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东曜药业

TOT BIOPHARM International Company Limited

東曜藥業股份有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 1875)

(1) ADOPTION OF RESTRICTED SHARE AWARD SCHEME

(2) GRANT OF AWARD SHARES UNDER THE SCHEME

(3) CONNECTED TRANSACTION INVOLVING ISSUE OF NEW SHARES TO TRUSTEE HOLDING SHARES ON TRUST FOR CERTAIN DIRECTORS

INTRODUCTION

The Board is pleased to announce that it has resolved to adopt the Restricted Share Award Scheme. The Company has entered into two Trust Deeds with the respective Trustees to constitute the Trusts in connection with the Scheme for the purpose of the Grant of Award Shares to Selected Participants from time to time. The Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules, and is a discretionary scheme of the Company.

Following the adoption of the Scheme, the Board has also resolved to make the Compensatory Grant involving 31,413,796 Award Shares to 84 Compensatory Grantees under the Scheme. Shareholders' resolutions will be put forward by the Company at the Extraordinary General Meeting for the Independent Shareholders to consider and, if thought fit, approve the allotment and issue of the Compensatory Shares.

PRINCIPAL TERMS OF THE SCHEME

Date of Adoption of the Scheme

29 May 2020

Objectives

The purposes of the Scheme are:

- (a) to attract and retain talent necessary for the Group's development, and to incentivize the Group's employees and enhance their cohesion and productivity, thereby creating value for the Company and its Shareholders; and
- (b) to compensate participants of the Pre-IPO Share Option Scheme for the dilutive effect of the Capitalization Issue in connection with the Global Offering on their Pre-IPO Share Options.

Administration

The Scheme shall be subject to the administration of the Administration Committee and the Trustees in accordance with the Scheme Rules and the Trust Deeds.

Trustee A shall hold the trust fund under Trust A only on behalf of Selected Participants who are connected persons of the Company (including but not limited to Directors), while Trustee B shall hold the trust fund under Trust B on behalf of other Selected Participants.

The terms of Trust Deed A and Trust Deed B are substantially the same, except that Trust Deed B specifically provides that Trustee B may not use any of its powers thereunder in a manner that would allow any connected person of the Company to be included or construed as, or otherwise deemed to be, a discretionary object or beneficiary of Trust B or the trust fund thereunder for any purpose.

Scheme Limits

No Shares shall be allotted and issued to the Trustees under the Scheme if as a result of such allotment and issue, the number of Shares administered under the Scheme would exceed 57,000,000 Shares (being 10% of the issued share capital of the Company as at the date of the adoption of the Scheme) or such other limit as determined by the Administration Committee at its sole discretion.

The maximum number of Award Shares which may be granted to a Selected Participant at any one time or in aggregate may not exceed 5,700,000 (being 1% of the issued share capital of the Company as at the date of the adoption of the Scheme).

Operation

Grant and Acceptance of Award Shares

Subject to the restrictions set out in the subsection headed “Restrictions” below, the Administration Committee may, from time to time at its absolute discretion, select any employee (including a Director) of or consultant to the Group to be a Selected Participant and make a Grant to him/her.

In determining the Selected Participant(s), the number of Award Shares to be granted, the Grant Consideration, the Vesting Date(s), the Expiry Date(s) and other terms and conditions of a Grant, the Administration Committee shall take into consideration any matter it considers relevant.

Where any Grant is proposed to be made to any Selected Participant who is a connected person of the Company, the Company shall comply with such provisions of the Listing Rules as may be applicable, including any reporting, announcement, circular and/or Shareholders’ approval requirements, unless otherwise exempted under the Listing Rules.

After the Administration Committee has determined a Selected Participant and the terms and conditions of the Grant, it shall notify the relevant Trustee and the Selected Participant about these terms and conditions in writing. Upon receipt of such notification, the Grant shall be deemed to be irrevocably accepted by the Selected Participant unless the Selected Participant notify the Administration Committee in writing within five business days that he/she declines to accept the Grant.

If any Selected Participant declines to accept the Grant, the Grant shall lapse forthwith and the relevant Award Shares shall become Unaccepted Shares, the treatment of which is set out in the subsection headed “Unaccepted Shares and Unvested Shares” below.

Subscription of Award Shares by the Trustees

Subject to the restrictions set out in the subsection headed “Restrictions” below, the Administration Committee may, from time to time at its absolute discretion, instruct the Trustees to subscribe for, and procure the Company to allot and issue, any new Shares in connection with any Grant. Such subscription shall be made at the subscription price specified by the Administration Committee, and shall be funded by the Company.

Vesting of Award Shares

Any Award Shares granted to a Selected Participant shall vest in such Selected Participant on the latest of (i) the Vesting Date in respect of such Award Shares; (ii) the date of the allotment and issue of such Award Shares by the Company to the relevant Trustee; and (iii) the date of the receipt of the full amount of the Grant Consideration by the Company in respect of such Award Shares.

As soon as practicable after the Award Shares have vested in a Selected Participant, the Administration Committee shall instruct the relevant Trustee to effect the transfer of the vested Award Shares to the Selected Participant. Once the vested Award Shares are transferred from the relevant Trustee to the Selected Participant, they shall no longer be subject to any restrictions and limitations under the Scheme Rules and shall rank *pari passu* with other Shares.

If an offer by way of takeover, merger, scheme of arrangement, share repurchase or otherwise is made to all Shareholders resulting in a change in control of the Company, and such offer becomes or is declared unconditional prior to the vesting of any Award Shares, then all such unvested Award Shares shall immediately vest in the respective Selected Participants and shall be transferred to such Selected Participants in accordance with the aforesaid procedures.

Lapse of Award Shares

In respect of each Award Share of a Selected Participant, such Award Share shall lapse on the earliest of the following dates, subject to any agreement between the Company and the Selected Participant (or, in respect of (d) or (e) below, his/her Personal Representative(s)) to the contrary:

- (a) the date immediately following the Expiry Date in respect of such Award Share;
- (b) the date of resignation, retirement, dismissal or expulsion of the Selected Participant from the Group;
- (c) in the case of unpaid leave of the Selected Participant due to governmental order, serious illness, family misadventure, further studies or other reasons, three months after the commencement of such unpaid leave (in respect of any Award Share for which the Vesting Date has not occurred);
- (d) in the case of death of the Selected Participant not due to occupational hazards, the date of death (in respect of any Award Share for which the Vesting Date has not occurred) or one year after the date of death (in respect of any Award Share for which the Vesting Date has occurred);
- (e) in the case of death or incapacity of the Selected Participant due to occupational hazards, one year after the date of death or incapacity (in respect of any Award Share for which the Vesting Date has occurred); and
- (f) when the Selected Participant is in breach of his/her employment contract or scope of duties or the Group's reward and punishment policies (in respect of any Award Share for which the Vesting Date has not occurred).

Once lapsed, the Award Shares shall become Unvested Shares, the treatment of which is set out in the subsection headed "Unaccepted Shares and Unvested Shares" below.

Unaccepted Shares and Unvested Shares

Where any Award Shares granted to a Selected Participant:

- (a) are not accepted by such Selected Participant and become Unaccepted Shares;
- (b) do not vest in accordance with the Scheme Rules and become Unvested Shares; or
- (c) lapse in accordance with the Scheme Rules and become Unvested Shares,

the relevant Trustee shall, after having taken into account the recommendations of the Administration Committee, (i) sell such Unaccepted Shares or Unvested Shares on the Stock Exchange at the then prevailing market price by way of market order, and remit the proceeds of sale of the same, net of all appropriate expenses in connection with such sale, to the Company forthwith after the sale; or (ii) handle such Shares in such other manner as such Trustee may decide after consultation with the Board.

Restrictions

Under the following circumstances, (i) no Grant shall be made by the Administration Committee to any Selected Participant; (ii) no new Shares shall be allotted and issued by the Company to the Trustees; and (iii) no vested Award Shares shall be transferred by the Trustees to any Selected Participants:

- (a) where the Company is in possession of unpublished inside information;
- (b) where dealing in the Shares by such Selected Participant is prohibited under the Listing Rules, the SFO or any other applicable law or regulation or any internal policy of the Company;
- (c) in respect of any Selected Participant who is a Director, within the blackout period stipulated in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules; or
- (d) in any other circumstances which are prohibited under the Listing Rules, the SFO or any other applicable law or regulation or where the requisite approval from any applicable regulatory authority has not been granted.

Any Grant made shall be personal to the Selected Participant to whom it is made and shall not be assignable. No Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any other person over or in relation to the Award Shares.

A Selected Participant shall have no contingent interest in an Award Share and no rights in any dividend or other cash and non-cash income in respect of an Award Share prior to its transfer to him/her as described in the subsection headed “Operation – Vesting of Award Shares” above.

The Trustees shall not exercise any voting rights in respect of any Shares held under the Trusts.

Amendment

The Scheme may be amended in any respect by the Board at a meeting with at least two-thirds of all Directors in attendance and more than half of such Directors approving the amendment, provided that no such amendment shall be made without the prior consent of the Trustees and shall operate to affect adversely any subsisting rights of any Selected Participant.

Duration and Termination

The Scheme shall commence on the date of its adoption and shall remain valid and effective for a period of ten years from such date. Without prejudice to any subsisting rights of any Selected Participant, the Scheme may be terminated on an earlier date or extended by a resolution of the Board.

Upon the termination of the Scheme, no further Award Shares shall be granted, and all Award Shares which are not vested shall become Unvested Shares. As soon as practicable after the termination of the Scheme, the Trustees shall (i) sell all Unaccepted Shares and Unvested Shares on the Stock Exchange at the then prevailing market price by way of market order and also sell any non-cash income remaining in the Trusts, and remit the proceeds of sale of the same together with any residual cash accrued in the Trusts, net of all appropriate expenses in connection with such sale, to the Company forthwith after the sale; or (ii) handle such Shares and non-cash income in such other manner as the Trustees may decide after consultation with the Board.

GRANT OF AWARD SHARES UNDER THE SCHEME – THE COMPENSATORY GRANT

Date of the Compensatory Grant

29 May 2020

Background of and Reason for the Compensatory Grant

As disclosed on pages 179 and 284 of the Prospectus, pursuant to the Capitalization Issue, the Company allotted and issued 342,557,624 Shares at a ratio of approximately 2.4924 new Shares for each then existing Share (subject to certain rounding adjustments), such that the issued share capital of the Company increased from 137,442,376 Shares to 480,000,000 Shares immediately prior to the completion of the Global Offering.

When the Pre-IPO Share Options were granted, the number of underlying Shares was calculated according to the principle that the grantees would own a specific percentage of the issued share capital of the Company notwithstanding any subsequent changes to the issued share capital of the Company. However, at the time of the Capitalization Issue, no anti-dilution treatment was made in respect of the number of Shares underlying each outstanding Pre-IPO Share Option. Therefore, the Pre-IPO Share Options outstanding at the time of the Capitalization Issue has suffered an unintended dilutive effect as a result of the Capitalization Issue. In other words, the percentage ownership in the Company represented by such Pre-IPO Share Options has decreased.

To restore the intended effectiveness of the Pre-IPO Share Option Scheme in terms of incentivization and compensate the holders of Pre-IPO Share Options for the aforesaid dilutive effect, the Board has resolved to adopt the Scheme and make the Compensatory Grant.

Compensatory Grantees

As disclosed on page V-36 of the Prospectus, there were 97 participants under the Pre-IPO Share Option Scheme. Over time, the Pre-IPO Share Options held by 13 of these participants have fully lapsed and been cancelled by reason of these participants' resignation from the Group or otherwise.

As such, the Compensatory Grantees comprise 84 Selected Participants, all of whom are holders of Pre-IPO Share Options outstanding as at the date of the Compensatory Grant.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, apart from Ms. Yeh-Huang, Chun-Ying and Dr. Liu, Jun, both of whom are executive Directors, (i) none of the Compensatory Grantees is a Director, chief executive or substantial shareholder of the Company or any of their respective associates; and (ii) all of the Compensatory Grantees are third parties independent of the Company and its connected persons.

Terms of the Compensatory Grant

The Compensatory Shares comprise 31,413,796 Award Shares, representing approximately 5.51% of the issued share capital of the Company as at the date of the adoption of the Scheme and approximately 5.22% of the issued share capital of the Company as enlarged by the allotment and issue of the Compensatory Shares. Based on the closing market price per Share of HK\$4.45 as at the date of the Compensatory Grant, the total market value of the Compensatory Shares was approximately HK\$139,791,392.

The principal terms of the Compensatory Grant are set out as follows:

Allottee	Compensatory Grantee	Number of Award Shares	Grant Consideration (per Award Share)	Vesting Date	Expiry Date
Trustee A	Ms. Yeh-Huang, Chun-Ying	965,795	US\$0.28634	14 December 2019	13 December 2027
		965,794	US\$0.28634	14 December 2020	13 December 2027
		965,794	US\$0.28634	14 December 2021	13 December 2027
		2,897,383			
Trustee A	Dr. Liu, Jun	623,093	US\$0.28634	1 January 2019	24 December 2027
		623,093	US\$0.28634	1 January 2020	24 December 2027
		623,093	US\$0.28634	1 January 2021	24 December 2027
		623,093	US\$0.28634	1 January 2022	24 December 2027
		49,848	US\$0.28634	The date of R&D Targets Fulfillment*	20 January 2029
		49,848	US\$0.28634	The second anniversary of R&D Targets Fulfillment*	20 January 2029
		49,847	US\$0.28634	The third anniversary of R&D Targets Fulfillment*	20 January 2029
		49,847	US\$0.28634	The fourth anniversary of R&D Targets Fulfillment*	20 January 2029
49,847	US\$0.28634	The fifth anniversary of R&D Targets Fulfillment*	20 January 2029		
		2,741,609			
Trustee B	Other 82 Compensatory Grantees	25,774,804	US\$0.28634	Various dates, some of which are linked to R&D Targets Fulfillment*	Various dates, no later than 17 June 2029
		31,413,796			

* Note: As at the date of this announcement, R&D Targets Fulfillment has not occurred.

Subscription Price and Financial Impact of the Compensatory Shares

As explained in the subsection headed “Background of and Reason for the Compensatory Grant” above, the purpose of the Compensatory Grant is purely to reverse the dilutive effect of the Capitalization Issue on the Pre-IPO Share Options. It is expected that the Compensatory Grant will not result in any additional benefits and hence no additional share-based compensation expenses will be recorded in the Group’s consolidated financial statements.

As such, the Compensatory Shares will be allotted and issued to the Trustees at a subscription price of zero, and no cash flow will be involved at the time of the Compensatory Grant. Pursuant to the Scheme Rules, the Award Shares granted to a Compensatory Grantee shall vest in such Compensatory Grantee upon, among other things, the receipt of the full amount of the Grant Consideration by the Company in respect of such Award Shares. The Grant Consideration per Award Share under the Compensatory Grant was determined with reference to the adjusted exercise price of the Pre-IPO Share Options as disclosed on page V-38 of the Prospectus.

The Directors consider that the number of Compensatory Shares and the other terms and conditions of the Compensatory Grant are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions Precedent

The allotment and issue of the Compensatory Shares shall be subject to (i) the Independent Shareholders having approved at the Extraordinary General Meeting the specific mandate referred to in the section headed “Listing Rules Implications of the Compensatory Grant – Specific Mandate” below as well as the allotment and issue of the Directors’ Compensatory Shares to Trustee A; and (ii) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Compensatory Shares.

Listing Approval

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Compensatory Shares to be allotted and issued to the Trustees pursuant to the Compensatory Grant.

Use of Proceeds

Assuming that all Compensatory Shares are vested, the Company will receive a total Grant Consideration of approximately US\$8,995,026.35 (equivalent to approximately HK\$69,711,454). The Company intends to apply such Grant Consideration (after deducting relevant fees and expenses) as the general working capital of the Group.

FUND-RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

Save for the Global Offering, the Company has not conducted any equity fund-raising activity in the past 12 months immediately preceding the date of this announcement. The net proceeds from the Global Offering are intended to be applied in accordance with the proposed applications as set out in the section headed “Future Plans and Use of Proceeds” of the Prospectus.

LISTING RULES IMPLICATIONS OF THE COMPENSATORY GRANT

Specific Mandate

As the Compensatory Shares will be allotted and issued to the Trustees at a subscription price of zero, the general mandate granted to the Directors prior to the Global Offering by the then Shareholders as disclosed on pages V-10 to V-11 of the Prospectus cannot be used for such allotment and issue.

Therefore, a specific mandate for the allotment and issue of the Compensatory Shares to the Trustees pursuant to the Compensatory Grant will be sought by the Company from the Independent Shareholders by way of Shareholders’ resolution(s) to be put forward at the Extraordinary General Meeting.

Connected Transaction

The Directors’ Compensatory Shares are granted to Ms. Yeh-Huang, Chun-Ying and Dr. Liu, Jun, both of whom are executive Directors, and will be allotted and issued to Trustee A, which shall hold Award Shares only on behalf of Selected Participants who are connected persons of the Company. Pursuant to Rule 14A.12(1)(b) of the Listing Rules, Trustee A (acting in its capacity as the trustee of Trust A) is an associate of the aforesaid Directors and hence a connected person of the Company.

Therefore, the allotment and issue of the Directors’ Compensatory Shares to Trustee A constitutes a connected transaction of the Company, and is subject to the announcement, circular and Shareholders’ approval requirements under Chapter 14A of the Listing Rules. A Shareholders’ resolution will be put forward by the Company at the Extraordinary General Meeting for the Independent Shareholders to consider and, if thought fit, approve the aforesaid allotment and issue.

An independent Board committee comprising all three independent non-executive Directors has been formed to advise the Independent Shareholders in relation to the allotment and issue of the Directors’ Compensatory Shares to Trustee A.

Grand Moore Capital Limited (中毅資本有限公司) has been appointed as the independent financial adviser to advise the independent Board committee and the Independent Shareholders in relation to the allotment and issue of the Directors’ Compensatory Shares to Trustee A.

Shareholders' Circular and Extraordinary General Meeting

A circular containing, among other things, further details of the Compensatory Grant and the allotment and issue of the Compensatory Shares as well as the notice of the Extraordinary General Meeting will be dispatched to the Shareholders in due course.

As far as the Company is aware having made all reasonable enquiry, as at the date of this announcement, Ms. Yeh-Huang, Chun-Ying holds 7,115,700 Shares personally, and four other Compensatory Grantees (not being Directors) hold a total of 803,200 Shares personally or through an investment holding vehicle. These five Shareholders, holding 7,918,900 Shares in aggregate (representing approximately 1.39% of the issued share capital of the Company as at the date of this announcement), have a material interest in the allotment and issue of the Compensatory Shares to the Trustees and are hence required to abstain from voting on the Shareholders' resolutions at the Extraordinary General Meeting.

INFORMATION ABOUT THE PARTIES

The Company is a clinical-stage biopharmaceutical company dedicated to developing and commercializing innovative oncology drugs and therapies, whose mission is to build a leading brand name of oncology treatments trusted by patients and their families as well as medical professionals.

The Trustees are trust or company service provider licence holders registered with the Companies Registry of Hong Kong, and are members of the Tricor Group, a leading provider of business, corporate, investor, human resources and payroll as well as corporate trust and debt services in Asia. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, save for Trustee A (acting in its capacity as the trustee of Trust A), the Trustees are third parties independent of the Company and its connected persons.

DEFINITIONS

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

“2019 Annual Report”	the 2019 annual report published by the Company on 29 April 2020
“Administration Committee”	a sub-committee of the Board delegated with the power and authority by the Board to administer the Scheme
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Award Share(s)”	the Share(s) granted under the Scheme and allotted and issued (or to be allotted and issued) to the Trustees
“Board”	the board of Directors of the Company
“Capitalization Issue”	the capitalization issue in connection with the Global Offering as further described in the section headed “Grant of Award Shares under the Scheme – Background of and Reason for the Compensatory Grant” of this announcement
“Company”	TOT BIOPHARM International Company Limited (東曜藥業股份有限公司) (formerly known as TOT BIOPHARM International Company Limited (東源國際醫藥股份有限公司)), a company incorporated in Hong Kong with limited liability on 4 December 2009 whose Shares are listed on the Stock Exchange (stock code: 1875)
“Compensatory Grant”	the Grant of the Compensatory Shares on 29 May 2020 to the Compensatory Grantees as further described in the section headed “Grant of Award Shares under the Scheme” of this announcement
“Compensatory Grantee(s)”	84 Selected Participants in the Compensatory Grant
“Compensatory Share(s)”	31,413,796 Award Shares granted pursuant to the Compensatory Grant, which will be allotted and issued to the Trustees, or some of such Award Shares as the context may so require
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“Directors’ Compensatory Share(s)”	those Compensatory Shares granted to Ms. Yeh-Huang, Chun-Ying and Dr. Liu, Jun pursuant to the Compensatory Grant, comprising 5,638,992 Award Shares
“Extraordinary General Meeting”	an extraordinary general meeting of the Company to be held for the Independent Shareholders to consider and, if thought fit, approve the allotment and issue of the Compensatory Shares
“Expiry Date”	the last date on which an Award Share may vest, immediately following which such Award Share shall lapse
“Global Offering”	the initial public offering of the Company which was completed on 8 November 2019
“Grant(s)”	grant(s) of Award Shares under the Scheme
“Grant Consideration”	the consideration to be paid by a Selected Participant to the Company before the vesting of his/her Award Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholder(s)”	those Shareholders who do not have a material interest in the allotment and issue of the Compensatory Shares to the Trustees and are hence not required to abstain from voting on the Shareholders’ resolutions at the Extraordinary General Meeting
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Personal Representative(s)”	the person(s) who, in accordance with the laws of succession of the domicile of a deceased Selected Participant, is/are entitled to receive the Award Shares on behalf of the estate of such deceased Selected Participant
“Pre-IPO Share Option(s)”	the share option(s) granted under the Pre-IPO Share Option Scheme
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme adopted by the Company on 20 February 2013 and subsequently amended by the Board on 11 December 2017, 20 December 2018, 12 March 2019, 16 April 2019 and 22 July 2019, details of which are disclosed on pages V-36 to V-47 of the Prospectus as well as pages 55 and 118 to 120 of the 2019 Annual Report

“Prospectus”	the prospectus dated 29 October 2019 published by the Company
“R&D Targets Fulfillment”	the fulfillment of performance targets mainly relating to the research and development progress of certain drug candidates of the Group, the date of which is linked to the Vesting Dates for certain Award Shares
“Restricted Share Award Scheme” or “Scheme”	the restricted share award scheme adopted by the Company on 29 May 2020, details of which are disclosed in this announcement
“Scheme Rules”	the rules of the Scheme, as restated, supplemented and amended from time to time
“Selected Participant(s)”	person(s) selected by the Administration Committee to receive a Grant under the Scheme, as further described in the section headed “Principal Terms of the Scheme – Operation – Grant and Acceptance of Award Shares” of this announcement
“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(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Trust(s)”	Trust A and Trust B, or one of them as the context may so require
“Trust A”	the trust constituted by Trust Deed A
“Trust B”	the trust constituted by Trust Deed B
“Trust Deed(s)”	Trust Deed A and Trust Deed B, or one of them as the context may so require
“Trust Deed A”	the trust deed dated 29 May 2020 entered into between the Company and Trustee A in connection with the Scheme, as restated, supplemented and amended from time to time

“Trust Deed B”	the trust deed dated 29 May 2020 entered into between the Company and Trustee B in connection with the Scheme, as restated, supplemented and amended from time to time
“Trustee(s)”	Trustee A and Trustee B, or one of them as the context may so require
“Trustee A”	Teeroy Limited, a company incorporated in Hong Kong with limited liability on 8 February 1974
“Trustee B”	Tricor Trust (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability on 20 October 1977
“Unaccepted Share(s)”	such Award Shares which are not accepted by the Selected Participants
“Unvested Share(s)”	such Award Shares which do not vest in the Selected Participants or which lapse
“US\$”	United States dollar(s), the lawful currency of the United States of America
“Vesting Date”	a date on which an Award Share is to vest, subject to the allotment and issue of such Award Share by the Company to the relevant Trustee and the receipt of the full amount of the Grant Consideration by the Company in respect of such Award Share

By order of the Board
TOT BIOPHARM International Company Limited
Yeh-Huang, Chun-Ying
Executive Director

Hong Kong, 29 May 2020

In this announcement, the conversion of US\$ into HK\$ is based on the exchange rate of US\$1 to HK\$7.75 for illustration purposes only.

As at the date of this announcement, the executive directors of the Company are Ms. Yeh-Huang, Chun-Ying and Dr. Liu, Jun; the non-executive directors of the Company are Mr. Fu, Shan, Dr. Kung, Frank Fang-Chien, Mr. Kang, Pei and Mr. Qiu, Yu Min; and the independent non-executive directors of the Company are Ms. Hu, Lan, Dr. Sun, Lijun Richard and Mr. Chang, Hong-Jen.