors of the Company (please also refer to Rule 1.2(f)), from time to time;
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities, and excluding Saturdays, Sundays and any other days when banks in the PRC and Hong Kong are closed for business;
“Cause Event”	shall have the meaning as set out in Rule 11.1(b);
“Company”	B&K CORPORATION LIMITED (青城新藥生物科技(青島)股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H Shares of which are listed and traded on the Stock Exchange (Stock Code: 02396);
“connected person”	has the meaning ascribed to this term in the Listing Rules;
“Costs”	shall have the meaning as set out in Rule 10.6;
“Disability”	permanent and total disability, determined by the Board or the Scheme Administrator in accordance with non-discriminatory standards as adopted by the Board from time to time;
“Eligible Person”	(a) an Employee Participant, (b) a Related Entity Participant, or (c) a Service Provider Participant who has contributed or may contribute to the development and growth of the Group, subject to the eligibility criteria in Rule 6.2;

“Employee Participant”	any PRC or non-PRC director (including executive, non-executive and independent non-executive director) and employee (whether full-time or part-time) of the Company or any of its subsidiaries, and including any person who are granted Awards as an inducement to enter into employment contracts with the Company or any of its subsidiaries;
“Grant Date”	the date on which the Board or the Scheme Administrator resolves to grant an Award to a Participant by way of a Board meeting or Board resolutions or any other committee meeting or such date as otherwise determined by the Board or the Scheme Administrator, which must be a Business Day;
“Grant Price”	the consideration payable by the Grantee on acceptance of an Offer as determined by the Board or the Scheme Administrator in its sole and absolute discretion, which shall be nil;
“Grantee”	any Eligible Person who accepts an Offer in accordance with the terms of the Scheme;
“Group”	the Company and its subsidiaries from time to time, and the expression “ member of the Group ” shall be construed accordingly;
“H Share(s)”	the overseas listed foreign shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Stock Exchange and subscribed for and traded in HK\$;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

“Lapse Event”	shall have the meaning as set out in Rule 11.1;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Offer”	shall have the meaning as set out in Rule 8.1;
“Offer Letter”	shall have the meaning as set out in Rule 8.1;
“Participant”	any Eligible Person who is approved for participation in the Scheme and who has been granted any Award pursuant to Rule 6.1;
“PRC”	the People’s Republic of China (for the purpose of this Scheme, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan);
“Related Entity”	the holding companies, fellow subsidiaries or associated companies of the Company, and a member of the Related Entity means any of the aforementioned entities;
“Related Entity Participant”	any director or employee (whether full-time or part-time employees) of any member of the Related Entity;
“Residual Cash”	cash remaining in the Trust (including interest income derived from deposits maintained with licensed banks in Hong Kong) which has not been applied in the subscription of the Award Shares;
“Scheme”	the 2026 H Share Award Scheme adopted by the Company of which these Rules apply;
“Scheme Administrator”	the committee of the Board or person(s) to which the Board has delegated its authority (as applicable) to administer the Scheme;

“Scheme Mandate Limit”	shall have the meaning set out in Rule 15.1, as increased, refreshed or renewed from time to time in accordance with these Rules;
“Scheme Period”	a period of ten (10) years commencing from (and including) the Adoption Date, unless terminated earlier in accordance with these Rules;
“Scheme Rule(s)” or “these Rules”	the rules set out herein relating to the Scheme as amended from time to time;
“Service Provider Participant”	means persons providing services to the Group on a continuing or recurring basis in the Group’s ordinary and usual course of business which are in the interests of the long term growth of the Group as determined by the Board or the Scheme Administrator, including suppliers, agents, consultants and/or contractors, which provide services and/or intermediary, professional and/or consultancy services to any member of the Group, but excluding placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, and professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity;
“Service Provider Sublimit”	shall have the meaning set out in Rule 15.2, as increased, refreshed or renewed from time to time in accordance with these Rules;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong);
“Shareholder(s)”	holder(s) of the Share(s);

“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to this term in the Listing Rules;
“substantial shareholder(s)”	has the meaning ascribed to this term in the Listing Rules;
“Taxes”	shall have the meaning set out in Rule 10.7;
“treasury shares”	has the meaning ascribed to this term in the Listing Rules;
“Trust”	a trust established or to be established by the Company in respect of and for the purpose of this Scheme;
“Trust Deed”	the trust deed to be entered into between the Company as settlor and the Trustee as trustee of the Trust (as restated, supplemented and amended from time to time);
“Trustee”	a professional trustee as may be appointed by the Company from time to time to administer the Trust and who, for the avoidance of doubt, shall be an independent third party to the Company;
“Vesting Date”	shall have the meaning set out in Rule 10.2;
“Vesting Price”	the purchase price per H Share payable by a Grantee to the Company on the vesting of an Award, which shall can be nil;
“%”	per cent.

1.2 In these Rules, except where the context otherwise requires:

- (a) references to Rules are to rules of this Scheme;
- (b) references to times of the day are to Hong Kong time;
- (c) if a period of time is specified as from a given day, or from the day of an act or event, it shall be calculated inclusive of that day;
- (d) a reference to “**dollars**” or to “**\$**” shall be construed as a reference to the lawful currency for the time being of Hong Kong, and to “**RMB**” shall be construed as a reference to the lawful currency of the PRC;
- (e) a reference, express or implied, to statutes, statutory provisions or the Listing Rules shall be construed as references to those statutes, provisions or rules as respectively amended or re-enacted or as their application is modified from time to time by other provisions (whether before or after the date hereof) and shall include any statutes, provisions or rules of which are re-enacted (whether with or without modification) and shall include any orders, regulations, instruments, subsidiary legislation, other subordinate legislation or practice notes under the relevant statute, provision or rule;
- (f) unless otherwise indicated, the Board can make determinations in its absolute discretion and if the Board delegates its authority to administer the Scheme to a committee of the Board, the committee of the Board shall enjoy the same absolute discretion;
- (g) a reference to “**include**”, “**includes**” and “**including**” shall be deemed to be followed by the words “**without limitation**”;
- (h) a reference to “**allot**” to a person shall include, where the context permits, a transfer of treasury share(s) to such person;
- (i) words importing the singular include the plural and vice versa, and words importing a gender include every gender;
- (j) headings are included in these Rules for convenience only and do not affect its interpretation;
- (k) references to any statutory body shall include the successor thereof and anybody established to replace or assume the functions of the same; and
- (l) references to new shares or new securities include treasury shares, and references to the issue of shares or securities include the transfer of treasury shares.

2. PURPOSES OF THE SCHEME

2.1 The purposes of the Scheme are:

- (a) to attract, motivate and retain skilled and experienced personnel who are Eligible Persons to strive for the long-term development goals of the Group and maximise the value of the Company for the benefits of both the Participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Participants directly to the Shareholders through ownership of Shares;
- (b) to recognise and acknowledge the contributions that Eligible Persons have or may have made or may make to the Group and to encourage the Eligible Persons to work towards enhancing the value of the Group and the Shares for the benefit of the Group and the Shareholders as a whole; and
- (c) to provide the Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to Eligible Persons.

3. CONDITIONS

3.1 This Scheme shall take effect subject to and is conditional upon:

- (a) the passing of the necessary resolution(s) by the Shareholders in general meeting and the obtaining of any other requisite approval(s) (or waiver(s), as the case may be) as required under the Listing Rules; and
- (b) the Stock Exchange has granted its approval for the listing of, and permission to deal in, the H Shares which may fall to be allotted and issued pursuant to the vesting of any Awards which may be granted under this Scheme.

3.2 The conditions set out in Rule 3.1 above cannot be waived.

4. DURATION

4.1 Subject to Rules 19 and 20, the Scheme shall be valid and effective for the Scheme Period, after which no further Awards may be granted under this Scheme, but the provisions of this Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect as to the administration of Awards granted prior

thereto or otherwise as may be required in accordance with the provisions of this Scheme. Subject always to the terms of the relevant grant, Awards granted prior to the end of the Scheme Period but not yet vested shall continue to be valid in accordance with this Scheme.

5. ADMINISTRATION

- 5.1 The Scheme shall be subject to the administration of the Board or the Scheme Administrator in accordance with these Rules and, where applicable, the Trust Deed. A decision of the Board or the Scheme Administrator shall be final and binding on all persons affected thereby.
- 5.2 The authority to administer the Scheme (whether in whole or in part) may be delegated by the Board to the Scheme Administrator at the sole discretion of the Board, provided that nothing in this Rule shall prejudice the Board's power to revoke (in whole or in part) such delegation, at any time or derogate from the discretion rested with the Board as contemplated in Rule 5.1.
- 5.3 Unless explicitly contrary to these Rules, the Board can make determinations in its administration of this Scheme, and where such authority is delegated to a Scheme Administrator, the Scheme Administrator shall enjoy the same absolute discretion. Neither the Board nor the Scheme Administrator shall be bound to give any reason therefor in connection with their exercise of such discretion.
- 5.4 Without limiting the generality of Rule 5.3, the Board or the Scheme Administrator with delegated authority may:
- (a) construe and interpret these Rules and the terms of the Awards granted under the Scheme;
 - (b) make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the Scheme, provided that they are not inconsistent with these Rules;
 - (c) grant Awards to those Eligible Persons whom it shall select from time to time;
 - (d) determine the number of Awards to be granted;

- (e) determine the terms and conditions of the Awards and make any such appropriate adjustments to the terms of the Awards granted as it deems necessary or appropriate;
- (f) determine how the Vesting Price will be settled and whether and to what extent, and circumstances pursuant to which an Award may be lapsed, cancelled, forfeited and/or surrendered;
- (g) determine the commencement and/or termination date of an Eligible Person's employment with any member of the Group for the purpose of determining the eligibility of the Eligible Person;
- (h) where applicable, establish and administer performance targets in respect of the Scheme;
- (i) approve the form of an Offer Letter (which does not need to be identical for every Participant);
- (j) decide any other matters that need to be determined in connection with an Offer and make any other determination and take any other actions as it deems necessary or desirable for the administration of the Scheme;
- (k) exercise any clawback rights as may be specified in these Rules and/or the Offer Letter;
- (l) establish and administer the Trust in accordance with the Trust Deed and give all necessary instructions to the Trustee in relation to the administration of the Trust;
- (m) appoint and remove the Trustee from time to time; and
- (n) take such other steps or actions to give effect to the terms and intent of these Rules and/or the Awards.

5.5 None of the directors of the Company or any Scheme Administrator shall be personally liable by reason of any contract or other instrument executed by him/her, or on his/her behalf or for any mistake of judgement made in good faith, for the purposes of the Scheme, and the Company shall, to the extent not prohibited by any Applicable Laws, indemnify and hold harmless each member of the Board and any Scheme Administrator to whom the Board has delegated its authority in relation to the administration or interpretation of the Scheme, against any cost or expense (including legal fees) or

liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with the Scheme unless arising out of such person's own willful default, fraud or bad faith.

6. OPERATION OF THE SCHEME

- 6.1 The Board or the Scheme Administrator may, from time to time, select any Eligible Person to be a Participant and, subject to Rule 6.4, grant Awards to such Participant during the Scheme Period. The nature, amount, terms and conditions of any such Awards so granted shall be determined by the Board or the Scheme Administrator in its sole and absolute discretion, subject to these Rules.
- 6.2 The basis of eligibility of any Eligible Person shall be determined by the Board or the Scheme Administrator in its sole and absolute discretion from time to time on the basis of the Eligible Person's contribution or potential contribution to the development and growth of the Group. In determining the basis of eligibility of Eligible Persons, the Board would take into account, among other things, the following factors, provided that such factors are not conclusive and should be considered on a case-by-case basis:
- (a) with respect to Employee Participants, (i) their general working performance, (ii) their time commitment, (iii) their length of service within the Group, (iv) their work experience and responsibilities; and (v) the employment conditions with reference to the prevailing market practice and industry standards;
 - (b) with respect to Related Entity Participants, (i) their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group, which may include the degree of their involvement in and/or cooperation with the Group; (ii) the length of their collaborative relationship established with the Group; (iii) the extent of positive impact provided by or expected from business development activities in terms of actual or expected change in the Group's revenue or profits attributable to them; (iv) whether they have provided measurable assistance to improve any aspect of the Group's operations including but not limited to assisting the Group to tap into new markets or increase its existing market share; and (v) the amount of actual or potential support, assistance, guidance, advice, effort and contribution that they are likely to be able to give or contribute towards the success of the Group; and

- (c) with respect to Service Provider Participants, (i) their experience and network in the relevant industry; (ii) the frequency of their collaboration and the length, materiality and nature of their business relationship with the Group; (iii) their background, track record and reputation in the industry; (iv) their potential and/or actual contribution to the business affairs of the Group including any positive impacts to the Group's business attributable to them; and (v) the synergy between them and the Group.

6.3 The Participants shall be determined in accordance with the Applicable Laws and regulatory documents and the relevant provisions of the Articles, together with the actual circumstances and matters of the Company including the present and expected contribution of the relevant Participant to the Group. No person shall be considered as a Participant if such person:

- (a) has been publicly reprimanded or deemed as an inappropriate candidate for similar share schemes or share incentive plans of a listed company by any securities regulatory bodies with authority in the last twelve (12) months;
- (b) has been imposed with penalties or is banned from trading securities by securities regulatory bodies due to material non-compliance with laws or regulations in the last twelve (12) months;
- (c) is prohibited from serving as a director or the senior management of the Company under the Company Law of the PRC;
- (d) is prohibited by any Applicable Laws to participate in share schemes or share incentive plans of a listed company; or
- (e) has been declared bankrupt or has entered into any arrangement or compromise with his creditors generally.

The Participants shall undertake that if any of the above provisions occur during implementation of the Scheme which would prevent them from being considered as a Participant, they shall give up their rights to participate in the Scheme and no compensation shall be due to the Participants. The Company shall not be liable for any failure by an Eligible Person to obtain any required consent or approval necessary for their participation in the Scheme.

6.4 Notwithstanding the provision in Rule 6.1, no grant of any Awards to or for the benefit of any Participant may be made:

- (a) in any circumstances where the requisite approval from any applicable regulatory authorities has not been granted, provided that to the extent permissible under Applicable Laws, a grant of Award may be made conditional upon such approval being obtained;
- (b) in any circumstances that any member of the Group will be required under Applicable Laws to issue a prospectus or other offer documents in respect of such grant or the Scheme;
- (c) where such grant would result in a breach by any member of the Group or its directors of any Applicable Laws in any jurisdiction;
- (d) (save where relevant waiver(s) from the Stock Exchange and/or the required approval(s) (including the approval of the Shareholders) under the Listing Rules have been obtained) where such grant of Award would result in a breach of the Scheme Mandate Limit or the 1% Individual Limit as set out in Rule 15, or the minimum public float requirement as required under the Listing Rules (or the minimum percentage of public float as prescribed by the Stock Exchange), or would otherwise cause the Company to issue H Shares in excess of the permitted amount in the mandate approved by the Shareholders; and/or
- (e) where an Award is granted to, or for the benefit of, a connected person of the Company and will require specific approval(s) (including the approval of the Shareholders) under the Listing Rules, until such approval(s) is obtained, provided that to the extent permissible under Applicable Laws, such grant may be made conditional upon such approval(s) being obtained, and any such grant so made (or made without the necessary conditions as contemplated above) shall be null and void to the extent (and only to the extent) that it falls within any of the circumstances described above.

7. TIMING OF OFFER

7.1 No Award shall be granted to a Participant under the Scheme:

- (a) where the Company has come to knowledge of any inside information (as defined in the SFO), until (and including) the trading day after the Company has announced the information in accordance with the requirements of the Listing Rules and the SFO;
- (b) in circumstances prohibited by the Listing Rules or where dealings by the Participant will be prohibited under any code or requirement of the Listing Rules or any Applicable Laws; and/or
- (c) during the period commencing 30 days immediately before the earlier of:
 - (i) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the results of the Company for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement for such year, half year, quarterly or interim period (as the case may be), provided that such period will also cover any period of delay in the publication of any results announcement.

7.2 In addition to the restrictions set out in Rule 7.1, no Award shall be granted to (i) any director of the Company, (ii) any trusts of which any director is a sole-trustee (other than a bare trust where none of such director or any of his close associates is a beneficiary of the trust); (iii) the spouse or any minor child of such director under 18 years of age; and/or (iv) any employee of the Company or director or employee of a subsidiary of the Company who, because of his office or employment in the Company or its subsidiary, is likely to possess inside information in relation to the securities of the Company:

- (a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to and including the publication date of the results; and

- (b) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and the half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to and including the publication date of the results.

7.3 In respect of the administration and implementation of the Scheme, the Company shall comply with all applicable disclosure regulations including those imposed by the Listing Rules.

8. OFFER LETTER AND NOTIFICATION OF GRANT

8.1 The Company shall, in respect of the offer of each Award (the “Offer”), on the Grant Date (or, in the case of the initial grant of Awards prior to the adoption of this Scheme, as soon as reasonably practicable after the Adoption Date) issue a letter to each Participant in such form as the Board or the Scheme Administrator may from time to time determine, which may specify the number of Awards, the Vesting Price (if any), the vesting period, any vesting criteria and conditions (where applicable), the date by which the grant must be accepted, any circumstances where the Company may exercise its right to clawback the Awards granted and such other details as the Board or the Scheme Administrator may consider necessary, and requiring the Participant to undertake to be bound by the terms and provisions of these Rules and irrevocably give the undertakings deemed to be given by the Participant under these Rules (an “Offer Letter”).

8.2 The Participant is not required to pay any Grant Price for acceptance of an Offer.

8.3 An Offer shall be deemed to have been accepted by the Grantee (i) when the duplicate Offer Letter constituting acceptance of the Award duly signed by the Grantee; or (ii) upon acceptance by the Grantee in any other manner prescribed by the Company from time to time as specified in the Offer Letter.

8.4 The Board or the Scheme Administrator may, in respect of each Award and subject to Applicable Laws, determine any performance targets having regard to the key performance indicators, at corporate, subsidiary, division, operating unit, business line, project, geographic or individual level or otherwise, commonly adopted by businesses operating in the industries and markets in which the Group operates or other criteria as condition(s) to the vesting of Awards. If any of the vesting conditions (including any performance targets as referred to in this Rule) for the Awards are not satisfied on or prior to the relevant Vesting Date, the relevant Awards shall lapse automatically and shall not be vested in the Participant, unless otherwise stipulated in the Offer Letter or determined by the Board or the Scheme Administrator in its sole and absolute discretion.

For the avoidance of doubt, and unless the Listing Rules require otherwise, an Award shall not be subject to any performance targets, criteria or conditions if none are set out in the relevant Offer Letter.

- 8.5 To the extent that an Offer is not accepted within the time period and in the manner specified in the Offer Letter, the Offer will be deemed to have been irrevocably declined and will lapse unless the Board or the Scheme Administrator determines otherwise.
- 8.6 By accepting an Offer, a Grantee shall be deemed to be bound by the terms of these Rules and the terms of the Offer Letter.
- 8.7 Following the receipt by the Company of the duplicate Offer Letter constituting acceptance and the requisite payment (where applicable) from a Grantee, the Company shall provide a fully executed copy of the relevant Offer Letter to the Trustee, subject to the terms of the Trust Deed.

9. ISSUE OF H SHARES TO THE TRUSTEE

- 9.1 The sources of the Award Shares under the Scheme shall be (i) new H Shares allotted and issued by the Company to the Trustee; and (ii) treasury shares (if any).
- 9.2 Subject to Rule 9.4, the Company shall, for the purposes of satisfying the grant of an Offer, (i) issue and allot new H Shares to the Trustee; and/or (ii) transfer treasury shares to the Trustee out of its treasury. Subject to the Applicable Laws, the Company shall instruct the Trustee whether or not to apply any Returned Shares to satisfy any grant of Offer made, and if the Returned Shares, as specified by the Company, are not sufficient to satisfy the Offer granted, the Company shall, subject to the other provisions of this Scheme, for purposes of satisfying the Offer granted, (i) issue and allot further H Shares to the Trustee; (ii) transfer to the Trust the necessary funds and instruct the Trustee to acquire further H Shares on the market at the prevailing market price or at price within a specified price range; and/or (iii) transfer further treasury shares to the Trustee out of its treasury.
- 9.3 The Company shall cause new H Shares and/or treasury shares to be made available to the Trustee for the proper administration and operation of this Scheme in accordance with the terms hereof.
- 9.4 The Company shall not allot or issue new H Shares to the Trustee (or transfer to the Trustee treasury shares) where (i) such action (as applicable) is prohibited under the Applicable Laws; or (ii) during such periods as stated in Rule 7.1. Where such a

prohibition causes the prescribed timing imposed by these Rules or the Trust Deed to be missed, such prescribed timing shall be treated as extended until as soon as reasonably practicable after the first Business Day on which the prohibition no longer prevents the relevant action.

- 9.5 The Company shall not issue or allot new H Shares to the Trustee (or transfer to the Trustee treasury shares) in excess of the number allowed pursuant to the Scheme Mandate Limit and/or the Service Provider Sublimit (or any refreshed limit, where applicable) or otherwise in breach of the provisions of the Scheme.
- 9.6 The Board or the Scheme Administrator may at any time instruct the Trustee in writing to deal with the Award Shares which, as of the date of such instruction, are unvested and have not previously lapsed pursuant to any provisions herein, or remaining on the Trust for any other reason, in a manner determined by the Board or the Scheme Administrator at its absolute discretion (which may include, among others, (i) transferring all relevant Award Shares to other account(s) maintained by the Trustee (or any other trustee as appointed by the Company) for the purposes of operating other share schemes of the Company; (ii) disposing such Award Shares and remitting the proceeds to the Company, provided that such action falls outside of such periods as stated in Rule 7.1 and in compliance with the Applicable Laws; and/or (iii) accelerating vesting of such Award Shares and transferring such Award Shares to the relevant Grantee), provided that such action falls outside of such periods as stated in Rule 7.1 and that such instructions shall comply with the terms and conditions of the Trust Deed subject to any Applicable Laws.
- 9.7 The Company may, from time to time, repurchase any Award Shares held by the Trustee and deal with such Award Shares in any manner (as determined by the Board or the Scheme Administrator at its absolute discretion) permitted under Applicable Laws in accordance with the terms of the Trust Deed, provided that such action falls outside any period during which share repurchases are prohibited under the Listing Rules and other Applicable Laws and subject to the obtaining of any requisite approval(s) (or waiver(s), as the case may be) as required under the Listing Rules and other Applicable Laws.
- 9.8 The Award Shares issued and/or transferred pursuant to this Scheme shall be identical to all existing issued H Shares and shall be subject to all the provisions of the Articles for the time being in force and will rank *pari passu* with the other fully paid H Shares in issue and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the fully paid H Shares in issue and rights in respect of any dividend or other distributions on the date the name of the Grantee (or his personal representative(s)/nominee to hold on trust or in custody for the

benefit of the Grantee) is registered on the register of members of the Company or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, save that the Grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the Shareholders on the register on a date prior to such registration.

10. VESTING OF AWARDS

10.1 An Award must be held for at least twelve (12) months from the Grant Date before such Award can be vested, except that at the sole and absolute discretion of the Board or the Scheme Administrator, a shorter vesting period may be granted to an Employee Participant in any of the following circumstances:

- (a) grants of “make whole” Awards to new Employee Participants to replace options and/or awards that such Employee Participants forfeited when leaving their previous employers;
- (b) grants to an Employee Participant whose employment is terminated due to death or Disability or event of force majeure;
- (c) grants of Awards which are subject to fulfillment of performance targets (as opposed to time-based conditions);
- (d) grants of Awards the timing of which is determined by administrative or compliance requirements not connected with the performance of the relevant Participant, in which case the Vesting Date may be adjusted to take account of the time from which the Awards would have been granted if not for such administrative or compliance requirements;
- (e) grants of Awards with a mixed or accelerated vesting schedule such that the Awards may vest evenly over a period of twelve (12) months; or
- (f) grants of Awards with a total vesting period of more than twelve (12) months, such as where the Awards may vest by several batches with the first batch to vest within twelve (12) months of the Grant Date and the last batch to vest at least twelve (12) months after the Grant Date.

10.2 The Board or the Scheme Administrator may, subject to the Applicable Laws, determine in its sole discretion any vesting criteria and conditions or periods for the Awards to be vested hereunder. Vesting of the Awards granted under the Scheme is subject to such vesting criteria and conditions as set out in the Offer Letter. Any Award Share held by the Trustee on behalf of a Grantee pursuant to the provisions of these Rules, subject to Rule 10.4, vests in such Grantee in accordance with the vesting schedule(s) (if any) and the performance target(s) (if any) as set out in the Offer Letter (for this purpose, the date or each such date on which the Award Shares are to vest is referred to as a “**Vesting Date**”).

10.3 For the purposes of vesting of an Award, the Board or the Scheme Administrator may either, subject to the choice of the Grantee in respect of the manner of vesting:

- (a) direct and procure the Trustee to release from the Trust the Award Shares to the Grantee by transferring such number of Award Shares to the Grantee (or his personal representative(s)/nominee to hold on trust or in custody for the benefit of the Grantee) in such manner as determined by the Board or the Scheme Administrator from time to time; and/or
- (b) direct and procure the Trustee to sell on-market at prevailing market prices such number of Award Shares so vested in the Grantee and pay the Actual Selling Price arising from such sale of Award Shares to the Grantee (or his personal representative(s)/nominee to hold on trust or in custody for the benefit of the Grantee); and/or
- (c) a combination thereof,

provided that:

- (a) if the Grantee has not indicated his choice by writing to the Company under this Rule within the time period specified by the Board or the Scheme Administrator, the Board or the Scheme Administrator shall have the sole and absolute discretion to determine the manner of vesting (including by any or a combination of the methods set out in (a), (b), and (c) above), and the Grantee shall be bound by such determination; and
- (b) the Company shall not be liable for any delay or failure in making any payment to the Grantee under this Rule due to foreign exchange controls, cross-border fund transfer restrictions, any other restrictions under Applicable Laws, or force majeure events beyond the Company’s reasonable control, in which case the Grantee waives

any claim against the Company arising from such delay or non-payment. Under such circumstances, the Board or the Scheme Administrator may in its sole discretion adjust the timing, method or terms of payment, or to terminate its payment obligation.

10.4 Within a reasonable period (as determined by the Board or the Scheme Administrator) after (i) the relevant vesting conditions have been satisfied in accordance with these Rules and the relevant Offer Letter subject to the Board's or the Scheme Administrator's determination of satisfaction; or (ii) in the case where the vesting of Awards is not subject to any vesting conditions, the Vesting Date as specified in the relevant Offer Letter, the Company shall send to the relevant Grantee a vesting notice (the "**Vesting Notice**"). The Company or the Scheme Administrator shall at the same time forward a copy of the Vesting Notice to the Trustee, following which the Board or the Scheme Administrator shall instruct the Trustee for the release or sale of the Award Shares so vested in accordance with Rule 10.3 on any dates as determined by the Board or the Scheme Administrator from time to time.

10.5 Upon receipt of the Vesting Notice and the instructions from the Board or the Scheme Administrator in accordance with Rule 10.3 (and subject to Rule 10.4), the Trustee shall transfer and release the relevant Award Shares to the relevant Grantee (or his personal representative(s) / nominee to hold on trust or in custody for the benefit of the Grantee) and/or sell the relevant Award Shares and pay the Actual Selling Price to the Grantee (or his personal representative(s) / nominee to hold on trust or in custody for the benefit of the Grantee) in satisfaction of the Award in accordance with the Board's or Scheme Administrator's instructions and within any specified timeframe as determined by the Board or the Scheme Administrator.

10.6 Any stamp duty, levies, fees or other costs and expenses arising on the sale of the Award Shares due to the vesting of Awards and payment in accordance with Rule 10.3 (the "**Costs**") shall be borne by the Grantee. To this effect, the Company may, notwithstanding anything else in these Rules (but subject to Applicable Laws), by itself or via instructing the Trustee to:

- (a) require the Grantee to remit to any member of the Group or the Trust, in the form of cash or a certified or bank cashier's cheque, an amount sufficient to satisfy the Costs; and/or

- (b) deduct or withhold, without notice to the Grantee, the amount of Costs from the Actual Selling Price payable to the Grantee or from any payments due from any member of the Group to the Grantee, including from the salary payable to the Grantee by any member of the Group; and/or
- (c) take any combination of the actions set out in (a) and/or (b) above; and/or
- (d) make such alternative arrangements as mutually agreed by the Company and the Grantee for the payment of such amount,

as necessary to cover any outstanding Costs payable by the Grantee.

10.7 All taxes (including personal income taxes, professional taxes, salary taxes, property transfer taxes and similar taxes, as applicable), duties, social security contributions, impositions, charges (including but not limited to penalties for late payment of taxes) and other levies arising out of or in connection with the Grantee's participation in the Scheme or in relation to the H Shares, Actual Selling Price, related income or cash amount of equivalent value of the H Shares (the "**Taxes**") received by a Grantee shall be borne by the Grantee, and the Company shall not be liable for any Taxes, unless otherwise required by Applicable Laws. The Grantee shall indemnify the Trustee and the Company against any liability each of them may have to pay or account for such Taxes, including any withholding liability in connection with any Taxes. The Grantee shall use best efforts and take all necessary actions to assist the Company in fulfilling any obligation to pay Taxes.

10.8 Where the Company has a tax withholding obligation in respect of any of the Taxes or is permitted by Applicable Laws to withhold Taxes on behalf of the Grantee, the Grantee may choose to satisfy such obligation to pay Taxes by one or more of the following ways:

- (a) by remitting to the Company (or any member of the Group as designated by the Board or the Scheme Administrator) or the Trust (as determined by the Board or the Scheme Administrator) the corresponding amount of Taxes in the form of cash or a certified or bank cashier's cheque; and/or
- (b) by authorising the Company to deduct or withhold the corresponding amount of Taxes from the Actual Selling Price payable to the Grantee; and/or
- (c) by taking any combination of the actions set out in (a) and/or (b) above; and/or

- (d) by making such alternative arrangements as mutually agreed by the Company and the Grantee for the payment of such amount of Taxes.

10.9 If the Grantee fails to satisfy any of his obligation to pay Taxes under Rule 10.7 or fails to notify the Company of the chosen payment method as referred to in Rule 10.8 within the period specified by the Board or the Scheme Administrator (as the case may be), to give effect to Rules 10.7 and 10.8, the Company may, notwithstanding anything else in these Rules (but subject to Applicable Laws), by itself or via instructing the Trustee to:

- (a) deduct or withhold, without notice to the Grantee, the amount of any outstanding Taxes and/or any such liability from the Actual Selling Price payable to the Grantee or from any payments due from any member of the Group to the Grantee, including from the salary payable to the Grantee by any member of the Group; and/or
- (b) take any other action permitted under Applicable Laws as the Board or the Scheme Administrator deems fit,

as necessary to cover any outstanding Taxes payable by the Grantee and/or any liability the Company may have to pay or account for or has paid or accounted for such Taxes.

11. LAPSE AND CANCELLATION OF AWARDS

11.1 Without prejudice to other circumstances where an Award may lapse (including without limitation in accordance with the terms in an Offer Letter, or as otherwise determined by the Board or the Scheme Administrator in accordance with these Rules), any unvested Award shall lapse automatically upon the occurrence of any of the following events (hereinafter a “**Lapse Event**”):

- (a) a Grantee ceases to be an Eligible Person by reason of the termination of the labour contract, employment or contractual engagement or service relationship between the Grantee and any member of the Group or Related Entity (as the case may be) by reason of (i) resignation, (ii) retirement (where no new service contract has been entered into with the Group or Related Entity (as the case may be)), (iii) death, (iv) Disability, (v) non-renewal of employment or service contract upon its expiration, (vi) termination of employment or service contract in advance through consensus negotiation (regardless of the reasons), or (vii) dismissal due to unsatisfactory performance or incompetence of the Grantee;

- (b) the commission of any of the following act(s) or omission(s) by the Grantee (hereinafter a “**Cause Event**”) (in which case the Company reserves the right to take legal actions, including but not limited to bringing a claim against the relevant Grantee for the loss and damages suffered by the Group as a result of act(s) and/or omission(s)):
 - (i) a dereliction of duty or serious misconduct; or
 - (ii) any decision made by the Grantee (whether individually or jointly with others), which had caused loss and damages to any member of the Group or Related Entity (as the case may be) which, individually or in aggregate, has a material negative effect on the business interests of the Group; or
 - (iii) a breach of any of the undertakings contained in Rule 13; or
 - (iv) in the case of termination of employment, any failure to comply with the relevant employment termination procedures in accordance with the relevant regulations of the employer; or
 - (v) the commission and conviction of a criminal offence under any Applicable Laws/PRC laws as determined by a court of competent jurisdiction; or
 - (vi) a breach of any contracts with any member of the Group or Related Entity (as the case may be).

11.2 In the case of death of the Grantee, the lawful successor of the Grantee shall inherit the legitimate rights and interests of the vested Awards pursuant to the terms of these Rules.

11.3 Notwithstanding Rule 11.1, if the employment relationship between a Grantee and any member of the Group or Related Entity (as the case may be) is terminated by reason of:

- (a) re-employment after retirement by the Company upon the execution of a re-employment agreement; or
- (b) change of position within the Group (other than by reason of a Cause Event), and subject to the Grantee continuing to be an Eligible Person, any unvested Award shall continue to vest in accordance with the Vesting Dates and vesting criteria and conditions set out in the Offer Letter, unless the Board or the Scheme Administrator determines otherwise in its sole and absolute discretion. In the case where the employment relationship between a Grantee and any member of the

Group or Related Entity (as the case may be) is terminated by reason of change of position to a Related Entity (other than by reason of a Cause Event), the treatment of any unvested Award shall be determined by the Board or the Scheme Administrator in its sole discretion.

11.4 Without prejudice to other circumstances where an Award shall lapse pursuant to the terms in an Offer Letter as determined by the Board or the Scheme Administrator at its discretion, an Award shall lapse automatically upon the earliest of:

- (a) the date on which the Grantee ceases to be a Participant by reason of any of the grounds referred to in Rule 6.3;
- (b) any actual or purported breach of any of the undertakings in Rule 13;
- (c) the non-fulfillment of any vesting condition or criteria as determined by the Board or the Scheme Administrator and set out in the relevant Offer Letter on or before the Vesting Dates stated therein;
- (d) in the case of a voluntary winding-up of the Company as referred to in Rule 16.1, general offers as referred to in Rule 16.2 and/or any compromise or arrangement referred to in Rule 16.3, such date of lapse or the expiry of such deadline as determined by the Board or the Scheme Administrator; or
- (e) the occurrence of such event or expiry of such period as may have been specifically provided for in the Offer Letter, if any.

11.5 A determination of the Board or the Scheme Administrator to the effect that the Awards shall lapse on one or more of the grounds as specified in this Rule 11 shall be conclusive and binding on the Grantee and that in each case above the Board or the Scheme Administrator in its absolute discretion may decide that such Awards or any part thereof shall not so lapse or determine that such Awards are subject to such conditions or limitations as it may decide; and that any of such decision shall be conclusive and binding on the Grantee. The Company shall not owe any liability to any Grantee for the lapse of any Awards under this Rule 11. Any Awards lapsed in accordance with the terms of the Scheme shall not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit (including any refreshed limit, where applicable).

11.6 The Board or the Scheme Administrator may cancel Awards previously granted to and yet to be vested to a Grantee. The Grantee whose Awards are cancelled pursuant to this Rule may be granted new Awards under this Scheme in accordance with the Scheme Mandate Limit and the Service Provider Sublimit (including any refreshed limit, where applicable) but subject always to such grant of new Awards complying with the Applicable Laws and these Rules. Any Awards cancelled in accordance with the terms of the Scheme shall be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit (including any refreshed limit, where applicable).

12. CLAWBACK MECHANISM

12.1 Subject to otherwise provided under these Rules, the Board or the Scheme Administrator may, at its sole discretion, determine the clawback mechanism of any Award or the extension of the vesting period of an Award, if any of the following events (among others) occurs, regardless of whether such event is due to the action (or omission) of any Grantee:

- (a) there's a material misstatement in the audited financial statements of the Company that requires a restatement;
- (b) where the grant or vesting of any Award is linked to any performance targets and the Board or the Scheme Administrator is of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner;
- (c) in the reasonable opinion of the Board or the Scheme Administrator, a Grantee has violated the terms of this Scheme or the terms of the grant of Award(s) as set out in the Offer Letter; or
- (d) where the Company is required to exercise a clawback in accordance with the Applicable Laws (including without limitation the Listing Rules) and/or pursuant to a request from any regulatory authority (including without limitation the Stock Exchange).

Under the above circumstances, the Board or the Scheme Administrator may (but is not obliged to) by notice in writing to the Grantee concerned clawback such number of Awards (to the extent not being vested) granted as the Board or the Scheme Administrator may consider appropriate. The Awards that are clawed back pursuant to

this Rule shall be regarded as lapsed and the Awards so clawed back will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit (including any refreshed limit, where applicable).

13. RESTRICTIVE COVENANTS AND UNDERTAKINGS

13.1 By accepting any Offer, a Grantee shall be deemed to have made the restrictive covenants and the undertakings set forth in this Rule to and for the benefit of the Group.

13.2 Any Award granted hereunder shall be personal to the Grantee to whom it is made and shall not be assignable or transferable, and no Grantee may make any attempt to or take any action to sell, transfer, assign, charge, mortgage, encumber, hedge or create any interest in favour of any person over or in relation to any Awards or interests or benefits pursuant to the Awards.

13.3 The Grantee undertakes that he will not take any act (or omit to take any act) that is materially adverse to the name, reputation or interests of any member of the Group or Related Entity (as the case may be) or their respective directors, supervisors and employees.

13.4 The Grantee undertakes that he shall not reveal, disclose, inform, deliver or pass on (or take any action that has a similar effect to any of the foregoing) any trade secrets of any member of the Group or Related Entity (as the case may be) to any third party or making such trade secrets public in any form (including publication, online posting, applying for patents, etc.) without the consent of such member of the Group or Related Entity (as the case may be). For the purpose of this Rule, “**trade secrets**” means technical and business information that is not known to the public, and is capable of bringing economic benefits and conferring advantageous position over others in respect of the Group or Related Entity (as the case may be), is of practical use and has been subject to confidentiality measures taken by any member of the Group or Related Entity (as the case may be); or

13.5 The Grantee undertakes not to act in any manner that may cause conflicts of interest or breach of the duty of diligence to any member of the Group or Related Entity (as the case may be), including working at any entity that competes with such member of the Group or Related Entity (as the case may be), engaging in any profit-making or business activities without the consent of such member of the Group or Related Entity (as the case may be), engaging in any work that is not arranged by such member of the Group or Related Entity (as the case may be) during scheduled working hours without the

consent of such member of the Group or Related Entity (as the case may be), engaging in activities that compete with the business operations of such member of the Group or Related Entity (as the case may be) or conferring competitive benefits to a competing entity.

13.6 The Grantee undertakes to promptly pay all Taxes that are payable by him/her arising out of or otherwise in connection with his/her participation in the Scheme, and make any and all governmental filings (including without limitation fulfilling the relevant foreign exchange registration procedures) to ensure that he/she can lawfully hold the Awards on or before he/she accepts the Offer and for exercising his/her rights over the Awards upon vesting. All Taxes arising from a Grantee's acceptance and/or vesting of the Award shall be paid within any time period as stipulated under any Applicable laws, and the Grantee undertakes to indemnify and hold harmless the Company on any delay or failure in complying with this undertaking.

13.7 Subject to otherwise provided under Rule 11.1, any actual or purported breach of any of the undertakings under this Rule 13 shall result in lapse of any outstanding Awards (regardless of whether vested or not) or part thereof granted to such Grantee. For this purpose, a determination by the Board or the Scheme Administrator to the effect that the Grantee has or has not breached Rule 13.1 shall be final and conclusive without the need of assigning any reason therefor.

14. ALTERATIONS IN SHARE CAPITAL

14.1 Where there is any alteration in the capital structure of the Company by way of a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of the share capital of the Company, the Board or the Scheme Administrator shall make such corresponding adjustments (if any) to reflect such changes with respect to the number of Award Shares underlying the Awards so far as unvested, and the Auditors or an independent financial advisor engaged by the Company for such purpose shall certify in writing that such adjustments satisfy the applicable requirements of the Listing Rules and are, in their opinion, fair and reasonable generally or as regards any particular Grantee, provided that (i) any such adjustments should give each Grantee the same proportion of the equity capital of the Company (rounded to the nearest whole Share) as that to which that Grantee was previously entitled prior to such adjustments; (ii) any such adjustment shall be made in accordance with the provisions as stipulated under Chapter 17 of the Listing Rules and relevant guidance and interpretation of the Listing Rules issued by the Stock Exchange from time to time; and (iii) no such adjustments shall be made which would result in an H Share being issued or transferred at less than its nominal value (if any).

Subject to the above principles and certification procedures, and any further or updated guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time, the Company shall follow the method of adjustment as set out in Appendix 1 to the Frequently Asked Questions FAQ13 issued by the Stock Exchange which is replicated below:

(1) Capitalisation Issue or Rights Issue

Adjustments shall follow the following formula:

$$\text{New Number of Awards} = \text{Existing Number of Awards} \times F$$

Where:

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

CUM = Closing price as shown in daily quotation sheet of the Stock Exchange on the last trading day before going ex-entitlement to the offer (the cum-rights price)

$$\text{TEEP (Theoretical Ex-Entitlement Price)} = \frac{\text{CUM} + [M \times R]}{1 + M}$$

M = Entitlement per existing Share

R = Subscription price for the capitalisation issue or rights issue (as the case may be)

(2) Sub-division, Consolidation or Reduction of Share Capital

Adjustments shall follow the following formula:

$$\text{New Number of Awards} = \text{Existing Number of Awards} \times F$$

Where F = Sub-division, consolidation or capital reduction factor (as the case may be)

14.2 The capacity of the Auditors or independent financial advisor (as the case may be) in Rule 14.1 is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees.

14.3 In respect of any adjustments required by Rule 14.1, other than any made on a capitalisation issue, the Auditors or independent financial adviser (as the case may be) shall confirm to the Board in writing that the adjustments satisfy the relevant requirements set out in the Listing Rules and all relevant guidance and interpretation of the Listing Rules issued by the Stock Exchange from time to time.

14.4 If the Company conducts any capitalisation issue, rights issue, share consolidation, share sub-division or capital reduction after the Scheme Mandate Limit and the Service Provider Sublimit (including any refreshed limit, where applicable) have been approved in general meeting, the maximum number of H Shares that may be issued in respect of all options and awards to be granted under all of the schemes of the Company under the Scheme Mandate Limit and the Service Provider Sublimit (including any refreshed limit, where applicable) shall be adjusted accordingly with reference to the total number of issued Shares at the date immediately before and after such event and rounded to the nearest whole Share, such that the maximum number of H shares that may be issued under the Scheme Mandate Limit and the Service Provider Sublimit (including any refreshed limit, where applicable) as a percentage of the total number of issued Shares as at the date immediately before and after such event shall be the same, rounded to the nearest whole share, and that the Eligible Persons will be entitled to the same proportion of the Company's equity capital as to which such Eligible Persons were previously entitled to.

15. SCHEME LIMITS

15.1 The total number of H Shares which may be issued in respect of all Awards to be granted under the Scheme and all options and awards to be granted under any other share scheme(s) of the Company shall not exceed 10% of the total number of Shares in issue (excluding any treasury shares) as at the Adoption Date (the “**Scheme Mandate Limit**”). The Scheme Mandate Limit may be subject to refreshment in accordance with Rule 15.3.

15.2 The total number of H Shares which may be issued in respect of all Awards to be granted under the Scheme and all options and awards to be granted under any other share scheme(s) of the Company to the Service Provider Participants shall not exceed 20% of the Scheme Mandate Limit (the “**Service Provider Sublimit**”). The Service Provider Sublimit may also be refreshed in accordance with Rule 15.3.

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

- (a) from the later of three (3) years after the Adoption Date or three (3) years after the date of the previous refreshment of the Scheme Mandate Limit or the Service Provider Sublimit by obtaining Shareholders' approval and subject to compliance with any additional requirements set out in the Listing Rules; or
- (b) within any of the aforementioned three-year period by obtaining Shareholders' approval and subject to compliance with any additional requirements set out in the Listing Rules,

provided that the total number of new H Shares which may be issued in respect of all Awards to be granted under the Scheme and all options and awards to be granted under all other share scheme(s) of the Company under the Scheme Mandate Limit and/or the Service Provider Sublimit as refreshed must not exceed 10% and 2% of the total number of Shares in issue (excluding any treasury shares), respectively, as at the date of such Shareholders' approval, and subject further to compliance with other requirements prescribed under the Listing Rules from time to time. Any Awards previously granted under the Scheme and any options and awards previously granted under any other share scheme(s) of the Company (including those outstanding (which means those Award granted but not yet vested), cancelled, lapsed or exercised in accordance with this Scheme or any other share scheme(s) of the Company) will not be regarded as utilised for the purpose of calculating the refreshed Scheme Mandate Limit and the refreshed Service Provider Sublimit.

15.4 The Company may seek separate approval by its Shareholders in general meeting for granting Awards beyond the Scheme Mandate Limit or the Service Provider Sublimit (including any refreshed limit, where applicable), provided that the Awards in excess of the Scheme Mandate Limit or the Service Provider Sublimit are granted only to Eligible Persons specifically identified by the Company before such approval is sought and subject to compliance with other relevant requirements prescribed under the Listing Rules.

15.5 The total number of H Shares issued and to be issued in respect of all Awards granted and to be granted under the Scheme and all options and awards granted or to be granted under any other share scheme(s) of the Company to each Participant (excluding options or awards lapsed in accordance with the relevant scheme rules) in any 12-month period up to (and including) the date of the latest grant shall not exceed 1% of the total number of Shares in issue (excluding any treasury shares) (the "**1% Individual Limit**"). Any further grant of Awards to a Participant which would exceed the 1% Individual Limit

shall be subject to separate approval of the Shareholders in general meeting in accordance with the Listing Rules and subject to the other requirements under the Listing Rules.

15.6 Any grant of Awards to any director, chief executive or substantial shareholder of the Company or any of their respective associates shall be subject to the prior approval of the independent non-executive directors of the Company (excluding any independent non-executive director who is a proposed recipient of the grant of Awards). Furthermore,

- (a) where any grant of Awards to any director (other than an independent non-executive director) or chief executive of the Company or any of their respective associates would result in the Shares issued and to be issued in respect of all awards granted under all share scheme(s) of the Company (excluding awards lapsed in accordance with the relevant scheme rules) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of Shares in issue (excluding any treasury shares); or
- (b) where any grant of Awards to an independent non-executive director or substantial shareholder of the Company or any of their respective associates would result in the Shares issued and to be issued in respect of all options and awards granted under all share scheme(s) of the Company (excluding options or awards lapsed in accordance with the relevant scheme rules) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of Shares in issue (excluding any treasury shares),

such further grant of Awards must be approved by the Shareholders in general meeting in the manner required under the Listing Rules and subject to the other requirements set out in the Listing Rules.

16. TREATMENT OF AWARDS UPON GENERAL OFFER, WINDING-UP AND OTHER ARRANGEMENTS

16.1 In the event of a voluntary winding-up of the Company other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, the Board or the Scheme Administrator shall have the sole discretion to determine the treatment of all unvested Awards. The Company shall, on the same date as or as soon as reasonably practicable after it gives notice to its Shareholders regarding the voluntary winding-up of the Company, give notice to all Grantees who hold any unvested Awards as at the date of such notice specifying the determination of the Board or the Scheme Administrator on

the treatment of all unvested Awards, including but not limited to (i) accelerating the vesting of any unvested Awards; and/or (ii) causing all unvested Awards to lapse (with or without compensation). Any unvested Awards shall automatically lapse upon such date of lapse or the expiry of such deadline in accordance with the provisions specified in the notice as determined by the Board or the Scheme Administrator in its sole discretion.

- 16.2 If a general offer (whether by way of a takeover, share repurchase offer, scheme of arrangement or otherwise in like manner) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer, having been approved in accordance with all Applicable Laws, becomes or is declared unconditional, the Board or the Scheme Administrator shall have the sole discretion to determine the treatment of all unvested Awards. The Company shall, as soon as reasonably practicable after a general offer is made, give notice to all Grantees who hold any unvested Awards as at the date of such notice specifying the determination of the Board or the Scheme Administrator on the treatment of all unvested Awards, including but not limited to (i) accelerating the vesting of any unvested Awards; and/or (ii) causing all unvested Awards to lapse (with or without compensation). Any unvested Awards shall automatically lapse upon such date of lapse or the expiry of such deadline in accordance with the provisions specified in the notice as determined by the Board or the Scheme Administrator in its sole discretion.
- 16.3 Other than a general offer or a scheme of arrangement contemplated in this Rule, if a compromise or arrangement between the Company and its Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Board or the Scheme Administrator shall have the sole discretion to determine the treatment of all unvested Awards. The Company shall, on the same date as or as soon as reasonably practicable after it gives notice to its Shareholders or creditors regarding such compromise or arrangement, give notice to all Grantees who hold any unvested Awards as at the date of such notice specifying the determination of the Board or the Scheme Administrator on the treatment of all unvested Awards, including but not limited to (i) accelerating the vesting of any unvested Awards; and/or (ii) causing all unvested Awards to lapse (with or without compensation). Any unvested Awards shall automatically lapse upon such date of lapse or the expiry of such deadline in accordance with the provisions specified in the notice as determined by the Board or the Scheme Administrator in its sole discretion.

17. INTEREST IN THE ASSET OF THE TRUST

- 17.1 A Grantee shall have only a contingent interest in an Award subject to the vesting of such Award in accordance with Rule 10. A Grantee shall not have any interest or rights (including but not limited to the right to receive dividend) in the Award Shares which are referable to him until such Award Shares have been vested and transferred to him in accordance with Rule 10.
- 17.2 No instructions may be given by a Grantee to the Trustee in respect of an Award or any other property of the Trust and the Trustee shall not follow instructions given by a Grantee to the Trustee in respect of an Award or any other property of the Trust.
- 17.3 Neither the Grantee nor the Trustee may exercise any voting rights attached to any H Shares held by the Trustee under the Trust (including any Award Shares that have not yet vested). The Trustee holding Award Shares under this Scheme, whether directly or indirectly, shall abstain from voting on matters that require Shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.
- 17.4 A Grantee shall have no rights in the Residual Cash nor the balance of the fractional shares arising out of consolidation of H Shares (if any) and such H Shares shall be deemed as Returned Shares for the purposes of the Scheme.
- 17.5 The Trustee may not subscribe for any new H Shares pertaining to either (a) an open offer of new securities; or (b) any rights issue or bonus warrants issued in respect of any H Shares held by the Trustee. In the event of a rights issue, the Trustee shall sell any nil-paid rights allotted to it. In the event of the issue of a bonus warrant, the Trustee shall sell the bonus warrants granted to it. The net proceeds from the sale of such rights are held as cash income of the trust fund of the Trust and are first applied to fees, costs and expenses incurred by the Trustee in the administration of the Trust and then to any Grantee subject to discretion of the Board or the Scheme Administrator.
- 17.6 In the event a Grantee ceases to be an Eligible Person on or prior to the relevant Vesting Date and the Award in respect of the relevant Grantee shall lapse pursuant to the Scheme, such Award shall not vest on the relevant Vesting Date and the Grantee shall have no claims against the Company (unless the Board or the Scheme Administrator determines otherwise in its sole and absolute discretion) or the Trustee.

17.7 Upon instruction of the Board or the Scheme Administrator, any Residual Cash shall be returned to the Company forthwith after completion of the purchase and/or subscription of all the Award Shares comprised in the Awards granted. The Trustee shall hold any Award Shares so purchased or subscribed in accordance with the terms of these Rules and the provisions of the Trust Deed.

18. INTERPRETATION/DISPUTES

18.1 Any decision to be made under the Scheme, including matters of interpretation with respect to these Rules, shall be made by the Board or Scheme Administrator. The decision by the Board or the Scheme Administrator (as the case may be) shall be final and binding on all parties.

18.2 Disputes arising in connection with the Scheme shall be referred to the decision of the Board or the Scheme Administrator in the first instance, which decision shall be final and binding. Should the Board or the Scheme Administrator decide, any dispute referred to it may be subsequently referred to the decision of the Auditors, who shall then act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final and binding on all parties. In such cases, the costs of the Auditors shall be shared equally between the Company and the relevant Participants.

19. ALTERATION OF THE SCHEME

19.1 Subject to the Scheme Mandate Limit and the Service Provider Sublimit and this Rule 19, the Board or the Scheme Administrator may amend any of the provisions of the Scheme or any Awards granted under the Scheme at any time and in any respect, provided that the terms of the Scheme or Awards so amended must comply with the relevant requirements of Chapter 17 of the Listing Rules. Subject to the other requirements under the Listing Rules, approval of the Shareholders in general meeting is required for any amendment to the terms of the Scheme which are of a material nature or to any provisions of the Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules to the extent that such amendment operates to the advantage of Participants.

19.2 Without prejudice to the powers of the Board or the Scheme Administrator under Rule 19.1 and subject to the other requirements under the Listing Rules, any material alteration to the terms and conditions of the Scheme must be made with the prior approval of the Shareholders in general meeting at which any persons to whom or for whose benefit the H Shares may be issued under the Scheme and their respective

associates shall abstain from voting. The determination by the Board or the Scheme Administrator as to whether any proposed alteration to the terms and conditions of the Scheme is material shall be final and conclusive.

- 19.3 Any change to the terms of Awards the grant of which was subject to the approval of a particular authority (such as the Board or the Scheme Administrator, the remuneration committee of the Board, the independent non-executive directors of the Company and/or the Shareholders in general meeting) shall be subject to approval by that same authority, provided that this requirement does not apply where the relevant alteration takes effect automatically under the terms of the Scheme. Without limiting the foregoing, any change in the terms of the Awards granted to any Participant who is a director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the Shareholders in general meeting in the manner required by the Listing Rules if the initial grant of the Awards requires such approval (except where the changes take effect automatically under the terms of the Scheme), subject to the other requirements under the Listing Rules.
- 19.4 No amendment shall be made to any Awards to the extent that such amendment has a material adverse effect on the subsisting rights of a Participant at that date in respect of the Awards already granted to that Participant and to the extent that such Awards have been lapsed or forfeited, without the consent of such Participant, provided that no such consent shall be required if the Board or the Scheme Administrator determines in its sole and absolute discretion that such amendment or alteration is necessary or advisable in order for the Company, the Scheme or the Awards to satisfy any Applicable Laws (including the Listing Rules) or to meet the requirements of, or avoid any adverse consequences under, any accounting standards.
- 19.5 Any change to the authority of the Board or the Scheme Administrator to alter the terms of the Scheme must be approved by Shareholders in general meeting, subject to the other requirements under the Listing Rules.

20. TERMINATION

20.1 The Scheme shall terminate on the earlier of:

- (a) the end of the Scheme Period, except otherwise as may be required in accordance with the provisions of the Scheme; and
- (b) such date of early termination as determined by the Board, provided that such termination shall not affect any subsisting rights of any Grantee under the Scheme,

following which no further Awards will be offered or granted under the Scheme, provided that notwithstanding such termination, the provisions of the Scheme shall remain in force to the extent necessary to give effect to the vesting of any Award granted prior to the termination or otherwise as may be required in accordance with the provisions of the Scheme, and Awards granted prior to such termination shall continue to be valid and exercisable in accordance with the Scheme and the relevant Offer Letter.

20.2 On the Business Day following the settlement, lapse or cancellation (as the case may be) of the last outstanding Award granted under this Scheme (whichever is later), the Trustee shall sell all Returned Shares and non-cash income remaining in the Trust, if any, and remit the proceeds of sale of the same together with any Residual Cash accrued in the Trust, after making appropriate deductions in respect of all disposal costs, expenses and other existing and future liabilities in accordance with the Trust Deed, to the Company forthwith after the sale.

21. GOVERNING LAW

21.1 The Scheme shall be governed by and construed in accordance with the laws of Hong Kong.

NOTICE OF EGM

B&K CORPORATION LIMITED **青城新藥生物科技（青島）股份有限公司**

(formerly known as 華芒生物科技（青島）股份有限公司)

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2396)

NOTICE OF THE 2026 SECOND EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2026 second extraordinary general meeting (the “EGM”) of B&K Corporation Limited (the “Company”) will be held at Plum Blossom Hall, 2nd Floor, Metropark Hotel Yingkun Beijing, Block H, No. 6 East Qiche Bowuguan Road, Fengtai District, Beijing, the People's Republic of China on Friday, 4 September 2026 at 10:00 a.m. for the purposes of considering, and if thought fit, approving the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the resolution on the application for Full Circulation of unlisted shares of the Company;
2. To consider and approve the resolution on grant of authorisation to the Board of Directors and its delegated persons to handle matters relating to the application for Full Circulation of unlisted shares of the Company;
3. To consider and approve the proposed 2026 interim profit distribution plan;
4. To consider and approve the Share Award Scheme;
5. To consider and approve the Service Provider Sublimit under the Share Award Scheme (being 2% of the total number of Shares in issue (excluding any treasury shares) as at the date of passing this resolution), subject to the adoption of the Share Award Scheme;
6. To consider and approve the authorisation to the Board and/or the Scheme Administrator to handle matters relating to the Share Award Scheme; and

NOTICE OF EGM

SPECIAL RESOLUTION

7. To consider and approve the resolution on amendments to the Articles of Association.

By Order of the Board
B&K Corporation Limited
Ms. JIA Lijia

Chairperson and Executive Director

Qingdao, the PRC

20 August 2026

Notes:

1. Closure of register of members and the eligibility to attend and vote at the EGM

To determine the list of Shareholders of the Company entitled to attend and vote at the EGM, the register of members of Shares will be closed from Tuesday, 1 September 2026 to Friday, 4 September, 2026, both days inclusive. Shareholders whose names appear on the register of members of the Company as of Friday, 4 September 2026 (the record date) will be entitled to attend and vote at the EGM.

To be eligible to attend and vote at the EGM, holders of H Shares of the Company must lodge all completed and signed transfer documents, together with the relevant share certificates and other appropriate documents, with the Company's H Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Monday, 31 August 2026 for registration.

2. Proxy

A shareholder entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote in his/her stead. However, the relevant proxy form must specify the class and number of Shares represented by each proxy. Shareholders attending in person or by proxy may cast one vote for each Share held. A proxy need not be a shareholder of the Company but must attend the EGM in person to represent the relevant shareholder. The instrument appointing a proxy must be in writing under the hand of a shareholder or his/her attorney duly authorised in writing. If the shareholder is a corporation, that instrument must be executed either under its common seal or under the hand of its director(s) or duly authorised attorney. If that instrument is signed by an attorney of the shareholder, the power of attorney authorising that attorney to sign or other authorisation document must be notarised. In order to be valid, the proxy form together with the notarised power of attorney or other authorisation document(s) (if any) must be deposited at the Company's H Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders), or at the Company's head office and principal place of business in the PRC, at Room 1507, Building 1, Xiexin Center, No. 19 Qinling Road, Laoshan District, Qingdao, Shandong Province, PRC (for unlisted Shareholders) not less than 24 hours before the time fixed for the holding of the EGM (i.e. before Thursday, 3 September 2026 at 10:00 a.m.) or any adjournment thereof (as the case may be). Completion and return of a proxy form will not preclude a shareholder from attending and voting in person at the EGM or any adjournment thereof (as the case may be) if he/she so wishes. In such event, the instrument appointing a proxy shall be deemed to be revoked.

3. Voting by poll

According to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), any vote of shareholders at a general meeting must be taken by poll except where the chairperson decides to allow a resolution which relates to a procedural or administrative matter to be voted on by a show of hands. As such, resolutions set out in this notice of EGM will be voted on by way of poll. Result of the poll voting will be published on the websites of the Company (qingchengxinyao.com) and the HKEXnews of Stock Exchange (www.hkexnews.hk) in accordance with the Listing Rules.

NOTICE OF EGM

4. Other business

The EGM is expected to last for half a day. Shareholders or their proxies attending the EGM (and any adjournment thereof) shall produce their identity documents. Shareholders or their proxies attending the EGM shall be responsible for their own travelling and accommodation expenses.

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

As of the date of this notice, the Board comprises (i) Ms. JIA Lijia, Mr. WANG Kelong, Dr. ZHAI Junhui and Mr. MIAO Tianxiang as executive Directors; (ii) Ms. LIN Ying and Mr. YUAN Fei as non-executive Directors; and (iii) Mr. FOK Chi Tat Michael, Mr. LI Jiayan and Mr. YUE Yichun as independent non-executive Directors.

* *For identification purpose only*