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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 Everest Medicines 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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EVEREST MEDICINES

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Everest Medicines Limited

雲 頂 新 耀 有 限 公 司

(Incorporated in Cayman Islands with limited liability)

(Stock code: 1952)

- (1) PROPOSED RE-ELECTION OF DIRECTORS;
- (2) PROPOSED GRANTING OF GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES;
- (3) PROPOSED RE-APPOINTMENT OF RETIRING AUDITOR;
- (4) PROPOSED ADOPTION OF NEW ARTICLES OF ASSOCIATION;
- (5) 2021 PROPOSED GRANT OF SHARE AWARDS TO CONNECTED PERSONS UNDER THE PRE-IPO ESOP AND POST-IPO SHARE AWARD SCHEME;
- (6) 2022 PROPOSED GRANT OF SHARE AWARDS TO CONNECTED PERSONS UNDER THE POST-IPO SHARE AWARD SCHEME;
- (7) PROPOSED GRANT OF PERFORMANCE TARGET AWARDS TO CONNECTED PERSONS UNDER THE POST-IPO SHARE AWARD SCHEME;
- (8) PROPOSED INCREASE IN SCHEME LIMIT UNDER THE POST-IPO SHARE AWARD SCHEME;
- (9) PROPOSED SCHEME MANDATE TO ISSUE SHARES UNDER THE POST-IPO SHARE AWARD SCHEME; AND
- (10) NOTICE OF ANNUAL GENERAL MEETING

Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders

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ELSTONE

Elstone Capital Limited

Unless the context otherwise requires, all capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" of this circular.

A letter from the Board is set out on pages 7 to 32 of this circular. A letter from the Independent Board Committee containing its recommendations to the Independent Shareholders regarding the Proposed Award Grants is set out on page 33 of this circular. A letter from Elstone Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, containing its advice regarding the Proposed Award Grants is set out on pages 34 to 70 of this circular.

The notice convening the Annual General Meeting of Everest Medicines Limited to be held at 16th Floor, CITIC Pacific Plaza, 1168 West Nanjing Road, Jing An District, Shanghai, China on Wednesday, 29 June 2022 at 9:30 a.m. is set out in this circular.

Whether or not you are able to attend the AGM, please complete and sign the enclosed form of proxy for use at the AGM in accordance with the instructions printed thereon and return it to Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the AGM or adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM should you so wish. If you attend and vote at the AGM, the form of proxy will be revoked.

This circular, together with the form of proxy, is also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (www.everestmedicines.com).

24 May 2022

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DEFINITIONS

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

“2021 Awards”	the Awards proposed to be granted pursuant to the 2021 Proposed Award Grants
“2021 Grantee(s)”	the employee(s) of the Company and its subsidiaries proposed to be granted Awards in accordance with the Pre-IPO ESOP and/or the Post-IPO Share Award Scheme on 14 July 2021, namely Dr. Kerry Levan Blanchard, Mr. Ian Ying Woo, Mr. Xiaofan Zhang, Ms. Xu Zhu, Ms. Yang Shi, Dr. Zhengying Zhu, Mr. Yuan Gao, Ms. Min Yu and Mr. Zixin Qiao
“2021 Proposed Award to Dr. Kerry Levan Blanchard”	the proposed grant of Awards to Dr. Kerry Levan Blanchard under the Post-IPO Share Award Scheme on 14 July 2021
“2021 Proposed Award to Mr. Ian Ying Woo”	the proposed grant of Awards to Mr. Ian Ying Woo under the Post-IPO Share Award Scheme on 14 July 2021
“2021 Proposed Award to Mr. Xiaofan Zhang”	the proposed grant of Awards to Mr. Xiaofan Zhang under the Post-IPO Share Award Scheme on 14 July 2021
“2021 Proposed Award to Ms. Xu Zhu”	the proposed grant of Awards to Ms. Xu Zhu under the Post-IPO Share Award Scheme and the Pre-IPO ESOP on 14 July 2021
“2021 Proposed Award to Ms. Yang Shi”	the proposed grant of Awards to Ms. Yang Shi under the Post-IPO Share Award Scheme and the Pre-IPO ESOP on 14 July 2021
“2021 Proposed Award to Dr. Zhengying Zhu”	the proposed grant of Awards to Dr. Zhengying Zhu under the Post-IPO Share Award Scheme and the Pre-IPO ESOP on 14 July 2021
“2021 Proposed Award to Mr. Yuan Gao”	the proposed grant of Awards to Mr. Yuan Gao under the Post-IPO Share Award Scheme and the Pre-IPO ESOP on 14 July 2021
“2021 Proposed Award to Ms. Min Yu”	the proposed grant of Awards to Ms. Min Yu under the Post-IPO Share Award Scheme on 14 July 2021
“2021 Proposed Award to Mr. Zixin Qiao”	the proposed grant of Awards to Mr. Zixin Qiao under the Post-IPO Share Award Scheme on 14 July 2021
“2021 Proposed Award Grants”	the 2021 Proposed Award to Dr. Kerry Levan Blanchard, the 2021 Proposed Award to Mr. Ian Ying Woo, the 2021 Proposed Award to Mr. Xiaofan Zhang, the 2021 Proposed Award to Ms. Xu Zhu, the 2021 Proposed Award to Ms. Yang Shi, the 2021 Proposed Award to Dr. Zhengying Zhu, the 2021 Proposed Award to Mr. Yuan Gao, the 2021 Proposed Award to Ms. Min Yu, and the 2021 Proposed Award to Mr. Zixin Qiao

DEFINITIONS

“2022 Awards”	the Awards proposed to be granted pursuant to the 2022 Proposed Award Grants
“2022 Grantee(s)”	the employee(s) of the Company and its subsidiaries proposed to be granted Awards in accordance with the Post-IPO Share Award Scheme on 1 April 2022, namely Ms. Min Yu, Mr. Zixin Qiao, Dr. Heasun Park, Mr. Ng Kah San and Mr. Yuan Gao
“2022 Proposed Award to Mr. Ng Kah San”	the proposed grant of Awards to Mr. Ng Kah San under the Post-IPO Share Award Scheme on 1 April 2022
“2022 Proposed Award to Mr. Yuan Gao”	the proposed grant of Awards to Mr. Yuan Gao under the Post-IPO Share Award Scheme on 1 April 2022
“2022 Proposed Award to Mr. Zixin Qiao”	the proposed grant of Awards to Mr. Zixin Qiao under the Post-IPO Share Award Scheme on 1 April 2022
“2022 Proposed Award to Dr. Heasun Park”	the proposed grant of Awards to Dr. Heasun Park under the Post-IPO Share Award Scheme on 1 April 2022
“2022 Proposed Award to Ms. Min Yu”	the proposed grant of Awards to Ms. Min Yu under the Post-IPO Share Award Scheme on 1 April 2022
“2022 Proposed Award Grants”	the 2022 Proposed Award to Mr. Ng Kah San, the 2022 Proposed Award to Mr. Yuan Gao, 2022 Proposed Award to Mr. Zixin Qiao, the 2022 Proposed Award to Dr. Heasun Park, and the 2022 Proposed Award to Ms. Min Yu
“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be held at 16th Floor, CITIC Pacific Plaza, 1168 West Nanjing Road, Jing An District, Shanghai, China on Wednesday, 29 June 2022 at 9:30 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 148 to 155 of this circular, or any adjournment thereof
“April Announcement”	the announcement of the Company dated 1 April 2022
“Articles of Association”	the sixth amended and restated memorandum and articles of association of the Company conditionally adopted by special resolution passed on 21 September 2020 and effective on 9 October 2020 and currently in force
“Award(s)”	award(s), being a contingent right to receive Shares awarded under the Post-IPO Share Award Scheme and/or the Pre-IPO ESOP
“Board”	the board of Directors

DEFINITIONS

“CBC Group”	the group comprising C-Bridge Investment Everest Limited, C-Bridge Healthcare Fund II, L.P., C-Bridge Healthcare Fund GP II, L.P., C-Bridge Capital GP, Ltd., TF Capital, Ltd., TF Capital II, Ltd., C-Bridge IV Investment Two Limited, C-Bridge Healthcare Fund IV, L.P., C-Bridge Healthcare Fund GP IV, L.P., C-Bridge Capital GP IV, Ltd., TF Capital IV, Ltd., Everest Management Holding Co., Ltd., C-Bridge Value Creation Limited, C-Bridge IV Investment Nine Limited, C-Bridge II Investment Eight Limited, Nova Aqua Limited, Kang Hua Investment Company Limited, Mr. Wei Fu and Ms. Dan Yang, and also the controlling shareholder of the Group
“Company”	Everest Medicines Limited, an exempted company with limited liability incorporated in the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Scheme Limit”	the maximum number of Shares underlying all Awards that may be granted under the Post-IPO Share Award Scheme without further Shareholders’ approval, being 14,184,519 Shares
“Grantees”	the 2021 Grantees, the 2022 Grantees and the Performance Target Award Grantees
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Increase in Scheme Limit”	the existing scheme limit of the Post-IPO Share Award Scheme be increased by 4,500,000 Shares to the new scheme limit of 18,684,519 Shares in accordance with the provisions in the Scheme Rules
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, established to advise the Independent Shareholders in respect of the non-exempt connected transaction(s) relating to the 2021 Proposed Award Grants, the 2022 Proposed Award Grants and the Proposed Performance Target Award Grants

DEFINITIONS

“Independent Financial Adviser”	Elstone Capital Limited, a corporation licensed to conduct Type 6 (advising on corporate finance) regulated activities under the SFO, the independent financial adviser or “Elstone Capital”, to advise the Independent Board Committee and the Independent Shareholders on whether the Independent Shareholders should vote in favour of the non-exempt connected transaction(s) relating to the 2021 Proposed Award Grants, the 2022 Proposed Award Grants and the Proposed Performance Target Award Grants
“Independent Shareholders”	the Shareholders who are not required under the Listing Rules to abstain from voting at the AGM to approve the 2021 Proposed Award Grants, the 2022 Proposed Award Grants and the Proposed Performance Target Award Grants
“July Announcement”	announcement of the Company dated 15 July 2021
“Latest Practicable Date”	17 May 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	9 October 2020
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time
“New Articles”	the seventh amended and restated memorandum and articles of association of the Company as proposed to be approved at the AGM
“Nomination Committee”	nomination committee of the Company
“Performance Target Awards”	Awards proposed to be granted to the Performance Target Award Grantees in accordance with the Post-IPO Share Award Scheme
“Proposed Performance Target Award Grants”	the Proposed Performance Target Award to Dr. Kerry Levan Blanchard, the Proposed Performance Target Award to Mr. Ian Ying Woo and the Proposed Performance Target Award to Mr Xiaofan Zhang
“Performance Target Award Grantees”	Dr. Kerry Levan Blanchard, Mr. Ian Ying Woo and Mr. Xiaofan Zhang
“Post-IPO Share Award Scheme”	the post-IPO share award scheme adopted by the Shareholders on 21 September 2020, the principal terms of which are set out in Appendix VIII to this circular
“Post-IPO Share Option Scheme”	the post-IPO share option scheme adopted by the Company on 21 September 2020, the principal terms of which are set out in “Statutory and General Information — D. Share Schemes — 5. Post-IPO Share Option Scheme” in Appendix IV to the Prospectus

DEFINITIONS

“Pre-IPO ESOP”	the employee equity plan approved and adopted by the Company on 25 December 2018 as amended and restated on 17 February 2020, the principal terms of which are set out in “Statutory and General Information — D. Share schemes — 2. Pre-IPO Employee Share Option Plan” in Appendix IV to the Prospectus
“Proposed Award Grants”	the 2021 Proposed Award Grants, the 2022 Proposed Award Grants and the Proposed Performance Target Award Grants
“Prospectus”	prospectus of the Company dated 25 September 2020
“Remuneration Committee”	remuneration committee of the Company
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 4 of the notice of the AGM
“Sale Mandate”	a general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the AGM
“Scheme Mandate”	a mandate to be granted by the Shareholders to the Directors to issue, allot, procure the transfer of and otherwise deal with the 4,500,000 Shares that may be awarded pursuant to the Post-IPO Share Award Scheme upon the Increase in Scheme Limit becoming effective
“Scheme Rules”	the scheme rules of the Post-IPO Share Award Scheme, as amended from time to time
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of US\$0.0001 each in the issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it by the Listing Rules
“substantial shareholder”	has the meaning ascribed to it by the Listing Rules

DEFINITIONS

“Takeovers Code”	The Code on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time
“US\$” or “USD”	United States dollars, the lawful currency of the United States of America
“%”	percent

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

In the event of any inconsistency, the English version shall prevail over the Chinese version.

LETTER FROM THE BOARD



EVEREST MEDICINES

云 頂 新 耀

Everest Medicines Limited

雲 頂 新 耀 有 限 公 司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 1952)

Executive Directors:

Mr. Wei Fu (*Chairman*)

Dr. Kerry Levan Blanchard (*Chief executive officer*)

Mr. Ian Ying Woo (*President, Chief financial officer*)

Mr. Xiaofan Zhang (*Chief operating officer*)

Registered Office:

PO Box 309

Ugland House

Grand Cayman KY1-1104

Cayman Islands

Non-executive Directors:

Mr. Yubo Gong

Ms. Lan Kang

Head Office:

Plaza 66, Tower 1

Units 6601–6606

1266 West Nanjing Road

Shanghai, 200040

China

Independent Non-executive Directors:

Mr. Shidong Jiang

Mr. Yifan Li

Mr. Bo Tan

Principal Place of Business in Hong Kong:

Level 54, Hopewell Centre

183 Queen's Road East

Hong Kong

24 May 2022

To the Shareholders

Dear Sir/Madam,

- (1) PROPOSED RE-ELECTION OF DIRECTORS;
- (2) PROPOSED GRANTING OF GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES;
- (3) PROPOSED RE-APPOINTMENT OF RETIRING AUDITORS;
- (4) PROPOSED ADOPTION OF NEW ARTICLES OF ASSOCIATION;
- (5) 2021 PROPOSED GRANT OF SHARE AWARDS TO CONNECTED PERSONS UNDER THE PRE-IPO ESOP AND POST-IPO SHARE AWARD SCHEME;
- (6) 2022 PROPOSED GRANT OF SHARE AWARDS TO CONNECTED PERSONS UNDER THE POST-IPO SHARE AWARD SCHEME;
- (7) PROPOSED GRANT OF PERFORMANCE TARGET AWARDS TO CONNECTED PERSONS UNDER THE POST-IPO SHARE AWARD SCHEME;
- (8) PROPOSED INCREASE IN SCHEME LIMIT UNDER THE POST-IPO SHARE AWARD SCHEME;
- (9) PROPOSED SCHEME MANDATE TO ISSUE SHARES UNDER THE POST-IPO SHARE AWARD SCHEME; AND
- (10) NOTICE OF ANNUAL GENERAL MEETING

LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the AGM to be held on Wednesday, 29 June 2022.

2. PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Article 16.19 of the Articles of Association, Dr. Kerry Levan Blanchard, Mr. Yubo Gong and Mr. Shidong Jiang shall retire at the AGM. All of the above Directors, being eligible, will offer themselves for re-election at the AGM.

Mr. Shidong Jiang, the retiring independent non-executive Director, has confirmed his independence with reference to the factors set out in Rule 3.13 of the Listing Rules. The Board has reviewed its structure and composition, the independence confirmation given by Mr. Shidong Jiang, the professional qualifications, skills and experience (further details of which are set out in Appendix I to this circular), time commitment and contribution of Mr. Shidong Jiang with reference to the nomination principles and criteria set out in the Company's board diversity policy and director nomination policy. The Nomination Committee has recommended to the Board on the re-election of Mr. Shidong Jiang at the AGM. The Board considers that Mr. Shidong Jiang is independent according to the independence guidelines set out in the Listing Rules. After due consideration of Mr. Shidong Jiang's contribution to the Company, the Board is satisfied that Mr. Shidong Jiang will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity.

The Board is of the view that with his extensive knowledge and invaluable experience in the pharmaceutical industry, Mr. Shidong Jiang will contribute to the diversity of the Board and provide new thoughts for the Company's overall strategic planning and business development. The Board also believes that the appointment of Mr. Shidong Jiang is in the best interests of the Company and the Shareholders as a whole.

Further details of the Directors proposed for re-election at the AGM are set out in Appendix I to this circular.

3. PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE SHARES

On 1 June 2021, a resolution was passed by the Shareholders to grant a general mandate to the Directors to repurchase Shares. Such mandate will lapse at the conclusion of the AGM. In order to give the Company the flexibility to repurchase Shares if and when appropriate, an ordinary resolution will be proposed at the AGM to approve the granting of the Repurchase Mandate to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 4 of the notice of the AGM (i.e. a total of 30,125,430 Shares on the basis that no further Shares are issued or repurchased before the AGM).

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

LETTER FROM THE BOARD

4. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE SHARES

On 1 June 2021, a resolution was passed by the then Shareholders to grant a general mandate to the Directors to issue Shares. Such mandate will lapse at the conclusion of the AGM. In order to give the Company the flexibility to issue Shares if and when appropriate, an ordinary resolution will be proposed at the AGM to approve the granting of the Sale Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the AGM (i.e. a total of 60,250,861 Shares on the basis that no further Shares are issued or repurchased before the AGM). An ordinary resolution to extend the Sale Mandate by adding the number of Shares repurchased by the Company pursuant to the Repurchase Mandate will also be proposed at the AGM.

5. PROPOSED RE-APPOINTMENT OF RETIRING AUDITOR

The Board proposes to re-appoint PricewaterhouseCoopers as the auditor of the Company effective until the conclusion of the next annual general meeting of the Company, subject to the approval of the Shareholders at the AGM. The Board also proposes and recommends to the Shareholders to authorise the Board at the AGM to fix the remuneration of PricewaterhouseCoopers as the auditor of the Company.

6. PROPOSED ADOPTION OF NEW ARTICLES OF ASSOCIATION

As disclosed in the announcement of the Company dated 29 March 2022, the Board proposed to amend certain provisions of its existing Articles of Association by way of adoption of the New Articles to (i) allow a general meeting to be held as an electronic meeting (also referred to as virtual general meeting) or a hybrid meeting; and (ii) bring the existing Articles of Association in line with the amendments made to Appendix 3 to the Listing Rules which became effective on 1 January 2022 and the applicable laws of the Cayman Islands.

The proposed adoption of the New Articles is subject to the approval of the Shareholders by way of a special resolution at the AGM.

The full text of the New Articles shown as a comparison against the existing Articles of Association is set out in Appendix III to this circular. The Chinese translation of the New Articles is for reference only. In case of any discrepancy or inconsistency between the English and Chinese versions, the English version shall prevail.

The Company has been advised by its legal advisers that the proposed New Articles conform to the requirements of Appendix 3 to the Listing Rules and do not contravene the laws of the Cayman Islands, respectively. The Company also confirms that there is nothing unusual about the proposed amendments to the Articles of Association for a company listed on the Stock Exchange.

LETTER FROM THE BOARD

7. 2021 PROPOSED GRANT OF SHARE AWARDS TO CONNECTED PERSONS UNDER THE PRE-IPO ESOP AND POST-IPO SHARE AWARD SCHEME

Reference is made to the July Announcement in relation to the 2021 Proposed Award Grants.

The 2021 Proposed Award Grants

The Company announced on 15 July 2021 that it has resolved to grant 1,371,095 Awards to the 2021 Grantees under the Post-IPO Share Award Scheme and to grant 444,400 Awards to 4 Grantees under the Pre-IPO ESOP, each subject to acceptance by the 2021 Grantees and the approval of the Independent Shareholders at the AGM. Each of the 2021 Awards is granted, among other terms, for nil consideration, and represents the right to receive one Share on the date the 2021 Awards vest.

Details of the 2021 Proposed Award Grants are as follows:

Name of 2021 Grantee	No. of Awards	Market value of the 2021 Proposed Award Grants based on the closing price of HK\$70.70 per Share on the date of grant (HK\$)
<i>Post-IPO Share Award Scheme</i>		
Dr. Kerry Levan Blanchard	640,303	45,269,422.1
Mr. Ian Ying Woo	166,325	11,759,177.5
Mr. Xiaofan Zhang	166,325	11,759,177.5
Ms. Xu Zhu	80,586	5,697,430.2
Ms. Yang Shi	80,586	5,697,430.2
Ms. Zhengying Zhu	80,586	5,697,430.2
Mr. Yuan Gao	29,205	2,064,793.5
Ms. Min Yu	110,000	7,777,000.0
Mr. Zixin Qiao	17,179	1,214,555.3
<i>Pre-IPO ESOP</i>		
Ms. Xu Zhu	144,000	10,180,800
Ms. Yang Shi	35,000	2,474,500
Ms. Zhengying Zhu	200,000	14,140,000
Mr. Yuan Gao	65,400	4,623,780

Further details regarding the 2021 Proposed Award Grants are set out in the section headed “10. ADDITIONAL INFORMATION REGARDING THE 2021 PROPOSED AWARD GRANTS, THE 2022 PROPOSED AWARD GRANTS AND THE PROPOSED PERFORMANCE TARGET AWARD GRANTS” below and Appendices IV and VII to this circular.

In considering whether to grant Awards under the Post-IPO Share Award Scheme or the Pre-IPO ESOP in respect of the 2021 Awards, the Directors considered (i) the utilisation and the available pool of Awards under each of the schemes; and (ii) the number of Awards to be granted to the 2021 Grantees.

LETTER FROM THE BOARD

8. 2022 PROPOSED GRANT OF SHARE AWARDS TO CONNECTED PERSONS UNDER THE POST-IPO SHARE AWARD SCHEME

Reference is made to the April Announcement in relation to the 2022 Proposed Award Grants.

The 2022 Proposed Award Grants

The Company announced on 1 April 2022 that it has resolved to grant 103,775 Awards to the 2022 Grantees under the Post-IPO Share Award Scheme, each subject to acceptance by the 2022 Grantees and the approval of the Independent Shareholders at the AGM. Each of the 2022 Awards is granted, among other terms, for nil consideration, and represents the right to receive one Share on the date the 2022 Awards vest.

Details of the 2022 Proposed Award Grants are as follows:

Name of 2022 Grantee	No. of Awards	Market value of the 2022 Proposed Award Grants based on the closing price of HK\$22.85 per Share on the date of grant (HK\$)
<i>Post-IPO Share Award Scheme</i>		
Ms. Min Yu	22,877	522,739.45
Mr. Zixin Qiao	20,972	479,210.2
Dr. Heasun Park	23,940	547,029
Mr. Ng Kah San	17,024	388,998.4
Mr. Yuan Gao	18,962	433,281.7

Further details regarding the 2022 Proposed Award Grants are set out in the section headed “10. ADDITIONAL INFORMATION REGARDING THE 2021 PROPOSED AWARD GRANTS, THE 2022 PROPOSED AWARD GRANTS AND THE PROPOSED PERFORMANCE TARGET AWARD GRANTS” below and Appendices V and VII to this circular.

LETTER FROM THE BOARD

9. PROPOSED GRANT OF PERFORMANCE TARGET AWARDS TO CONNECTED PERSONS UNDER THE POST-IPO SHARE AWARD SCHEME

Reference is made to the April Announcement in relation to the Proposed Performance Target Award Grants.

The Proposed Performance Target Award Grants

The Company announced on 1 April 2022 that it has resolved to grant a maximum number of 4,500,000 Performance Target Awards to the Performance Target Award Grantees under the Post-IPO Share Award Scheme, each subject to acceptance by the Performance Target Award Grantees and Independent Shareholders' approval at the AGM. Each of the Performance Target Awards is granted, among other terms, for nil consideration, and represents the right to receive one Share on the date the Performance Target Awards vest.

Details of the Proposed Performance Target Award are as follows:

Name of Performance Target Award Grantee	No. of Awards	Market value of the Proposed Performance Target Award based on the closing price of HK\$22.85 per Share on the date of grant (HK\$)
<i>Post-IPO Share Award Scheme</i>		
Dr. Kerry Levan Blanchard	2,500,000	57,125,000
Mr. Ian Ying Woo	1,000,000	22,850,000
Mr. Xiaofan Zhang	1,000,000	22,850,000

Further details regarding the Proposed Performance Target Awards are set out in the section headed "10. ADDITIONAL INFORMATION REGARDING THE 2021 PROPOSED AWARD GRANTS, THE 2022 PROPOSED AWARD GRANTS AND THE PROPOSED PERFORMANCE TARGET AWARD GRANTS" below and Appendices VI and VII to this circular.

LETTER FROM THE BOARD

10. ADDITIONAL INFORMATION REGARDING THE 2021 PROPOSED AWARD GRANTS, THE 2022 PROPOSED AWARD GRANTS AND THE PROPOSED PERFORMANCE TARGET AWARD GRANTS

Purpose of the Proposed Award Grants

The grant of Awards is a part of the Company's remuneration policy. It enables the Company to attract, retain, incentivize, reward and remunerate the Grantees, and encourage them to work towards enhancing the value of the Company and the Shares for the benefit of the Company and Shareholders as a whole.

The Directors believe that the future success and continuous development of the Company are closely linked to the continuous commitment and efforts of its management team. The Company places a high priority on selecting, recruiting and retaining top talent and cultivates an entrepreneurial and reward-for-performance culture to attract many high-caliber industry veterans. In particular, the Company remains committed to empowering its management team members to take ownership of their work by rewards that commensurate with their contributions.

Given the limited number of individuals in the biopharmaceutical industry with the breadth of expertise and experience required to successfully discover, develop, gain regulatory approval of, manufacture and commercialize drug products and formulate strategy as well as operate the Company to support the development of the drug products, the Directors understand that replacing these key individuals may be difficult and may take a prolonged period of time. Maintaining a stable and experienced management team is therefore critical to the development and expansion of the Company. The retention of these key management team members through the Proposed Award Grants therefore minimizes any potential disruption to the existing operations of the Company.

In particular, the Proposed Performance Target Award Grants were designed by the Remuneration Committee following a 6-month engagement with a leading global compensation consulting firm. The goals of the plan are to:

- (i) further align the interests of the Shareholders and management team;
- (ii) ensure the retention of C-level talent and their continued service over the long term; and
- (iii) accelerate the achievement of Company's strategic and financial objectives.

The Proposed Performance Target Award Grants will provide the Performance Target Award Grantees with incentive to maximize Shareholder value and drive Share price performance. Such grant that can be realized when performance targets are attained is akin to payment of a performance bonus and hence an effective incentive. To achieve the highest and lowest stock price target of HK\$75 and HK\$55, the Company's stock price will have to increase by approximately 265.0% and 167.6%, respectively, from the closing Share price of HK\$20.55 as at the Latest Practicable Date. The Board considers that these stock price targets are attainable without a share consolidation, based on various factors, including but not limited to the overall business planning and growth prospects of the Group, and the experiences and contributions of the Performance Target Award Grantees.

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Rationale of the Proposed Award Grants

The Board proposed to remunerate the Grantees with the Proposed Award Grants in accordance with the Company's remuneration policy after considering the Grantees' respective management roles in the Group and their respective background and experience in the biopharmaceutical industry which contribute to the success of the Group. In determining the remuneration of the Grantees, the Board took into consideration a variety of factors, including but not limited to (i) the importance of the roles and responsibilities of the Grantees; (ii) their past performance and contributions; and (iii) their expected contribution to the Company's future development.

The 2021 Grantees

Background and contribution of Dr. Kerry Levan Blanchard

Dr. Kerry Levan Blanchard is an executive Director and chief executive officer of the Company. He is responsible for the overall management of the Group and the Company. Dr. Blanchard is also a director of Everest Medicines II Limited, EverNov Medicines (Zhuhai Hengqin) Co., Ltd., Everest China and Everstar Medicines (Shanghai) Limited.

Dr. Blanchard is an operating partner of CBC Group and most recently served as chief scientific officer at a subsidiary of Innovent Biologics, Inc. (HKEX: 1801), from January 2018 to June 2019. He was a senior executive at Eli Lilly (NYSE: LLY) and its subsidiaries from 2000 to December 2017, playing multiple roles including senior vice president of Lilly China and co-chairman of the Lilly Asia Venture investment committee. Dr. Blanchard's scientific and leadership positions in Eli Lilly included Oncology Discovery Biology Research, Lilly Singapore Systems Biology, Discovery operations, and Tailored Therapeutics in Indianapolis.

Dr. Blanchard worked at the Feist-Weiller Cancer Center, Department of Medicine, Louisiana State University Medical Center from 1992 to 1999, including as an associate professor of Louisiana State University, and was a research fellow, a clinical fellow and an instructor in Medicine at the Brigham and Women's Hospital in Boston, Massachusetts, United States, and at Harvard Medical School in Massachusetts, United States from 1985 to 1992.

Dr. Blanchard received his bachelor's degree in chemistry in August 1977, Ph.D. in biochemistry in September 1982 and M.D. in April 1985, each from Indiana University in the United States.

In addition to Dr. Blanchard's numerous achievements, he has also been indispensable to the growth of the Company. A highly accomplished scientist and innovator, Dr. Blanchard has spearheaded the Company's mission to create a world-class China-based biopharmaceutical company that develops and commercializes high quality innovative drugs that are affordable to ordinary people. He is responsible for the overall strategic planning and business direction of the Company, ensuring long-term sustainable development of the Company. Under his stewardship, the Company has submitted seven New Drug Application ("NDA")/Biologics License Application with the NDA of eravacycline and SG approved in Singapore. In addition, Dr. Blanchard successfully recruited Mr. Kevin Guo as chief commercial officer whose 22 years of commercial planning and execution experience will play a critical role in transitioning the Company to its next stage of growth as a commercial organization. He also successfully recruited Ms. Jennifer Yang as chief scientific officer whose deep expertise in drug discovery and translational medicine will help the Company establish a strong discovery organization that contributes to the strategic expansion of our clinical development pipeline. The Everest research lab became fully operational in February 2022. Furthermore, Dr.

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Blanchard has worked extensively with the global business development team to actively pursue high-value assets that are synergistic with our portfolio. His extensive network in the global biopharmaceutical industry has been invaluable to our business development efforts. The Company's successes leading up to the Listing and beyond serves as a testament to Dr. Blanchard's contribution and leadership.

Background and contribution of Mr. Ian Ying Woo

Mr. Ian Ying Woo is an executive Director and the chief financial officer of the Company. Mr. Woo is also a director of Everest Medicines II Limited and Everest Medicines (US) Limited.

Mr. Woo is an operating partner of CBC Group and served as a managing director of CBC Group from June 2018 to June 2019. Prior to joining the Company in June 2018, Mr. Woo served as a managing director in the healthcare advisory team at Lazard Frères & Co. LLC ("LFNY"), a subsidiary of the financial advisory and asset management firm Lazard Ltd (NYSE: LAZ). Mr. Woo joined LFNY in March 2005 and was based in New York until June 2018, other than from January 2012 to June 2016 during which period he worked at Lazard Asia (Hong Kong) Limited, LFNY's Hong Kong office and an SFC licensed corporation.

Mr. Woo received his bachelor's degree in biology from Tufts University in the United States in May 1994, his master's degree in cellular, molecular and biomedical studies from the Columbia University Graduate School of Arts and Sciences in the United States in May 1998 and his master of business administration degree from the Columbia University Graduate School of Business in the United States in May 2003.

In addition to Mr. Woo's numerous achievements, he has also made significant contribution to the growth of the Company, especially in the overall financial management, investor relations and external communications. His extensive background and experience in equity financing at financial advisory and asset management firms with a focus in the biotechnology and biopharmaceutical industries helped the Company raise US\$310 million in Series C financing and complete a successful listing on the Stock Exchange. His experience and network built over an 18-year career advising on mergers & acquisitions transactions have helped the Company in its licensing and corporate development efforts. The establishment of internal financial control and management systems, addition of leading investors into the Company, and cooperation with strategic partners serve as a testament to Mr. Woo's contribution and leadership.

Background and contribution of Mr. Xiaofan Zhang

Mr. Xiaofan Zhang is an executive Director and the chief operating officer of the Company. Mr. Zhang is also a director of Everest Medicines II (HK) Limited, Everest Medicines II Limited, Everest Medicines (Singapore) Pte. Ltd., Everstar Therapeutics Limited, EverID Medicines (Beijing) Limited, Everstar Medicines (Shanghai) Limited, EverNov Medicines Limited, EverNov Medicines (HK) Limited, EverNov Medicines (Zhuhai Hengqin) Co., Ltd., Everest Medicines (Suzhou) Inc. and Everest China.

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Mr. Zhang has been with CBC Group since January 2014, most recently serving as a director and was responsible for the fund's investments in the pharmaceutical and biotech industry prior to joining the Company. Prior to joining CBC Group, Mr. Zhang worked in various capacities in private equity and investment banking, including as a private equity investment officer at Capital International, Inc., a private equity arm of Capital Group, from March 2011 to February 2013, at Morgan Stanley Asia Limited, a subsidiary of Morgan Stanley (NYSE: MS), from May 2007 to March 2011 where his last position held was associate, and at BOCI Research Limited and BOCI Securities Limited from 2006 to 2007.

Mr. Zhang received his bachelor's degree in mathematics with honors from The University of Hong Kong in December 2006.

In addition to Mr. Zhang's numerous achievements, he has also made substantial contribution to the growth of the Company, especially in operational management and business development. His years of experience as an active and operationally driven investor in the pharmaceutical and biotech industry helped in all aspects of the Company development and growth. His expertise in evaluating investment opportunities has been invaluable in helping the Company assess and execute on business development efforts. Under the leadership of Mr. Zhang, the Group is progressing well on building the vaccine team and advancing the PTX-COVID-B to clinical trials and regulatory approvals. The operational excellence of the Company facilitating the significant progress made with the Company's drug pipeline serves as a testament to Mr. Zhang's contribution and leadership.

Background and contribution of Ms. Xu Zhu

Ms. Xu Zhu has served as the chief medical officer, infectious disease since October 2017. Ms. Zhu was also a director of EverID Medicines Limited, a wholly-owned subsidiary of the Company until its deregistration in September 2021.

Before joining the Company, Ms. Zhu served as a global clinical leader in the anti-infective therapeutic area of general medicine at Bayer Healthcare Company Limited from April 2013 to October 2017. Ms. Zhu held multiple positions at AstraZeneca Pharmaceutical Technology (Beijing) Co., Ltd., a subsidiary of AstraZeneca plc (LSE: AZN), in China and the United Kingdom from January 2003 to April 2013 and her last position held was executive director of drug development project and portfolio management. Ms. Zhu held multiple positions at MSD China from October 1995 to January 2003 and her last held position was clinical research manager.

Ms. Zhu received her bachelor's degree in preventive medicine from Beijing Medical University (now the Peking University Health Science Center) in July 1994, and her master's degree of medicine in public health and epidemiology and statistics from the Peking University Health Science Center in July 2009.

In addition to Ms. Zhu's numerous achievements, she has also made contribution to the growth of the Company, especially in the research and development in infectious disease, and her background and experience as a scientist leading global development for companies in the biotechnology and biopharmaceutical industry. Ms. Zhu is responsible for the Company's first NDA submission in China. In March 2021, the China National Medical Products Administration ("NMPA") accepted the NDA for Xerava™ for the treatment of complicated intra-abdominal infections ("cIAI") and in September 2021, the NDA was been submitted to the Department of Health of Hong Kong for eravacycline for the treatment of cIAI in adult patients. In April 2020, the Health Science Authority ("HSA") approved Xerava™ for the treatment of cIAI in Singapore. In addition to the progress in cIAI, the NMPA approved the Clinical Trial Application (the "CTA") for eravacycline for the

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treatment of community-acquired bacterial pneumonia August 2021. Such significant regulatory progress, together with the positive clinical development progress with respect to the Company's two other infectious disease drug candidates Taniborbactam and SPR206, serves as a testament to Ms. Zhu's contribution and leadership.

Background and contribution of Ms. Yang Shi

Ms. Yang Shi has served as our chief medical officer, oncology since February 2019. Ms. Shi is also a director of EverNov Medicines (Zhuhai Hengqin) Co., Ltd.

Before joining the Company, Ms. Shi was the head of China clinical development at Merck Serono (Beijing) Pharmaceutical Research and Development Co., Ltd. (默克雪蘭諾(北京)醫藥研發有限公司) in China from February 2015 to February 2019. Ms. Shi was the global clinical project lead for oncology at Boehringer Ingelheim International Trading (Shanghai) Co., Ltd. in China and Germany from September 2010 to February 2015. Ms. Shi worked as a product physician, medical advisor and senior manager in oncology consecutively at Pfizer Investment Co., Ltd. in China, a subsidiary of Pfizer Inc. (NYSE: PFE), from September 2005 to September 2010.

Ms. Shi received her bachelor's degree in medicine from the Capital University of Medical Sciences, China in July 1998 and her master's degree in oncology from the Academy of Military Medical Sciences, China in July 2002.

In addition to Ms. Shi's numerous achievements, she has also made contribution to the growth of the Company, especially in research and development in oncology, and her background and experience as scientists leading research and development for companies in the biotechnology and biopharmaceutical industry. In May 2021, the NMPA accepted the Company's BLA submission for SG (as defined below) in metastatic triple-negative breast cancer ("mTNBC") and granted priority review to SG. At the same time, the Ministry of Food and Drug Safety ("MFDS") in South Korea granted Orphan Drug Designation ("ODD") and priority review for SG, and the Taiwan Food and Drug Administration ("TFDA") granted Pediatric and Rare Severe Disease Priority Review Designation for adult patients with second-line mTNBC. In January 2021, the Company submitted a NDA to the HSA of Singapore for SG for the treatment of mTNBC. Subsequently, the MFDS and TFDA also accepted the NDA of SG for second-line mTNBC in December 2021. In February 2022, the Company received its first NDA of SG in Singapore for second-line mTNBC. The NMPA also approved the CTA for a phase 3 registration trial of SG for metastatic urothelial cancer and a phase 2 basket trial of SG in a variety of cancers. The significant clinical and regulatory progress with respect to the Company's oncology drug pipeline and research and development serve as a testament to Ms. Shi's contribution and leadership.

Background and contribution of Dr. Zhengying Zhu

Dr. Zhengying Zhu has served as our chief medical officer, internal medicine since November 2017. Dr. Zhu is also a director of Everstar Therapeutics Limited and Everstar Medicines (Shanghai) Limited.

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Before joining the Company, Dr. Zhu served as chief medical officer and head of the business development at Luoxin Biological Technology (Shanghai) Co., Ltd. (羅欣生物科技(上海)有限公司) (now known as Luoxin Pharmaceuticals (Shanghai) Co., Ltd (羅欣藥業(上海)有限公司)), a wholly owned subsidiary of Shandong Luoxin Pharmaceutical Group Stock Co., Ltd. (HKEX: 8058, delisted), from October 2014 to October 2017. From November 2006 to October 2014, Dr. Zhu held multiple positions at Sino-American Shanghai Squibb Pharmaceuticals Limited, a subsidiary of Bristol-Myers Squibb (NYSE: BMY), and her last position held was senior medical director. Dr. Zhu worked as a physician at AstraZeneca Pharmaceutical Co., Ltd. in China from April 2005 to November 2006.

Dr. Zhu received her M.D. in clinical medicine in July 1996 and her Ph.D. in clinical medicine and internal medicine in July 2001, both from Shanghai Medical University (now known as Fudan University, School of Medicine). Dr. Zhu completed her post-doctoral fellowship training at the Division of Nephrology, University of Texas Southwestern Medical Center in Dallas, Texas, United States in December 2004.

In addition to Dr. Zhu's numerous achievements, she has also made contribution to the growth of the Company, especially in research and development in internal medicine, and her background and experience as a scientist leading research and development and business development for companies in the biotechnology and biopharmaceutical industry. In December 2020, the China Center for Drug Evaluation ("CDE") of NMPA granted Breakthrough Therapy Designation ("BTD") for Nefecon for the treatment of IgA nephropathy ("IgAN"). The rapid clinical and regulatory advancements for Nefecon, as well as positive clinical progress for Etrasimod for ulcerative colitis and Ralinepag for pulmonary arterial hypertension, serve as a testament to Dr. Zhu's contribution and leadership.

Background and contribution of Mr. Yuan Gao

Mr. Yuan Gao has served as vice president of regulatory affairs for infectious disease of the Company since March 2018. Mr. Gao is a director of EverSun Medicines Limited.

Before joining the Company, Mr. Gao was the director of regulatory affairs at Abbott Laboratories Trading (Shanghai) Co., Ltd in China from August 2015 to March 2018. From June 2014 to August 2015, Mr. Gao worked as director of regulatory affairs at Beijing Fresenius Kabi Pharmaceutical Company Limited. Prior to that, Mr. Gao was the senior RA manager at AstraZeneca Pharmaceutical Co., Ltd.

Mr. Gao received his bachelor's degree in animal physiology and biochemistry from Beijing Agriculture University in China in July 1995 and his master of business administration degree from Law and Management Academy at La Trobe University in Australia in January 2001.

Mr. Gao made important contribution in leading drug registration for infection disease drug candidates including the NDA submission of XeravaTM for the treatment of cIAI in China as the first NDA of the Company in 2021 which was subsequently filed in Hong Kong, the NDA approval of XeravaTM in Singapore in 2020 and several clinical trial application approvals. In the future, Mr. Gao will continually take important responsibilities to achieve infection disease pipeline market approval in China and Asia.

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Background and contribution of Ms. Min Yu

Ms. Min Yu has served as our executive director of finance since October 2020. Ms. Yu is a supervisor of Everest Medicines (China) Co., Ltd.

Before joining the Company, Ms. Yu served as director of finance and controller at Ferring Pharmaceuticals in China from September 2012 to October 2020. Ms. Yu held multiple positions at Eli Lilly China from August 2007 to August 2012 and her last position held was China SAP implementation and organizational change management lead. Prior to that, she held multiple positions at Boston Scientific Corporation from March 2003 to August 2007 and her last position held was finance manager.

Ms. Yu received her bachelor's degree in economics (international trade) from Shanghai International Studies University in China in July 1996 and her master's degree of business in accounting from Monash University in Australia in November 1999.

Ms. Yu expanded the finance team to support company growth after the listing, particularly in the recruitment of talents for commercialization preparation. Ms. Yu has been leading the SAP implementation project with support from the senior management team and other functions. She will continue to work on cash optimization and suitable supply chain model to support product launch across Asia.

Background and contribution of Mr. Zixin Qiao

Mr. Zixin Qiao joined the Company as legal director in January 2020 prior to his promotion to senior legal director. Mr. Qiao is a director of Everest Medicines (China) Co., Ltd.

Before joining the Company, Mr. Qiao served as a senior legal counsel at Eli Lilly China from April 2012 to December 2019. Mr. Qiao was the senior legal counsel at Air Liquide (China) Holding Co., Ltd from August 2011 to March 2012. Mr. Qiao held multiple positions at Roedl&Partner in China from February 2004 to July 2011 and his last position was senior legal consultant.

Mr. Qiao received his bachelor's degree in law from Nanjing University in China in 1998 and his master's degree in law from Nanjing University in China in 2004.

Mr. Qiao made significant contributions in managing legal and compliance including building a legal and compliance team, establishing essential legal and compliance policies for the Company, creating our contract management process and system. Mr. Qiao was a key execution team member during the Listing. In addition to aforementioned achievements, he also played an important role in reviewing strategic collaboration agreements. Mr. Qiao will continue to support business development and the operation of the Company from legal and compliance aspects.

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The 2022 Grantees

The backgrounds and contributions of each of Ms. Min Yu, Mr. Zixin Qiao and Mr. Yuan Gao are set out above.

Background and contribution of Dr. Heasun Park

Dr. Heasun Park is the director and general manager of Everest Medicines Korea, LLC. She is responsible for the overall management of Korea affiliate of the Company since January 2021.

Dr. Park has a distinguished career in the pharmaceutical industry. Before joining the Company, she worked at BMS as general manager of Korea for 4 years and led the transformation of the company and the successful launch of new products including Opdivo. Prior to BMS, Dr. Park has worked at other multinational companies including Bayer, Abbott and Pfizer for 17 years in various roles in marketing, strategy, market access and BU leadership. Dr. Park has a bachelor of science and a master of science in pharmacy from Seoul National University as well as a Ph.D. in pharmaceutical policy and outcomes research from Sungkyunkwan University in Korea.

Dr. Park's industry and leadership experience is very relevant for the Company as we build our organization and business in Korea. Under her leadership, Everest Medicines Korea, LLC. was incorporated in July 2021 and established to commercialize the Group's products in Korea. She played a critical role in ODD and fast track designation (FTD) by the MFDS of South Korea for Trodelvy in April 2021, and the Biologics License Application (BLA) submission and acceptance by MFDS. She led pre-marketing activities for Trodelvy including advisory board meetings, market research, and pharmaco-economics analysis. Dr. Park has worked closely with the global R&D team for successful patient recruitment for clinical trials of Trodelvy and Etrasimod. She also worked extensively with global business development team to actively pursue Nefecon Korea rights. She contributed to the Company's reputation as an innovative Chinese biotech company by giving a thorough introduction on the Company's strengths, visions as well as its pipelines at an interview with two influential Korean media press.

Korea is the third largest pharmaceutical market in the Asia Pacific region with a well-developed healthcare system. Dr. Park has robust experiences and a rich network in the Korean pharmaceutical industry, which has been invaluable to the Group's success in Korea. With her strong leadership, the Group can make its products accessible to patients and in realizing operation success for Korea.

Background and contribution of Mr. Ng Kah San

Mr. Ng Kah San is the director EverVac Medicines (Singapore) Pte. Ltd., an indirect subsidiary of the Company and general manager of Everest Medicines (Singapore) Pte. Ltd. is responsible for the overall business operation of the Singapore affiliate of the Company.

Before joining the Company, Mr. Ng was a general manager at Merck Pte. Ltd. And was responsible for the Singapore and Brunei markets. Mr. Ng started his career in the pharmaceutical industry from 1997 and has worked in various commercial roles in both Eli Lilly and GlaxoSmithKline.

Mr. Ng received his bachelor's degree in pharmacy in 1997 from the National University of Singapore and completed his MBA with the Manchester Business School in 2015.

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Since joining the Company in June 2020, Mr. Ng has been responsible for setting up the Singapore office and team and the strategic planning and business direction of the Singapore affiliate. He supported the approval process and led the commercial launch of Xerava (Eravacycline) which marked the first commercialized product globally for the Company and which has enjoyed brisk success in the first quarter of launch.

The Performance Target Award Grantees

The backgrounds and contributions of each of Dr. Kerry Levan Blanchard, Mr. Ian Ying Woo and Mr. Xiaofan Zhang are set out above.

Listing and future development

The success of the Listing marked a monumental step in the continued growth and success of the Group. Since the Listing, the Company has made significant progress with respect to its drug pipeline and business operations, including:

Sacituzumab govitecan-hziy (Trodelvy™) (“SG”), our anchor drug candidate in the oncology therapeutic area, is a first-in-class TROP-2 directed antibody-drug conjugate (“ADC”).

- In October 2020, SG was included in the updated 2020 China Guidelines for the Standardized Diagnosis and Treatment of Advanced Breast Cancer.
- On 6 January 2021, we submitted a NDA to the HSA of Singapore for SG for the treatment of patients with unresectable locally advanced or mTNBC who have received two or more prior systemic therapies, at least one for metastatic disease, and the indication was subsequently amended to second-line and later lines mTNBC.
- On 6 January 2021, the CDE of the China NMPA approved a China CTA for SG for the treatment of patients with mUC. This phase 3, global, multicenter, open-label randomized controlled TROPiCS-04 trial evaluates SG compared with standard of care chemotherapeutic options in subjects with metastatic or locally advanced unresectable urothelial cancer who have progressed after prior therapy with a platinum-based regimen and a programmed death receptor-1 (“PD-1”) or a programmed death-ligand (“PD-L1”) therapy. The first person was dosed in China of this trial on 26 August 2021.
- On 31 March 2021, the CDE of the China NMPA approved a CTA for a phase 2 basket trial for a variety of cancers with high TROP-2 expression. The trial is designed to evaluate SG monotherapy in 180 patients with relapse/refractory esophageal squamous cell carcinoma, gastric cancer, and cervical cancer at select sites in China.
- On 17 May 2021, NMPA accepted the Biologics License Application (“BLA”) for SG for the treatment of second-line and later lines mTNBC in adult patients. Following the BLA acceptance, SG was granted priority review by the CDE of China NMPA in May 2021.
- In May 2021, the MFDS of South Korea had granted Fast Track Designation and Orphan Drug Designation to SG for the treatment of later line mTNBC.

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- In July 2021, the Taiwan Food and Drug Administration (“**T DFA**”) granted Pediatric and Rare Severe Disease Priority Review Designation to SG for adult patients with second-line mTNBC.
- On 11 November 2021, the Company announced the topline results of its bridging study, EVER-132-001, a single-arm, multi-center phase 2b study of SG conducted in China on patients with unresectable locally advanced or mTNBC who have received two or more prior systemic therapies, at least one for metastatic disease. SG met its primary endpoint with an ORR of 38.8%, as evaluated by an Independent Review Committee. Its safety profile was similar to that reported in prior studies, and no new safety signals were identified.
- On 15 December 2021, MFDS of South Korea accepted the Company’s NDA for SG for the treatment of second-line and later lines mTNBC in adult patients.
- In December 2021, TFDA accepted the NDA submission of SG for the treatment of second-line and later lines mTNBC in adult patients.
- On 10 January 2022, the Company announced it will participate in a study pursuant to a clinical trial collaboration between Gilead and Merck & Co., Inc. (MSD) to evaluate the combination of SG and MSD’s anti-PD-1 therapy Keytruda® (pembrolizumab) in first-line metastatic non-small cell lung cancer (“**NSCLC**”). As part of the collaboration, MSD will sponsor this trial. The Company will participate in the global phase 3 study in Asia through its existing collaboration agreement with Gilead.
- In January 2022, the HSA of Singapore approved the Company’s NDA for SG for the treatment of second-line and later lines m TNBC.

Nefecon, our anchor drug candidate in cardio-renal therapeutic area, is a novel oral formulation of budesonide in the development for the treatment of IgAN.

- Nefecon was granted BTB for the treatment of IgAN by the China Center for Drug Evaluation (“**CDE**”) of the NMPA in December 2020.
- The Company has completed Chinese patient enrollment into the NefIgArd phase 3 global registrational study evaluating Nefecon as a treatment of IgAN.

PTX-COVID19-B is a potentially best-in-class lipid nanoparticle-formulated mRNA COVID-19 vaccine with strong immunogenicity and tolerability profiles.

- In December 2021, PTX-COVID19-B was approved by an independent vaccine prioritization advisory group to be part of the World Health Organization (“**WHO**”) Solidarity Trial Vaccines (“**STV**”) clinical trial, an international, randomized clinical trial designed to rapidly evaluate the efficacy and safety of promising new candidate vaccines. The STV trials have started recruitment in selected sites in the Philippines, Mali, and Colombia.

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- In December 2021, the Company and Providence Therapeutics (“**Providence**”) have started working on a new version of a COVID-19 vaccine specifically targeting the Omicron variant. It is expected that this new Omicron SARS-CoV-2 variant vaccine will advance into clinical testing in the first quarter of 2022.

Eravacycline (Xerava™) is a novel, fully synthetic fluorocycline intravenous antibiotic developed for use as first-line empiric monotherapy for the treatment of multidrug resistance (“**MDR**”) infections, including MDR Gram-negative infections.

- In March 2021 and September 2021 respectively, the China NMPA and the Department of Health of Hong Kong accepted an NDA for eravacycline for the treatment of cIAI.
- A Phase 3 bridging clinical trial of eravacycline for the treatment of cIAI in China was completed in October 2020.
- In August 2021, the CDE of the NMPA approved the CTA for eravacycline for the treatment of community-acquired bacterial pneumonia.

The progresses illustrate the rapid clinical development of the Group and demonstrate the quality research and development efforts of the Group which contribute to business development. On the business development front, we extended our pipeline in 2021 with two new licensing agreements and a discovery collaboration. One of these new partnerships was with Providence on the rights to their mRNA platform, which includes a COVID-19 vaccine candidate for China and Asia’s emerging markets and other vaccines to be developed with global rights for the Company. The second was a global licensing arrangement with Sinovent and SinoMab to develop, produce and commercialize EVER001, a covalent reversible BTK inhibitor for the treatment of renal diseases. The multi-target discovery collaboration we entered into in 2021 was with AbCellera Biologics Inc., to leverage their AI-powered antibody discovery platform to pursue discovery projects in oncology and renal diseases, enabling us to advance our plans to build our own organic discovery platform. The business development efforts have been and will be continued in 2022. We entered into a global licensing arrangement to obtain exclusive worldwide rights to develop, manufacture and commercialize EDDC’s series of viral 3CL protease inhibitors as a COVID-19 oral antiviral treatment to complement our existing COVID-19 vaccine program, including PTX-COVID19-B. These agreements reflect our growth strategy to license early-stage assets and secure global rights, allowing us to showcase our discovery efforts and offer potential out-licensing opportunities, further establishing the Company as a leading player in the Asian biotechnology sector.

As part of the preparations to become a commercial organization, the Group established key strategic partnerships with Tencent Holdings Limited, Medbanks Health Technology Co., Ltd and MediTrust Health Co., Ltd to explore innovative ways in digital marketing and improving patient’s access to novel medicines. The Group plans to continue to meet and exceed Shareholders’ expectations by continuing to expand its research platform and improving its pipeline of drug assets and business operations.

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Retention and recognition of the Grantees

The Board considered that the retention and motivation of the Grantees as an indispensable part of the senior management and research and development team of the Group is highly beneficial for the Group's development and expansion, and can avoid any potential disruption to the existing operation of the Group resulting from the lack of continuity of leadership.

The Board proposed to remunerate the Grantees with the Proposed Award Grants after considering the respective benefits of granting the Awards and the complementary effect of the Proposed Award Grants as part of the remuneration package. The grant of the Awards will provide the Grantees with certainty of monetary benefits regardless of Share price performance. Such grant that can be realized and is readily available at the end of the vesting period is akin to payment of a deferred bonus and hence an effective incentive. In addition, the Proposed Award Grants will further align the interests of the Grantees and the long-term interests of the Shareholders, ensuring a better linkage between the Company's long-term strategic and financial goals and executive compensation.

The number of Awards proposed to be granted to the Grantees was determined by the Company and the Grantees upon arm's length negotiations with each of them taking into account all of the aforementioned factors and the remuneration packages of CEOs and executive directors of other biopharmaceutical companies listed on the Stock Exchange, as well as grants of awards to connected persons by other biotechnology and pharmaceutical companies listed on the Stock Exchange, including companies listed under Chapter 18A of the Listing Rules (the "**Comparable Companies**"). Specifically, the Directors and the Remuneration Committee considered:

In respect of the 2021 Proposed Award Grants:

- (i) *the annual remunerations of the CEOs of comparable companies*

The average annual remunerations of CEOs of Comparable Companies for the year ended 31 December 2020 was approximately RMB38.2 million.

- (ii) *the annual remuneration of executive directors of comparable companies*

The average share share-based payment of executive directors with significant roles (such as C-suites and general managers but excluding chief executive officers) of Comparable Companies for the year ended 31 December 2020 was approximately RMB13.8 million. The average annual remunerations of executive directors (excluding chief executive officers) of Comparable Companies for the year ended 31 December 2020 was approximately RMB7.4 million.

In respect of the 2022 Proposed Award Grants:

- (i) *the annual remuneration of executive directors of comparable companies*

The average annual remunerations of executive directors of Comparable Companies which do not hold chief executive officer roles (but may hold roles of C-suites, general managers, deputy general managers and other senior management, etc.) for the years ended 31 December 2020 and 2021 was approximately RMB6.8 million.

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In respect of the Proposed Performance Target Award Grants:

(i) *the annual remunerations of the CEOs of comparable companies*

The annual remunerations of CEOs of Comparable Companies for the years ended 31 December 2020 and 2021 was approximately RMB33.8 million.

(ii) *the annual remuneration of executive directors of comparable companies*

The annual remunerations of executive directors with significant roles (such as C-suites and general managers but excluding chief executive officers) of Comparable Companies for the years ended 31 December 2020 and 2021 ranged from approximately RMB0.94 million to approximately RMB61.6 million.

(iii) *the past and expected contribution of each Performance Target Award Grantee*

Under the leadership of Dr. Blanchard, Mr. Woo and Mr. Zhang, whose experiences and contributions to the Group are set out in detail in the sections headed “Background and contribution of Dr. Kerry Levan Blanchard”, “Background and contribution of Mr. Ian Ying Woo” and “Background and contribution of Mr. Xiaofan Zhang”, the Company has achieved significant milestones across its different business units, made strategically important license acquisitions, and received increasing capital markets recognition. The Directors and Remuneration Committee have confidence that the Performance Target Award Grantees will continue lead the Company to achieve its clinical, regulatory and business development goals in an effective and efficient manner with a high standard of quality, integrity, and excellence in the coming years.

Taking into account the responsibilities, experience and contribution of each of the Grantees, the Directors and Remuneration Committee consider the number of Awards proposed to be granted to each of them to be fair and reasonable and provides sufficient incentive to retain and motivate them to participate in the formulation of strategy and long-term development of the Company. Each of the Grantees has extensive experience in the biopharmaceutical industry and/or financial, business and/or operational management which complements the skills and experience of other Board and senior management members and has allowed them to contribute significantly to the building of a strong infrastructure for the long-term, sustainable development of the Group.

Listing Rules Implications

Dr. Kerry Levan Blanchard, Mr. Ian Ying Woo and Mr. Xiaofan Zhang are each executive Directors, and therefore connected persons of the Company. Ms. Yang Shi, Dr. Zhengying Zhu, Mr. Yuan Gao, Ms. Min Yu, Mr. Zixin Qiao, Dr. Heasun Park, Mr. Ng Kah San are each directors of subsidiaries of the Company, and therefore connected persons of the Company. As disclosed in the July Announcement, Ms. Xu Zhu is a director of a subsidiary of the Company. The aforementioned subsidiary was deregistered in September 2021. Ms. Xu Zhu remains a connected person of the Company on basis that she was a director of a subsidiary of the Company in the last 12 months. Accordingly, the 2021 Proposed Award Grants, the 2022 Proposed Award Grants and the Proposed Performance Target Award Grants and transactions contemplated thereunder constitute non-exempt connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement and the Independent Shareholders’ approval requirements.

LETTER FROM THE BOARD

Pursuant to Chapter 14A of the Listing Rules, a shareholder with a material interest in the transaction is required to abstain from voting on the resolutions at the AGM to approve the relevant Proposed Award Grants.

Dr. Kerry Levan Blanchard did not vote on the Board resolution approving the 2021 Proposed Award to Dr. Kerry Levan Blanchard and the Proposed Performance Target Award Grant to Dr. Kerry Levan Blanchard. No other Director is considered to be interested in these grants and therefore none of them other than Dr. Kerry Levan Blanchard abstained from voting on the relevant Board resolutions. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Dr. Kerry Levan Blanchard and his associates is not interested in any Shares or underlying Shares, except for Dr. Kerry Levan Blanchard's interest in options for which no voting rights may be exercisable. Accordingly, no Shareholders are required under the Listing Rules to abstain from voting at the AGM on the resolution approving the 2021 Proposed Award to Dr. Kerry Levan Blanchard and the Proposed Performance Target Award Grant to Dr. Kerry Levan Blanchard and transactions contemplated therein.

Mr. Ian Ying Woo did not vote on the Board resolution approving the 2021 Proposed Award to Mr. Ian Ying Woo and the Proposed Performance Target Award Grant to Mr. Ian Ying Woo. No other Director is considered to be interested in these grants and therefore none of them other than Mr. Ian Ying Woo abstained from voting on the relevant Board resolutions. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Mr. Ian Ying Woo and his associates is not interested in any Shares or underlying Shares, except for Mr. Ian Ying Woo's interest in options for which no voting rights may be exercisable. Accordingly, no Shareholders are required under the Listing Rules to abstain from voting at the AGM on the resolution approving the 2021 Proposed Award to Mr. Ian Ying Woo and the Proposed Performance Target Award Grant to Mr. Ian Ying Woo and transactions contemplated therein.

Mr. Xiaofan Zhang did not vote on the Board resolution approving the 2021 Proposed Award to Mr. Xiaofan Zhang and the Proposed Performance Target Award Grant to Mr. Xiaofan Zhang. No other Director is considered to be interested in these grants and therefore none of them other than Mr. Xiaofan Zhang abstained from voting on the relevant Board resolutions. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Mr. Xiaofan Zhang and his associates is not interested in any Shares or underlying Shares, except for Mr. Xiaofan Zhang's interest in options for which no voting rights may be exercisable. Accordingly, no Shareholders are required under the Listing Rules to abstain from voting at the AGM on the resolution approving the 2021 Proposed Award to Mr. Xiaofan Zhang and the Proposed Performance Target Award Grant to Mr. Xiaofan Zhang and transactions contemplated therein.

No Director is considered to be interested in the 2021 Proposed Award to Dr. Zhengying Zhu and therefore none of them abstained from voting on the relevant Board resolution. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Dr. Zhengying Zhu is interested in 686,224 Shares held by her associates. Accordingly, save for Dr. Zhengying Zhu and her associates, no other Shareholders are required under the Listing Rules to abstain from voting at the AGM on the resolutions approving the 2021 Proposed Award to Dr. Zhengying Zhu and transactions contemplated therein.

LETTER FROM THE BOARD

No Director is considered to be interested in the 2021 Proposed Award to Ms. Xu Zhu, Ms. Yang Shi, Mr. Yuan Gao, Ms. Min Yu and Mr. Zixin Qiao and the 2022 Proposed Award Grants and therefore none of them abstained from voting on the relevant Board resolutions. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Ms. Xu Zhu, Ms. Yang Shi, Mr. Yuan Gao, Ms. Min Yu, Mr. Zixin Qiao, Dr. Heasun Park and Mr. Ng Kah San and their associates is not interested in any Shares or underlying Shares, except for their interest in options and RSUs for which no voting rights may be exercisable. Accordingly, no Shareholders are required under the Listing Rules to abstain from voting at the AGM on the resolutions approving the Proposed Award to Ms. Xu Zhu, the Proposed Award to Ms. Yang Shi, the Proposed Award to Mr. Yuan Gao, the Proposed Award to Ms. Min Yu, the Proposed Award to Mr. Zixin Qiao and the 2022 Proposed Award Grants and transactions contemplated thereunder.

Directors' Views

The Directors and the Remuneration Committee believe that the 2021 Proposed Award Grants, the 2022 Proposed Award Grants and the Proposed Performance Target Award Grants will retain, motivate and incentivize the Grantees and will benefit the long term development of the Group. Having reviewed the 2021 Proposed Award Grants, 2022 Proposed Award Grants, the 2022 Proposed Award Grants and the Proposed Performance Target Award Grants as part of the remuneration package to each Grantee and taking into account (i) the level of remuneration paid by comparable companies to their CEOs, directors and senior management; (ii) the time commitment, responsibilities and achievements of the Grantees in the past couple of years; (iii) the market practice regarding executive remuneration package structures of comparable companies; and (iv) based on their experience and knowledge of the industry, the importance of a biopharmaceutical company like the Group, which depends significantly highly educated and skilled individuals with the requisite biopharmaceutical and industry knowledge, to retain, motivate and incentivize the Directors and senior management to run the Company successfully for the long term benefit of the Group:

- (i) the Directors (including independent non-executive Directors but excluding Dr. Kerry Levan Blanchard) and the Remuneration Committee consider that the terms of the 2021 Proposed Award to Dr. Kerry Levan Blanchard and Proposed Performance Target Award to Dr. Kerry Levan Blanchard are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.
- (ii) the Directors (including independent non-executive Directors but excluding Mr. Ian Ying Woo) and the Remuneration Committee consider that the terms of the 2021 Proposed Award to Mr. Ian Ying Woo and the Proposed Performance Target Awards to Mr. Ian Ying Woo are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.
- (iii) the Directors (including independent non-executive Directors but excluding Mr. Xiaofan Zhang) and the Remuneration Committee consider that the terms of the 2021 Proposed Award to Mr. Xiaofan Zhang and Proposed Performance Target Award to Mr. Xiaofan Zhang are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.
- (iv) the Directors (including independent non-executive Directors) and the Remuneration Committee consider that the terms of the 2021 Proposed Awards to each of Ms. Xu Zhu, Ms. Yang Shi, Dr. Zhengying Zhu, Mr. Yuan Gao, Ms. Min Yu and Mr. Zixin Qiao are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

- (v) the Directors (including independent non-executive Directors) and the Remuneration Committee consider that the terms of the 2022 Proposed Awards to each of Ms. Min Yu, Mr. Zixin Qiao, Dr. Heasun Park, Mr. Ng Kah San and Mr. Yuan Gao are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

Independent Board Committee and Independent Financial Adviser

The Independent Board Committee, comprising Mr. Shidong Jiang, Mr. Yifan Li and Mr. Bo Tan, all being independent non-executive Directors, has been formed to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the 2021 Proposed Award Grants, the 2022 Proposed Award Grants and the Proposed Performance Target Award Grants. Elstone Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

Listing Approval

The Stock Exchange has previously granted its approval for the listing of, and permission to deal in, the Shares to be issued under the Post-IPO Share Award Scheme and the Pre-IPO ESOP on 8 October 2020.

Information about the Company

The Company is a biopharmaceutical company focused on developing and commercializing transformative pharmaceutical products that address critical unmet medical needs for patients in Greater China and other Asian markets. The management team of the Company has deep expertise and an extensive track record of high-quality clinical development, regulatory affairs, CMC, business development and operations both in China and with leading global pharmaceutical companies. The Company has built a portfolio of eleven potentially global first-in-class or best-in-class molecules, many of which are in late stage clinical development. The Company's therapeutic areas of interest include oncology, autoimmune disorders, cardio-renal diseases and infectious diseases.

11. PROPOSED INCREASE IN SCHEME LIMIT UNDER THE POST-IPO SHARE AWARD SCHEME

Reference is made to the April Announcement in relation to the Proposed Increase in Scheme Limit.

The Post-IPO Share Award Scheme was adopted by the then Shareholders on 21 September 2020 and became effective on the Company's listing date, 9 October 2020. Pursuant to the Post-IPO Share Award Scheme, the Board or the committee of the Board or person(s) to which the Board has delegated its authority may, from time to time, at their absolute discretion, grant an Award to a selected participant (in the case of the Board's delegate(s), to any selected participant other than a Director or an officer of the Company) for up to a maximum of 14,184,519 Shares underlying all grants (excluding Shares which have been forfeited in accordance with the Post-IPO Share Award Scheme) (representing approximately 5% of the total issued Shares immediately after completion of the Company's initial public offering, assuming the over-allotment option is not exercised and no Shares are issued pursuant to the share schemes) without further Shareholders' approval.

Further details of the Post-IPO Share Award Scheme are set out in Appendix VIII to this circular.

LETTER FROM THE BOARD

As at the Latest Practicable Date, 11,101,585 Shares underlying the grant of Awards under the Post-IPO Share Award Scheme had been, or proposed to be, granted (excluding Shares which have been forfeited in accordance with the Post-IPO Share Award Scheme), representing approximately 78.27% of the total number of Shares authorised to be granted under the Existing Scheme Limit. Details of such grants and proposed grants of Awards were announced by the Company in the announcements dated 7 May 2021, 22 June 2021, 15 July 2021 and 1 April 2022 and in this circular. As such, the remaining balance of Shares which could be granted under the Post-IPO Share Award Scheme is 3,082,934 Shares.

The Board resolved that, subject to (i) the Shareholders approving the Increase in Scheme Limit and the Scheme Mandate at the upcoming AGM, and (ii) the listing division of the Stock Exchange granting the listing of, and permission to deal in, any Shares to be allotted and issued under the Post-IPO Share Award Scheme in excess of those previously approved by the Stock Exchange, the Existing Scheme Limit be increased by 4,500,000 Shares (representing approximately 1.49% of the total issued Shares as at the Latest Practicable Date) to the new scheme limit of 18,684,519 Shares in accordance with the provisions in the Scheme Rules. The proposed amendments of the Scheme Rules to effect the Increase in Scheme Limit are as follows:

The text of Paragraph 15.1 of the Scheme Rules, which reads:

“The Company shall not make any further grant of Award which will result in the aggregate number of Shares underlying all grants made pursuant to the Scheme (excluding Award Shares that have been forfeited in accordance with the Scheme) to exceed 14,184,519 Shares without Shareholders’ approval (the “Scheme Limit”), representing approximately 5% of the total issued Shares immediately after the Company’s listing on the Stock Exchange, subject to an annual limit of 2.5% of the total number of issued Shares at the time.”,

shall be deleted in its entirety and replaced with:

“The Company shall not make any further grant of Award which will result in the aggregate number of Shares underlying all grants made pursuant to the Scheme (excluding Award Shares that have been forfeited in accordance with the Scheme) to exceed 18,684,519 Shares without Shareholders’ approval (the “Scheme Limit”), subject to an annual limit of 2.5% of the total number of issued Shares at the time.”

Save for the proposed amendments set out above, other provisions of the Post-IPO Share Award Scheme shall remain unchanged. A summary of the principal terms of the Post-IPO Share Award Scheme, including the new scheme limit (assuming the proposed amendments had been approved at the AGM and were effective), is set out in Appendix VIII to this circular. The new scheme limit was determined by reference to the number of Shares granted and proposed to be granted and the number of potential eligible persons and the estimated future need of the Group to incentivize the eligible persons.

LETTER FROM THE BOARD

12. PROPOSED SCHEME MANDATE TO ISSUE SHARES UNDER THE POST-IPO SHARE AWARD SCHEME

As at the Latest Practicable Date, the issued share capital of the Company comprised 301,254,309 Shares.

As the Company may grant further Awards under the Post-IPO Share Award Scheme after the Increase in Scheme Limit becoming effective and may issue and allot new Shares to satisfy the Awards in excess of those Shares under the Existing Share Award Scheme Limit, ordinary resolutions will be proposed at the AGM for the Shareholders to consider and, if thought fit, approve the Scheme Mandate, subject to the listing division of the Stock Exchange granting the listing of, and permission to deal in, any Shares to be allotted and issued under the Post-IPO Share Award Scheme in excess of those previously approved by the Stock Exchange.

The Scheme Mandate, once granted, shall remain effective until the variation or revocation of the Scheme Mandate by an ordinary resolution of the Shareholders at a general meeting of the Company.

An application will be made to the listing division of the Stock Exchange for the listing of, and the permission to deal in, 4,500,000 Shares which may be issued pursuant to any Awards made under the Post-IPO Share Award Scheme in excess of those Shares under the Existing Scheme Limit previously approved by the Stock Exchange. For the avoidance of doubt, the Stock Exchange has granted approval at the time of the Company's initial public offering for the listing of, and permission to deal in, the Shares to be issued under the Existing Scheme Limit.

As of the Latest Practicable Date, the Company had not yet identified any specific participants to whom it wishes to grant Awards pursuant to the Post-IPO Share Award Scheme following the Increase in Scheme Limit. As such, as of the Latest Practicable Date, the Company had no immediate intention to grant any Awards following the Increase in Scheme Limit (if approved by the Shareholders).

Reasons for the Increase in Scheme Limit and the Scheme Mandate

The purpose of the Post-IPO Share Award Scheme is to align the interests of eligible persons 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, and to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group. As the Existing Scheme Limit is nearly depleted, the grant of the Scheme Mandate will allow the Company to continue to grant Awards under the Post-IPO Share Award Scheme so as to continue to serve its intended purposes and objectives of rewarding and incentivizing the eligible persons and to contribute to the success of the Group. The Directors therefore consider that the Increase in Scheme Limit and the grant of the Scheme Mandate are in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

13. AGM AND PROXY ARRANGEMENT

The notice of the AGM is set out on pages 148 to 155 of this circular.

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

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (www.everestmedicines.com). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the AGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM should you so wish.

14. RECOMMENDATION

Proposed re-election of Directors, Proposed Repurchase Mandate, Proposed Sale Mandate, Proposed re-appointment of retiring Auditor, Proposed adoption of New Articles, Proposed Increase in Scheme Limit under the Post-IPO Share Award Scheme, and Proposed Scheme Mandate

The Directors consider that the proposed re-election of retiring Directors and the proposed granting of the Repurchase Mandate, the proposed Sale Mandate, the proposed re-appointment of the retiring auditor, proposed adoption of new Articles, the proposed Increase in Scheme Limit under the Post-IPO Share Award Scheme and the proposed Scheme Mandate are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

2021 Proposed Award Grants, 2022 Proposed Award Grants and Proposed Performance Target Award Grants

The Directors (including independent non-executive Directors after taking into account the advice of the Independent Financial Adviser) are of the view that the 2021 Proposed Award Grants, 2022 Proposed Award Grants and Proposed Performance Target Award Grants are in the best interest of the Company and the Shareholders as a whole. Accordingly, the Directors (save in respect of any resolution in relation to a Director himself) recommend the Independent Shareholders to vote in favour of the relevant resolutions at the AGM so as to approve the 2021 Proposed Award Grants, 2022 Proposed Award Grants and Proposed Performance Target Award Grants.

Elstone Capital Limited has been appointed as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders with regard to the 2021 Proposed Award Grants, 2022 Proposed Award Grants and Proposed Performance Target Award Grants and considers that the 2021 Proposed Award Grants, 2022 Proposed Award Grants and Proposed Performance Target Award Grants are fair and reasonable so far as the interests of the Independent Shareholders are concerned. Your attention is drawn to the letter of advice from Elstone Capital Limited containing its recommendation and the principal factors and reasons it has taken into account in arriving at its recommendation are set out in this circular.

LETTER FROM THE BOARD

The Independent Board Committee, having taken the advice of the Independent Financial Adviser into account, considers the terms of the 2021 Proposed Award Grants, 2022 Proposed Award Grants and Proposed Performance Target Award Grants are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolution relating to the 2021 Proposed Award Grants, 2022 Proposed Award Grants and Proposed Performance Target Award Grants. The full text of the letter from the Independent Board Committee is set out in this circular.

Yours faithfully,
By Order of the Board
Everest Medicines Limited
Wei Fu
Chairman and Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



EVEREST MEDICINES

云 頂 新 耀

Everest Medicines Limited

雲 頂 新 耀 有 限 公 司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 1952)

24 May 2022

To the Independent Shareholders

Dear Sir or Madam,

We have been appointed as the Independent Board Committee of the Company to advise Independent Shareholders in connection with the 2021 Proposed Award Grants, the 2022 Proposed Award Grants and the Proposed Performance Target Award Grants, details of which are set out in the circular of the Company to the Shareholders dated 24 May 2022 (the “**Circular**”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

Having considered the advice of Elstone Capital Limited, the independent financial adviser of the Company in relation to the 2021 Proposed Award Grants, the 2022 Proposed Award Grants and the Proposed Performance Target Award Grants, the Grantees’ contribution to the Group and the reasons and rationale of the 2021 Proposed Award Grants, the 2022 Proposed Award Grants and the Proposed Performance Target Award Grants, we are of the view that the terms of the 2021 Proposed Award Grants, the 2022 Proposed Award Grants and the Proposed Performance Target Award Grants are fair and reasonable so far as the Independent Shareholders are concerned, and that the 2021 Proposed Award Grants, the 2022 Proposed Award Grants and the Proposed Performance Target Award Grants are made on normal commercial terms, in the ordinary and usual course of the Group’s business, and in the interests of the Company and its Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the AGM to approve the 2021 Proposed Award Grants, the 2022 Proposed Award Grants and the Proposed Performance Target Award Grants.

Yours faithfully,

Mr. Shidong Jiang
Independent
non-executive Director

Mr. Yifan Li
Independent
non-executive Director

Mr. Bo Tan
Independent
non-executive Director

LETTER FROM ELSTONE CAPITAL LIMITED

The following is the full text of a letter of advice from Elstone Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Proposed Award Grants, which has been prepared for the purpose of incorporation in this circular.



24 May 2022

To the Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

- (1) 2021 PROPOSED GRANT OF SHARE AWARDS TO CONNECTED PERSONS UNDER THE PRE-IPO ESOP AND POST-IPO SHARE AWARD SCHEME;**
(2) 2022 PROPOSED GRANT OF SHARE AWARDS TO CONNECTED PERSONS UNDER THE POST-IPO SHARE AWARD SCHEME;
AND
(3) PROPOSED GRANT OF PERFORMANCE TARGET AWARDS TO CONNECTED PERSONS UNDER THE POST-IPO SHARE AWARD SCHEME

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the (i) 2021 Proposed Award Grants; (ii) 2022 Proposed Award Grants and (iii) Proposed Performance Target Award Grants, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated 24 May 2022 (the “**Circular**”), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

As stated in the Letter from the Board, the Company announced on 15 July 2021 that it has resolved to grant 1,371,095 Awards to the 2021 Grantees under the Post-IPO Share Award Scheme and to grant of 444,400 Awards to 4 of the 2021 Grantees under the Pre-IPO ESOP, each subject to acceptance by the 2021 Grantees and the Independent Shareholders’ approval at the AGM. The 2021 Grantees in respect of the 2021 Proposed Award Grants, Dr. Kerry Levan Blanchard (“**Dr. Blanchard**”), Mr. Ian Ying Woo and Mr. Xiaofan Zhang are each executive Directors and Ms. Yang Shi, Dr. Zhengying Zhu, Mr. Yuan Gao, Ms. Min Yu and Mr. Zixin Qiao are each directors of subsidiaries of the Company and therefore connected persons of the Company under the Listing Rules. Ms. Xu Zhu was a director of a subsidiary of the Company (which was deregistered in September 2021) in the last 12 months, and therefore remains a connected person of the Company. Accordingly, the 2021 Proposed Award Grants and the transactions contemplated thereunder constitute non-exempt connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement and the Independent Shareholders’ approval requirements under the Listing Rules.

LETTER FROM ELSTONE CAPITAL LIMITED

As stated in the Letter from the Board, the Company announced on 1 April 2022 that it has resolved to grant 103,775 Awards to 2022 Grantees under the Post-IPO Share Award Scheme, each subject to acceptance by the 2022 Grantees and the approval of the Independent Shareholders at the AGM. The 2022 Grantees in respect of the 2022 Proposed Award Grants, Ms. Min Yu, Mr. Zixin Qiao, Ms. Heasun Park, Mr. Ng Kah San and Mr. Yuan Gao, each of them is a director of a subsidiary of the Company, and therefore connected persons of the Company under the Listing Rules. Accordingly, the 2022 Proposed Award Grants and the transactions contemplated thereunder constitute non-exempt connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement and the Independent Shareholders' approval requirements under the Listing Rules.

The Company also announced on 1 April 2022 that it has resolved to grant a maximum number of 4,500,000 Performance Target Awards to the Performance Target Award Grantees under the Post-IPO Share Award Scheme, each subject to acceptance by the Performance Target Award Grantees and Independent Shareholders' approval at the AGM. The Performance Target Award Grantees in respect of the Proposed Performance Target Awards Grants, Dr. Blanchard, Mr. Ian Ying Woo and Mr. Xiaofan Zhang, each of them is an executive Director, and therefore a connected persons of the Company under the Listing Rules, each subject to (a) the Shareholders approving the Increase in Scheme Limit and the Scheme Mandate at the AGM, (b) the listing division of the Stock Exchange granting the listing of and permission to deal in any Shares to be allotted and issued under the Post-IPO Share Award Scheme in excess of those previously approved by the Stock Exchange, (c) acceptance by the Performance Target Award Grantees and (d) the Independent Shareholders approving the Proposed Performance Target Award Grants to the Performance Target Award Grantees at the AGM. To facilitate the Proposed Performance Target Award Grants, the Company has resolved to allot and issue Shares under the Post-IPO Share Award Scheme in excess of those previously approved by the Stock Exchange, the Existing Share Award Scheme Limit of the Post-IPO Share Award Scheme will be increased by 4,500,000 Shares (representing approximately 1.49% of the total issued Shares as at the date of this circular), to the New Share Award Scheme Limit of 18,684,519 Shares in accordance with the provisions in the scheme rules, each subject to (a) the Shareholders approving the Increase in Scheme Limit and the Scheme Mandate at the AGM, and (b) the listing division of the Stock Exchange granting the listing of and permission.

The Independent Board Committee comprises Mr. Shidong Jiang, Mr. Yifan Li and Mr. Bo Tan, all being independent non-executive Directors. It has been established to advise the Independent Shareholders on whether the Proposed Award Grants are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole, and advise the Independent Shareholders as to voting. We, Elstone Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

OUR INDEPENDENCE

We are not associated with the Company, its directors, subsidiaries, associates or substantial shareholders or their respective associates and the Grantees or their respective close associates, associates or core connected persons (all as defined under the Listing Rules). In the past two years, there was no engagement between the Group and us. As at the Latest Practicable Date, we did not have any relationships or interests with the Group that could reasonably be regarded as hindrance to our independence. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received any fees or benefits from the Group. Accordingly, we are considered to be eligible to give independent advice in respect of the Proposed Award Grants.

LETTER FROM ELSTONE CAPITAL LIMITED

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the management of the Group; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all material respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of such information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided, opinion expressed, representations made to us or referred to in the Circular and that all information provided, opinion expressed or representations made, to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all material respects at the time they were made and continued to be so until the date of the Circular.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of any member of the Group or any of their respective subsidiaries and associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation with regard to (i) the 2021 Proposed Award Grants; (ii) the 2022 Proposed Award Grants; and (iii) the Proposed Performance Target Award Grants, we have taken into account the principal factors and reasons set out below:

1. Background of the Group

The Group is a biopharmaceutical company focused on developing and commercializing transformative pharmaceutical products that address critical unmet medical needs for patients in Greater China and other Asian markets. The management team of the Company has deep expertise and an extensive track record of high-quality clinical development, regulatory affairs, chemistry, manufacturing and controls processes in pharmaceutical products (CMC), business development and operations both in China and with leading global pharmaceutical companies. The Company has built a portfolio of eleven potentially global first-in-class or best-in-class molecules, many of which are in late stage clinical development. The Company's therapeutic areas of interest include oncology, autoimmune disorders, cardio-renal diseases and infectious diseases.

LETTER FROM ELSTONE CAPITAL LIMITED

Key business development milestones and achievements

As at the Latest Practicable Date, the Group has made significant progress with respect to the business operations since the Listing of the Company, including the following milestones and achievements:

- (i) Nefecon, one of the anchor drug candidate in cardio-renal therapeutic area, was granted Breakthrough Therapy Designation (“**BT**D”) for the treatment of IgA nephropathy (“**IgAN**”) by the China Center for Drug Evaluation (“**CDE**”) of the NMPA in December 2020.
- (ii) The Ministry of Food and Drug Safety in South Korea has granted fast track designation and orphan drug designation to sacituzumab govitecan-hziy (“**SG**”) for the treatment of metastatic triple negative breast cancer (“**TNBC**”) earlier in 2021.
- (iii) The Group submitted a new drug application (“**NDA**”) for SG for the treatment of metastatic TNBC and accepted by the Health Sciences Authority (“**HSA**”) of Singapore in January 2021.
- (iv) China NMPA accepted Biologics License Application (“**BLA**”) for SG for the treatment of adult patients with unrespectable locally advanced or metastatic TNBC who have received two or more prior systemic therapies, at least one of them for metastatic disease in May 2021. Following the BLA acceptance, SG was granted priority review by the CDE of China NMPA.
- (v) China Clinical Trial Application (“**CTA**”) approval for TROPiCS-04, a global Phase 3 registration clinical trial of SG for metastatic urothelial cancer (“**mUC**”) was granted by the China National Medical Products Administration (“**NMPA**”) in January 2021. The first person of this trial in China has been dosed in August 2021.
- (vi) The Company’s stock was included as a constituent stock of the Hang Seng Composite Index, the Hang Seng Healthcare Index and the Hang Seng Hong Kong-Listed Biotech Index and fulfilled the eligibility criteria for Southbound Trading under the Stock Connect scheme in January 2021.
- (vii) The Group entered into an amended license agreement with Spero Therapeutics in January 2021 for the use of patents right of SPR206, an innovative option for the treatment of multi-drug resistant Gram-negative bacterial infections.
- (viii) The Group submitted an NDA for XeravaTM (eravacycline) for the treatment of complicated intra-abdominal infections (“**cIAI**”) and accepted by NMPA in March 2021.
- (ix) China CTA approval for Phase 2 basket trial of SG in variety of cancers with high TROP-2 expression was granted by the China NMPA in March 2021. In May 2021, the NMPA accepted a Biologics License Application for SG with priority review.
- (x) The Group has been granted Orphan Drug Designation (“**ODD**”) for SG by the Ministry of Food and Drug Safety in South Korea in May 2021.

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- (xi) The Group entered into a strategic commercial partnership with Tencent Holdings Limited (700.HK), an information technology conglomerate, to explore novel ways to optimise meaningful digital engagement with patients and healthcare providers in July 2021.
- (xii) The Group entered into a strategic collaboration with Medbanks Health Technology Co., Ltd, a pharmacy and healthcare service provider, to develop innovative healthcare service solutions for patients in China in July 2021.
- (xiii) The Group entered into a strategic collaboration with Meditrust Health Co., Ltd, a medical innovative payment service provider, to develop novel payment solutions for patients in China in July 2021.
- (xiv) The Group has been granted Pediatric and Rare Severe Disease Priority Review Designation for SG by the Taiwan Food and Drug Administration in July 2021.
- (xv) CTA approval for Xerava™ (eravacycline) for the treatment of community-acquired bacterial pneumonia (“CABP”) was granted by the NMPA in August 2021, a Phase 3 trial in China evaluating the efficacy and safety of eravacycline in treating adult patients with CABP will be conducted.
- (xvi) As part of the global phase 3 registration trial, TROPiCS-04, of SG for metastatic urothelial cancer, the first person has been dosed in China in August 2021.
- (xvii) The Group entered into a COVID-19 vaccines license agreement and collaboration and license agreement with Providence Therapeutics Holdings Incorporation (“**Providence**”) in September 2021 to manufacture, development and commercialization of the COVID-19 vaccines.
- (xviii) The Group entered into a license agreement with SinoMab BioScience Limited and Suzhou Sinovent Pharmaceuticals Company Limited in September 2021 to develop, manufacture and commercialized XNW1011, novel BTK Inhibitor in renal diseases.
- (xix) The Group entered into a multi-year research and develop collaboration agreement with AbCellera Biologics Incorporation in September 2021 to discover therapeutic antibodies for up to 10 selected targets.
- (xx) The investigational new drug application approval for SPR206 a novel, intravenous next-generation polymyxin product candidate in development for the treatment of multi-drug resistant Gram-negative bacterial infections was granted by the Center for Drug Evaluation of NMPA in September 2021.
- (xxi) The Group submitted a NDA for Xerava™ (eravacycline) for the treatment of cIAI in adult patients in Hong Kong to the Department of Health in Hong Kong in September 2021.
- (xxii) The Group announced that the Phase 2b study of SG met its primary endpoint of overall response rate in metastatic triple-negative breast cancer in November 2021.

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- (xxiii) SG has been granted Fast Track Designation and Orphan Drug Designation by the Ministry of Food and Drug Safety (“MFDS”) in South Korea in May 2021 and the MFDS accepted a NDA for SG in December 2021.
- (xxiv) In December 2021, the Taiwan Food and Drug Administration accepted a NDA for SG. SG was previously granted Pediatric and Rare Severe Disease Priority Review Designation in Taiwan.
- (xxv) In December 2021, PTX-COVID19-B was approved by an independent vaccine prioritization advisory group to be part of the World Health Organization Solidarity Trial Vaccines (“STV”) clinical trial, an international, randomized clinical trial designed to rapidly evaluate the efficacy and safety of promising new candidate vaccines. The STV trials have started recruitment in selected sites in the Philippines, Mali, and Colombia.
- (xxvi) In December 2021, the Company and Providence have started working on a new version of COVID-19 vaccine specifically targeting the Omicron variant. It is expected that this new Omicron SARS-CoV-2 variant vaccine to advance into clinical testing in the first quarter of 2022.
- (xxvii) The Group announced that Accelerate Technologies Pte Ltd. has granted Everest SG an exclusive, non-transferable, sub-licensable, royalty-bearing and revocable for cause license to exploit the licensed products worldwide for the treatment of coronavirus and other diseases in January 2022.
- (xxviii) In February 2022, the Health Science Authority of Singapore approved SG in Singapore for the treatment of patients with second-line metastatic TNBC.

2. Reason for and rationale and benefits for the Proposed Award Grants

The Proposed Award Grants are part of the Company’s remuneration policy. It enables the Company to attract, retain, incentivize, reward and remunerate the Grantees, and encourage them to work towards enhancing the value of the Company and the Shares for the benefit of the Company and Shareholders as a whole.

As stated in the Letter from the Board, the Directors believe that the future success and continuous development of the Company is closely linked to the continuous commitment and efforts of its management team. The Company places a high priority on selecting, recruiting and retaining top talent and cultivates an entrepreneurial and reward-for-performance culture to attract many high-caliber industry veterans. In particular, the Company remains committed to empowering its management team members to take ownership of their work by rewards that commensurate with their contributions.

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Given the limited number of individuals in the biopharmaceutical industry with the breadth of expertise and experience required to successfully discover, develop, gain regulatory approval of, manufacture and commercialize drug products and formulate strategy as well as operate the Company to support the development of the drug products, the Directors understand that replacing these key individuals may be difficult and may take a prolonged period of time, maintaining a stable and experienced management team is therefore critical to the development and expansion of the Company. The retention of these key management team members through the Proposed Award Grants therefore minimizes any potential disruption to the existing operations of the Company.

As stated in the Letter from the Board, the Board proposed to remunerate the Grantees after considering the Grantees' respective management roles in the Group and their respective background and experience in the biopharmaceutical industry which contribute to the success of the Group. In determining the remuneration of the Grantees, the Board took into consideration a variety of factors, including but not limited to (i) the importance of the roles and responsibilities of the Grantees; (ii) their past performance and contributions; and (iii) their expected contribution to the Company's future development.

In particular, the Proposed Performance Target Award Grants were designed by the Remuneration Committee. The goals of the plan are to:

- (i) further align the interests of the Shareholders and management team;
- (ii) ensure the retention of C-level talent and their continued service over the long term; and
- (iii) accelerate the achievement of Company's strategic and financial objectives.

The Proposed Performance Target Award Grants will provide the Performance Target Award Grantees with incentive to maximize Shareholder value and drive Share price performance. Such grant that can be realized when performance targets are attained is akin to payment of a performance bonus and hence an effective incentive. To achieve the highest and lowest stock price target of HK\$75 and HK\$55, the Company's stock price will have to increase by approximately 265.0% and 167.6%, respectively, to the Share price of HK\$20.55 as at the Latest Practicable Date.

Having considered (i) the 2021 Proposed Award Grants, the 2022 Proposed Award Grants; and the Proposed Performance Target Award Grants provide a mixture of awards with time-based and performance-based elements; and (ii) the principal terms of the Proposed Award Grants and the information of the Grantees as discussed below, we concur with the Directors on the reasons, rationale and benefits of the Proposed Award Grants and could further align the interests of the Grantees with the interests of both the Company and the shareholders.

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3. Principal terms of the Proposed Award Grants

2021 Proposed Award Grants

On 14 July 2021, the Company proposed to grant 1,371,095 Awards to the 2021 Grantees under the Post-IPO Share Award Scheme and to grant 444,400 Awards to 4 of the 2021 Grantees under the Pre-IPO ESOP as set out below:

Name of 2021 Grantees	Position of 2021 Grantees in the Company	Number of Awards granted
Dr. Blanchard	Executive Director and chief executive officer	640,303
Mr. Ian Ying Woo	Executive Director, president and chief financial officer	166,325
Mr. Xiaofan Zhang	Executive Director and chief operating officer	166,325
Ms. Xu Zhu, Ms. Yang Shi, Dr. Zhengying Zhu, Mr. Yuan Gao, Ms. Min Yu and Mr. Zixin Qiao	Employees of the Company and directors of the subsidiaries of the Company	842,542 ^(Note 1)
Total		1,815,495

Note:

1. Each individual employee, being a connected person at the subsidiary level, would receive between approximately 15,000 and 285,000 Shares upon vesting of the Awards.

The 2021 Proposed Award Grants will be made under the following terms:

- each of the 2021 Awards is granted for nil consideration;
- each of the 2021 Awards granted to the Grantees represent the right to receive one Share on the date it vests;
- the 2021 Awards shall vest in Dr. Blanchard, Mr. Ian Ying Woo and Mr. Xiaofan Zhang within four years of the 2021 Proposed Award Grants as follows:
 - o In respect of 2021 Awards granted under the Post-IPO Share Award Scheme:
 - 25% of the 2021 Awards granted shall vest on 1 April 2022; and
 - 75% of the 2021 Awards granted shall vest in equal installments on 1 April 2023, 1 April 2024 and 1 April 2025;

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- the 2021 Awards shall vest in Ms. Min Yu in accordance with the following schedule:
 - o In respect of 2021 Awards granted under the Post-IPO Share Award Scheme:
 - 25% of the 2021 Awards granted shall vest on the first date after the expiry of twelve months after commencement date being 15 October 2021; and
 - subsequently, 6.25% of the 2021 Awards granted shall vest on the first date after each further three months following the one-year period after 15 October 2021;
- the 2021 Awards shall vest in Mr. Zixin Qiao in accordance with the following schedule:
 - o In respect of 2021 Awards granted under the Post-IPO Share Award Scheme:
 - 25% of the 2021 Awards granted shall vest on the first anniversary of 1 April 2021; and
 - 75% of the 2021 Awards granted shall vest in equal installments on 1 April 2023, 1 April 2024 and 1 April 2025;
- the 2021 Awards shall vest in Ms. Xu Zhu, Ms. Yang Shi, Dr. Zhengying Zhu and Mr. Yuan Gao within four years of the 2021 Proposed Award Grants as follows:
 - o In respect of 2021 Awards granted under the Post-IPO Share Award Scheme:
 - 25% of the 2021 Awards granted shall vest on the first anniversary of 1 April 2021; and
 - 75% of the 2021 Awards granted shall vest in equal installments on 1 April 2023, 1 April 2024 and 1 April 2025;
 - o In respect of 2021 Awards granted under the Pre-IPO ESOP:
 - 25% of the 2021 Awards granted shall vest on 2 April 2022; and
 - subsequently, 6.25% of the 2021 Awards granted shall vest on the first date after each further three (3) months following the one-year period after 1 April 2021.
- Prior written consent of the Board is required for any subsequent disposal of (i) more than 30% of the Shares underlying the awards granted to Dr. Blanchard, Mr. Ian Ying Woo and Mr. Xiaofan Zhang under any share award scheme of the Company (including their respective 2021 Awards) within any 6-month period; and (ii) Shares underlying the awards granted to Dr. Blanchard, Mr. Ian Ying Woo and Mr. Xiaofan Zhang under any share award scheme of the Company (including their respective 2021 Awards) of more than HK\$1,000,000 (which may be amended from time to time) within any 12-month period.

Upon full vesting, the aforesaid 2021 Awards granted to the 2021 Grantees represented approximately 0.60% of the total number of issued Shares as at Latest Practicable Date.

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Based on the closing price of HK\$70.70 per Share as quoted on the Stock Exchange on the date of grant on 14 July 2021, the market value of the Shares underlying the 2021 Proposed Award to Dr. Blanchard amounts to approximately HK\$45.3 million, the market value of the Shares underlying the 2021 Proposed Award to Mr. Ian Ying Woo amounts to approximately HK\$11.8 million, the market value of the Shares underlying the 2021 Proposed Award to Mr. Xiaofan Zhang amounts to approximately HK\$11.8 million and the market value of the Shares underlying the 2021 Proposed Award Grants to Ms. Xu Zhu, Ms. Yang Shi, Dr. Zhengying Zhu, Mr. Yuan Gao, Ms. Min Yu, Mr. Zixin Qiao amounts to approximately HK\$59.6 million.

2022 Proposed Award Grants

On 1 April 2022, the Company proposed to grant 103,775 Awards to the 2022 Grantees under the Post-IPO Share Award Scheme as set out below:

Name of 2022 Grantees	Position of 2022 Grantees in the Company	Number of Awards granted
Mr. Yuan Gao, Ms. Min Yu, Mr. Zixin Qiao, Ms. Heasun Park, Mr. Ng Kah San	Employees of the Company and directors of the subsidiaries of the Company	103,775 ^(Note 1)

Note:

1. Each individual employee, being a connected person at the subsidiary level, would receive between approximately 17,000 and 24,000 Shares upon vesting of the Awards.

The 2022 Proposed Award Grants will be made under the following terms:

- each of the 2022 Awards is granted for nil consideration;
- each of the 2022 Awards granted to the 2022 Grantees represent the right to receive one Share on the date it vests;
- the 2022 Awards shall vest in accordance with the following schedule:
 - o In respect of 2022 Awards granted to the 2022 Grantees under the Post-IPO Share Award Scheme:
 - 25% of the 2022 Awards granted shall vest on 1 April 2023; and
 - 75% of the 2022 Awards granted shall vest in equal installments on 1 April 2024, 1 April 2025 and 1 April 2026.

Based on the closing price of HK\$22.85 per Share as quoted on the Stock Exchange on the date of the 2022 Proposed Award Grants on 1 April 2022, the market value of the Shares underlying the 2022 Proposed Award Grants amounts to approximately HK\$2.4 million.

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Proposed Performance Target Award Grants

On 1 April 2022, the Company proposed to grant a maximum number of 4,500,000 Performance Target Awards to the Performance Target Award Grantees under the Post-IPO Share Award Scheme as set out below:

Name of Performance Target Award Grantee	Position of Performance Target Award Grantee in the Company	Maximum number of Performance Target Award Grants
Dr. Blanchard	Executive Director and chief executive officer	2,500,000
Mr. Ian Ying Woo	Executive Director, president and chief financial officer	1,000,000
Mr. Xiaofan Zhang	Executive Director and chief operating officer	1,000,000
Total		<u>4,500,000</u>

The Proposed Performance Target Award Grants will be made under the following terms:

- each of the Performance Target Awards is granted for nil consideration;
- each of the Performance Target Awards granted to the Performance Target Award Grantees represent the right to receive one Share on the date it vests;
- the Performance Target Awards shall vest in accordance with the following schedule:
 - o In respect of Performance Target Awards granted to the Performance Target Award Grantees under the Post-IPO Share Award Scheme:
 - Dr. Blanchard

The commencement of the vesting schedule shall be as follows: (i) 50% of the Performance Target Awards if the Share price reaches HK\$55 during the period from 1 April 2022 to 1 May 2023 (the “**Performance Period**”); and (ii) 50% of the Performance Target Awards if the Share price reaches HK\$75 during the Performance Period. Once any of the aforementioned targets is achieved, the relevant Performance Target Awards shall vest equally on each anniversary date of the relevant achievement date over the course of three years;

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— Mr. Ian Ying Woo

The commencement of the vesting schedule shall be as follows: (i) 25% of the Performance Target Awards if the Share price reaches HK\$55 during the Performance Period; (ii) 25% of the Performance Target Awards if the Share price reaches HK\$75 during the Performance Period; (iii) 30% of the Performance Target Awards if certain business milestones are achieved during the Performance Period; and (iv) 20% of the Performance Target Awards if certain additional business milestones are achieved during the Performance Period. Once any of the aforementioned targets is achieved, the relevant Performance Target Awards shall vest equally on each anniversary date of the relevant achievement date over the course of three years; and

— Mr. Xiaofan Zhang

The commencement of the vesting schedule shall be as follows: (i) 10% of the Performance Target Awards if the Share price reaches HK\$55 during the Performance Period; (ii) 10% of the Performance Target Awards if the Share price reaches HK\$75 during the Performance Period; (iii) 40% of the Performance Target Awards if certain business milestones are achieved during the Performance Period; and (iv) 40% of the Performance Target Awards if certain additional business milestones are achieved during the Performance Period. Once any of the aforementioned targets is achieved, the relevant Performance Target Awards shall vest equally on each anniversary date of the relevant achievement date over the course of three years.

- Prior written consent from the Board is required for any subsequent disposal of (i) more than 30% of the Shares underlying the awards granted to the Performance Award Grantee under any share award scheme of the Company (including their respective Performance Target Awards) within any 6-month period; and (ii) Shares underlying the awards granted to the Performance Award Grantee under any share award scheme of the Company (including their respective Performance Target Awards) of more than HK\$1,000,000 (which may be amended from time to time) within any 12-month period.

A stock price target is only deemed to have been achieved if the 30 trading day rolling average adjusted for turnover (calculated using the formula: $\sum 30 \text{ days (closing price * turnover)} / \sum (30 \text{ days turnover})$) reaches HK\$55 or HK\$75 during the Performance Period.

As discussed with the Company, for illustrative purpose only, based on the closing price of HK\$22.85 per Share as quoted on the Stock Exchange on the date of the Proposed Performance Target Award Grants on 1 April 2022, the market value of the Shares underlying the Proposed Performance Target Award Grants to Dr. Blanchard amounts to approximately HK\$57.0 million, the market value of the Shares underlying the Proposed Performance Target Award Grants to Mr. Ian Ying Woo amounts to approximately HK\$22.9 million, the market value of the Shares underlying the Proposed Performance Target Award Grants to Mr. Xiaofan Zhang amounts to approximately HK\$22.9 million. The above estimated values may be different from the values of the share-based payments to be recorded in the annual reports in the future subject to factors, including to but not limited to (i) the review by the reporting accountant, and (ii) the likelihood of achieving the specific milestones at the date of approval by the Shareholders.

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Each Award is subject to acceptance by the Grantees and the Independent Shareholders' approval. In the event of (i) a change in control of the Company by way of a merger, a privatisation of the Company by way of a scheme or by way of an offer, or (ii) any Grantee ceasing to be an eligible person by reason of illness, death or disability, the vesting of the Awards may be accelerated at the sole discretion of the Board.

The Shares to be allotted and issued upon vesting of the Awards will be subject to all the provisions of the Articles of Association for the time being in force and will rank pari passu with the fully paid Shares in issue. The Awards themselves shall not entitle the Grantees to any voting rights, or rights to participate in any dividends or other distributions.

Further details of the Proposed Award Grants are set out in the Letter from the Board and this letter below. Details of the Post-IPO Share Award Scheme and the Pre-IPO ESOP are set out in the Company's prospectus dated 25 September 2020 (the "**Prospectus**") and the Company's annual report for the year ended 31 December 2021 (the "**2021 Annual Report**").

4. Information on the Grantees

Information on Dr. Blanchard

As stated in the Letter from the Board, Dr. Blanchard is an executive Director and the chief executive officer of the Company. He is also a director of Everest Medicines II Limited, EverNov Medicines (Zhuhai Hengqin) Co., Ltd., Everest China and Everstar Medicines (Shanghai) Limited.

Dr. Blanchard is an operating partner of CBC Group and most recently served as chief scientific officer at a subsidiary of Innovent Biologics, Inc. (HKEX: 1801), from January 2018 to June 2019. He was a senior executive at Eli Lilly (NYSE: LLY) and its subsidiaries from 2000 to December 2017, playing multiple roles including senior vice president of Lilly China and co-chairman of the Lilly Asia Venture investment committee. Dr. Blanchard's scientific and leadership positions in Eli Lilly included Oncology Discovery Biology Research, Lilly Singapore Systems Biology, Discovery operations, and Tailored Therapeutics in Indianapolis, the United States.

Dr. Blanchard worked at the Feist-Weiller Cancer Center, Department of Medicine, Louisiana State University Medical Center from 1992 to 1999, including as an associate professor of Louisiana State University, and was a research fellow, a clinical fellow and an instructor in Medicine at the Brigham and Women's Hospital in Boston, Massachusetts, the United States, and at Harvard Medical School in Massachusetts, the United States from 1985 to 1992.

In addition to Dr. Blanchard's numerous achievements, he has also been indispensable to the growth of the Company. Dr. Blanchard is a highly accomplished scientist and innovator, he has spearheaded the Company's mission to create a world-class China-based biopharmaceutical company that develops and commercializes high quality innovative drugs that are affordable to ordinary people. He is responsible for the overall strategic planning and business direction of the Company, ensuring long-term sustainable development of the Company. Under his stewardship, the Company has submitted seven NDA/BLA with the NDA of eravacycline and SG approved in Singapore. In addition, Dr. Blanchard successfully recruited Mr. Kevin Guo as chief commercial officer whose 22 years of commercial planning and execution experience will play a critical role in transitioning the Company to its next stage of growth as a commercial organization. He has also recruited Ms. Jennifer Yang as chief scientific officer whose deep expertise in drug discovery and translational medicine will help the Company establish a strong discovery organization that contributes to the strategic expansion of the

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Company's clinical development pipeline. Under the leadership of Mr. Kevin Guo and Ms. Jennifer Yang, the commercial and discovery organisations are being rapidly build out and the Everest research laboratory is fully operational in February 2022. Furthermore, Dr. Blanchard has worked extensively with the global business development team to actively pursue high-value assets that are synergistic with the portfolio of the Company.

Based on the aforesaid experience and achievement of Dr. Blanchard, he possesses a full spectrum of complementary skill sets from research to clinical development and management with a proven track record. The Company's successes leading up to the Listing and beyond has served as testament to Dr. Blanchard's contribution and leadership. His extensive network in the global biopharmaceutical industry has been invaluable to the business development efforts of the Group.

As at the Latest Practicable Date, Dr. Blanchard's entitlement to receive up to 3,250,000 Shares and 1,483,196 Shares pursuant to the exercise of options under the Pre-IPO ESOP and the Post-IPO Share Option Scheme respectively. The aforesaid share options are with a vesting period of four years. Save for the above interest relating to granted share options, Dr. Kerry Levan Blanchard has no direct equity interest in the Shares as at the Latest Practicable Date, the Proposed Award to Dr. Blanchard could allow the Group to further tie his compensation to the performance of the Group, which is beneficial to the Group and the Shareholders as a whole.

Based on our review on the background of Dr. Blanchard and the major achievements of the Group as set out in the paragraph headed "*Key business development milestone*" and disclosed in the Company's prospectus dated 25 September 2020, the 2021 Annual Report and various published announcements of the Company, we concur with the Directors' view that Dr. Blanchard, as the executive Director and the chief executive officer of the Company, has been indispensable to the growth of the Group and his network in biopharmaceutical industry has been invaluable to the Group's business development efforts and Dr. Blanchard is crucial to ensuring long-term sustainable development of the Company.

Information on Mr. Ian Ying Woo

As stated in the Letter from the Board, Mr. Ian Ying Woo is an executive and the chief financial officer of the Company. Mr. Ian Ying Woo is also a director of Everest Medicines II Limited and Everest Medicines (US) Limited.

Mr. Ian Ying Woo has made contribution to the growth of the Group, especially in financial management, investor relations and external communications. His extensive background and experience in equity financial at financial advisory and asset management firm with a focus in the biotechnology and biopharmaceutical industry helped the Company raise US\$310 million in Series C financing and complete a successful listing on the Stock Exchange. His experience and network built over an 18-year career advising on mergers & acquisitions transactions have helped the Company in its licensing and corporate development efforts. The establishment of internal financial control and management systems, addition of leading investors into the Company, and cooperation with strategic partners serve as a testament to Mr. Ian Ying Woo's contribution and leadership. Further details of the biographical information of Mr. Ian Ying Woo are set out in the Letter from the Board.

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Information on Mr. Xiaofan Zhang

As stated in the Letter from the Board, Mr. Xiaofan Zhang is an executive Director and the chief operating officer of the Company. Mr. Xiaofan Zhang is also a director of Everest Medicines II (HK) Limited, Everest Medicines II Limited, Everest Medicines (Singapore) Pte. Ltd., Everstar Therapeutics Limited, EverID Medicines (Beijing) Limited, Everstar Medicines (Shanghai) Limited, EverNov Medicines Limited, EverNov Medicines (HK) Limited, EverNov Medicines (Zhuhai Hengqin) Co., Ltd., Everest Medicines (Suzhou) Inc. and Everest China.

Mr. Xiaofan Zhang has also made contribution to the growth of the Group, especially in especially in operational management and business development. His years of experience as an active and operationally driven investor in the pharmaceutical and biotech industry helped in all aspects of the Company development and growth. His expertise in evaluating investment opportunities has been invaluable in helping the Company assess and execute on business development efforts. Under the leadership of Mr. Zhang, we are progressing well on building the vaccine team and advancing the PTX-COVID-B to clinical trials and regulatory approvals. The operational excellence of our Company facilitating the significant progress made with the Company's drug pipeline serves as testament to Mr. Xiaofan Zhang's contribution and leadership. Further details of the biographical information of Mr. Xiaofan Zhang are set out in the Letter from the Board.

Information Ms. Xu Zhu

Ms. Xu Zhu has served as the chief medical officer, since October 2017. Ms. Xu Zhu has made important contribution to the growth of the Group, especially in research and development in the infectious disease, and her background and experience as a scientist leading global development for companies in the biotechnology and biopharmaceutical industry. Ms. Zhu is responsible for the Company's first NDA submission in China. In March 2021, the China National Medical Products Administration accepted the NDA for Xerava™ for the treatment of complicated intra-abdominal infections (cIAI) and in September 2021, NDA has been submitted to the Department of Health of the Hong Kong Special Administrative Region, China, for eravacycline for the treatment of cIAI in adult patients. In April 2020, the HSA approved Xerava™ for the treatment of cIAI in Singapore. In addition to the progress in cIAI, NMPA approved the CTA for eravacycline for the treatment of community-acquired bacterial pneumonia August 2021. Such significant regulatory progress together with the positive clinical development progress with respect to the Company's two other infectious disease drug candidates Taniborbactam and SPR206 serve as a testament to Ms. Xu Zhu's contribution and leadership. Further details of the biographical information of Ms. Xu Zhu are set out in the Letter from the Board.

Information on Ms. Yang Shi

As stated in the Letter from the Board, Ms. Yang Si has served as the chief medical officer of the Group, oncology since February 2019. Ms. Yang Si is also a director of EverNov Medicines (Zhuhai Hengqin) Co., Ltd.

Ms. Yang Si has made important contribution to the growth of the Group, especially in research and development in oncology, and her background and experience as scientists leading research and development for companies in the biotechnology and biopharmaceutical industry.. Through her strong leadership and deep expertise, the NMPA accepted the Company's BLA submission for SG in metastatic TNBC and granted priority review to SG in May 2021. At the same time, the MFDS in South Korea granted ODD and priority review for SG, and Taiwan Food and Drug Administration

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(“TFDA”) granted Pediatric and Rare Severe Disease Priority Review Designation for adult patients with second-line metastatic TNBC. In January 2021, the Company submitted a NDA to the HSA of Singapore for SG for the treatment of metastatic TNBC. Subsequently, MFDS and TFDA also accepted the NDA of SG for second-line metastatic TNBC in December 2021. In February 2022, the Company received its first NDA of SG in Singapore for second-line metastatic TNBC. The NMPA also approved the CTA for a phase 3 registration trial of SG for metastatic urothelial cancer and a phase 2 basket trial of SG in a variety of cancers. The significant clinical and regulatory progress with respect to the Company’s oncology drug pipeline and research and development serve as testament to Ms. Yang Shi’s contribution and leadership. Further details of the biographical information of Ms. Yang Shi are set out in the Letter from the Board.

Information on Dr. Zhengying Zhu

As stated in the Letter from the Board, Dr. Zhengying Zhu has served as the chief medical officer of the Group, internal medicine since November 2017. Dr. Zhengying Zhu is also a director of Everstar Therapeutics Limited and Everstar Medicines (Shanghai) Limited.

Dr. Zhengying Zhu has made important contribution to the growth of the Group, especially in research and development in internal medicine, and her background and experience as a scientist leading research and development and business development for companies in the biotechnology and biopharmaceutical industry. In December 2020, the CDE of NMPA granted BTB for Nefecon for the treatment of IgAN. The rapid clinical and regulatory advancements for Nefecon, as well as positive clinical progress for Etrasimod for ulcerative colitis and Ralinepag for pulmonary arterial hypertension, serve as a testament to Dr. Zhengying Zhu’s contribution and leadership. Further details of the biographical information of Dr. Zhengying Zhu are set out in the Letter from the Board.

Information on Mr. Yuan Gao

Mr. Yuan Gao has served as vice president of regulatory affairs for infectious disease of the Company since March 2018. He is the director of EverSun Medicines Limited. Mr. Yuan Gao made important contribution in leading drug registration for infectious disease drug candidates including the NDA submission of Xerava™ for the treatment of cIAI in China as the first NDA of the Company in 2021 which was subsequently filed in Hong Kong, the NDA approval of Xerava™ in Singapore in 2020 and several clinical trial application approvals. In the future, Mr. Yuan Gao will continually take important responsibilities to achieve infectious disease pipeline market approval in China and Asia. Further details of the biographical information of Mr. Yuan Gao are set out in the Letter from the Board.

Information on Ms. Min Yu

Ms. Min Yu has served as the executive director of finance since October 2020. Ms. Min Yu is the supervisor of Everest Medicines (China) Co., Ltd. Ms. Min Yu expanded the finance team to support company growth after the listing, particularly in the recruitment of talents for commercialization preparation. Ms. Min Yu has been leading the SAP implementation project with support from the senior management team and other functions. She will continue to work on cash optimization and suitable supply chain model to support product launch across Asia. Further details of the biographical information of Ms. Min Yu are set out in the Letter from the Board.

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Information on Mr. Zixin Qiao

Mr. Zixin Qiao joined the Company as legal director in January 2020 prior to his promotion to senior legal director. Mr. Zixin Qiao is a director of Everest Medicines (China) Co., Ltd. Mr. Zixin Qiao made significant contributions in managing legal and compliance including building a legal and compliance team, establishing essential legal and compliance policies for the company, creating the Company's contract management process and system. Mr. Zixin Qiao was a key execution team member during the Listing. In addition to aforementioned achievements, he also played an important role in reviewing strategic collaboration agreements. Mr. Zixin Qiao will continue to support business development and the operation of the Company from legal and compliance aspects. Further details of the biographical information of Mr. Zixin Qiao are set out in the Letter from the Board.

Save for the 686,224 shares held by the associates of Ms. Zhengying Zhu, being one of the Grantees, the Grantees have no direct equity interest in the Shares as at the Latest Practicable Date, the Proposed Award Grants allows the Group to tie their total compensation to the performance of the Group, which is beneficial to the Group and the Shareholders as a whole.

Information on Ms. Heasun Park

Ms. Heasun Park is the director and general manager of Everest Medicines Korea, LLC. She is responsible for the overall management of Korea since January 2021.

Under the leadership of Ms. Heasun Park, Everest Medicines Korea, LLC. was incorporated in July 2021, which has been established to commercialize the products in Korea. She played a critical role in ODD and FTD by MFDS for Trodelvy in April 2021, and BLA submission and acceptance by MFDS. She led pre-marketing activities for Trodelvy including Advisory Board Meetings, market research, and pharmaco-economics analysis. Ms. Heasun Park has worked closely with the global R&D team for successful patient recruitment for clinical trials of Trodelvy and Etrasimod. She also worked extensively with global business development team to actively pursue Nefecon Korea rights. She contributed to company reputation as an innovative Chinese biotech company by giving a thorough introduction on the Company's strengths, visions as well as our pipelines at the interview with two influential Korea media press. Further details of the biographical information of Ms. Heasun Park are set out in the Letter from the Board.

Information on Mr. Ng Kah San

Mr. Ng Kah San is the director EverVac Medicines (Singapore) Pte. Ltd. and general manager of Everest Medicines (Singapore) Pte. Ltd. He is responsible for the overall business operation of the Singapore affiliate of the Company.

Since joining the Company in June 2020, Mr. Ng was responsible to set up the Singapore office and team and the strategic planning and business direction of the Singapore affiliate. He has supported in the approval and led the commercial launch of Xerava (Eravacycline) which marked the first commercialized product globally for the Company and which has enjoyed brisk success in the first quarter of launch. Further details of the biographical information of Mr. Ng Kah San are set out in the Letter from the Board.

Based on our review on the Grantees' respective background and the Group's major achievements as disclosed in the Prospectus, the 2021 Annual Report and various published announcements, we concur with the Director's view that the Grantees' respective management roles

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in the Group and their respective background and experience in the biopharmaceutical industry has contributed and will continue to contribute to the success of the Group. The retention of these key management team members is critical to the development and expansion of the Company.

5. Assessment of fairness and reasonableness of the Proposed Award Grants

As stated in the Letter from the Board, the Directors and the Remuneration Committee reviewed the Proposed Award Grants as part of the remuneration package to each Grantee and taking into account, among others, (i) the time commitment, responsibilities and achievements of the Grantees in the past couple of years; and (ii) based on their experience and knowledge of the industry, the importance of a biopharmaceutical company like the Group which depends significantly highly educated and skilled individuals with the requisite biopharmaceutical and industry knowledge, to retain, motivate and incentivize the Directors and senior management to run the Company successfully for the long term benefit of the Group.

To further assess the fairness and reasonableness of the Proposed Award Grants, we have conducted the assessment on the Proposed Award Grants below:

Assessment on the 2021 Proposed Award and the Proposed Performance Target Award Grants to Dr. Blanchard

Set out below is the breakdown of the remuneration package of Dr. Blanchard for the year ended 31 December 2021, including the 2021 Proposed Award to Dr. Blanchard and the Proposed Performance Target Award Grants to Dr. Blanchard:

	Salaries, contributions, and other benefits (RMB'000)	Performance related bonus (RMB'000)	Share-based payment expenses (RMB'000)	Total remuneration (RMB'000)
<i>Scenario 1: Considering the 2021 Proposed Award to Dr. Blanchard only</i>				
Cash	8,836	9,201	—	18,037
Share options	—	—	48,126	48,126
Economic value of the 2021 Proposed Award Grants	—	—	9,447	9,447 ^(Note 1)
Total	8,836	9,201	57,573	75,610 ^(Note 2)
<i>Scenario 2: Considering the Proposed Performance Target Award Grants to Dr. Blanchard only</i>				
Cash	8,836	9,201	—	18,037
Share options	—	—	48,126	48,126
Economic value of the Proposed Performance Target Award Grants	—	—	15,895	15,895 ^(Note 1)
Total	8,836	9,201	64,021	82,058 ^(Note 2)

Sources: 2021 Annual Report and announcements of the Company dated 15 July 2021 and 1 April 2022

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Notes:

1. The estimated economic value of the 2021 Proposed Award to Dr. Blanchard is based on (i) the 640,303 Awards granted on 14 July 2021; (ii) the closing share price of the Company (i.e. HK\$70.7 per Share) on the date of grant of the 2021 Proposed Award Grants (i.e. 14 July 2021); and (iii) annualisation by dividing the aforesaid share awards by the vesting period of up to 4 years. For illustrative purpose, the translation of RMB to HK\$ is based on the exchange rate of RMB1 to HK\$1.198.
2. For illustrative purpose, the estimated economic value of the Proposed Performance Target Award Grants to Dr. Blanchard is based on (i) the 2,500,000 Performance Target Awards granted on 1 April 2022; (ii) the closing share price of the Company (i.e. HK\$22.85 per Share) on the date of grant of the Proposed Performance Target Award Grants (i.e. 1 April 2022); and (iii) annualisation by dividing the aforesaid awards by the vesting period of up to 3 years. The estimated value may be different from the values of the share-based payments to be recorded in the annual reports in the future subject to factors, including but not limited to (i) the review by the reporting accountant; and (ii) the likelihood of achieving the specific milestones at the date of approval by the Shareholders. For illustrative purpose, the translation of RMB to HK\$ is based on the exchange rate of RMB1 to HK\$1.198.

As shown in the above table, the total remuneration of Dr. Blanchard for the year ended 31 December 2021 including the annualised value of the proposed Awards to Dr. Blanchard was approximately RMB75.6 million and RMB82.1 million respectively under the two scenarios as shown in the table above.

In assessing the fairness and reasonableness of the 2021 Proposed Award to Dr. Blanchard and the Proposed Performance Target Awards to Dr. Blanchard, we compared the remuneration package of Dr. Blanchard with that of the key management personnel of biopharmaceutical companies listed on the Stock Exchange under Chapter 18A of the Listing Rules (the “**CEO Comparable Companies**”). We have considered the remuneration packages of key management personnel, who (i) are both executive director and chief executive officers or (ii) have assumed a similar role under another title (the “**CEO(s)**”), of the CEO Comparable Company(ies) as disclosed in the latest available annual reports or prospectuses.

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Set out below is a summary of (i) the remuneration packages of the CEO of the CEO Comparable Companies; (ii) the proportions of total remuneration over total operating expenses of the CEO Comparable Companies; and (iii) the proportions of share-based payment over total remuneration packages of the CEO for the financial year as disclosed in latest available annual reports or the prospectuses of the CEO Comparable Companies.

		Remuneration packages for the financial year as disclosed in the latest available annual reports or the prospectuses						Percentage of total remuneration over total operating expenses	Percentage of share-based payment over total remuneration package	
Name of the CEO	Title of the CEO	Name of the CEO Comparable Companies (Stock code)	Fees, salaries, other allowances and contributions	Performance related bonus	Share-based payment expense	Total	Total operating expenses for the most recent financial year (Note 1) (RMB million)	(%)	(%)	
			(RMB million)	(RMB million)	(RMB million)	(RMB million)				
1	Dr. Yinxiang Wang	Founder, executive director, chairman of the board and chief executive officer	Jacobio Pharmaceuticals-B (1167.HK)	2.1	0.5	1.9	4.5	483.2	0.9%	41.6%
2	Mr. Ye Liu	Executive director and chief executive officer	Ocumension Therapeutics-B (1477.HK)	3.5	—	121.2	124.7	442.2	28.2%	97.2%
3	Dr. Jinzi Jason Wu	Founder, executive director, chairman of the board and chief executive officer	Asclepis Pharma-B (1672.HK)	19.9	—	—	19.9	323.7	6.2%	0.0%
4	Dr. Di-Chao Michael Yu	Chief executive officer and executive director	Innovent Biologics (1801.HK)	2.9	23.3	117.3	143.5	6,736.1	2.1%	81.7%
5	Ms. Yeh-Huang Chun-Ying	Chairman, executive director and general manager	TOT BIOPHARM International-B (1875.HK)	2.5	—	0.7	3.2	342.7	0.9%	20.8%
6	Dr. Li Ning	Executive director, chief executive officer and general manager	Shanghai Junshi Biosciences (1877.HK)	7.3	18.7	12.3	38.3	4,794.0	1.1%	32.1%
7	Dr. Yiping James Li	Executive director, chairman of the board and chief executive officer	JW (Cayman) Therapeutics-B (2126.HK)	1.8	2.5	36.6	40.9	786.6	5.2%	89.5%
8	Dr. Zhi Hong	Chief executive officer and executive director	Brii Biosciences-B (2137.HK)	36.9	1.8	26.6	65.4	703.0	9.3%	40.8%
9	Dr. Jingsong Wang	Principal founder, executive director, chairman of the board and chief executive officer	HBM Holdings-B (2142.HK)	85.7	—	—	85.7	951.9	9.0%	0.0%
10	Dr. Hu Chaohong	Executive director, chief executive director	LEPU-Biopharma-B (2157.HK)	2.4	0.7	9.5	12.5	948.5	1.3%	75.5%
11	Mr. Guoming Chen	President and executive director	MicroPort CardioFlow Medtech Corporation-B (2160.HK)	1.2	0.7	1.9	3.8	407.2	0.9%	49.3%
12	Dr. Bo Chen	Director and chief executive	Keymed Biosciences-B (2162.HK)	3.6	—	—	3.6	525.5	0.7%	0.0%
13	Dr. Li Zonghai	Chairman and executive director	CARgen Therapeutics-B (2171.HK)	1.1	0.5	—	1.6	627.6	0.3%	0.0%
14	Mr. Yong Liu	Chief executive officer and executive director	Jiangsu Recbio Technology-B (2179.HK)	1.4	1.7	73.7	76.8	629.1	12.2%	96.9%
15	Mr. Jonathon Zhong Zhao	Chairman of the Board	Zylox-Tonbridge Medical Technology-B (2190.HK)	2.2	2.3	11.8	16.2	410.7	3.9%	72.6%
16	Mr. Joshua Liang	Chief executive	Clover Biopharmaceuticals-B (2197.HK)	7.7	—	6.9	14.6	2,237.0	0.7%	47.3%
17	Dr. Xu Yao Chang	Executive director	Abbisko-B (2256.HK)	5.4	—	17.6	23.0	351.0	6.6%	76.5%
18	Dr. Yang Lu, Patrick	Chief executive officer and executive director	Sirnaomics-B (2257.HK)	2.5	0.9	23.9	27.3	1,310.4	2.1%	87.3%
19	Mr. Zhenjun Zi	Executive director and general manager	Venus Medtech (Hangzhou)-B (2500.HK)	0.8	—	—	0.8	1,083.8	0.1%	0.0%
20	Dr. Li Chen	Founder, executive director, chief executive officer and chief scientific officer	Hua Medicine-B (2552.HK)	4.7	5.4	13.6	23.9	332.0	7.2%	57.2%
21	Dr. Frank Ningjun Jiang	Executive director, chairman of the board and chief executive officer	CStone Pharmaceuticals-B (2616.HK)	4.1	2.0	156.8	162.9	2,310.2	7.0%	96.3%

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Remuneration packages for the financial year as disclosed in the latest available annual reports or the prospectuses										
Name of the CEO	Title of the CEO	Name of the CEO Comparable Companies (Stock code)	Fees, salaries, other allowances and contributions	Performance related bonus	Share-based payment expense	Total	Total operating expenses for the most recent financial year (Note 1)	Percentage of total remuneration over total operating expenses	Percentage of share-based payment over total remuneration package	
			(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)	(%)	(%)	
22	Dr. Shui On Leung	Executive director, chairman of the board and chief executive officer	SinoMab BioScience-B (3681.HK)	4.3	0.1	—	4.4	332.7	1.3%	0.0%
23	Mr. John V. Oyler	Executive director, chairman and chief executive officer	BeiGene (6160.HK)	5.5	5.9	100.5	111.9	16,893.4	0.7%	89.8%
24	Dr. Xuefeng Yu	Co-founder, executive director, chairman of the board, chief executive officer and general manager	CanSino Biologics-B (6185.HK)	2.1	2.4	—	4.4	1,216.4	0.4%	0.0%
25	Mr. Yeqing Zhu	Co-founder, executive director and chief executive officer	New Horizon Health-B (6606.HK)	3.2	0.7	10.3	14.3	3,287.2	0.4%	72.3%
26	Dr. Li Xiaoyi	Executive director, chairman of the board and chief executive officer	Zhaoke Ophthalmology-B (6622.HK)	6.7	3.1	29.2	39.0	398.9	9.8%	75.0%
27	Dr. Qian	Executive director and chief executive officer	Transcanta-B (6628.HK)	2.2	1.9	1.1	5.2	1,689.6	0.3%	21.1%
28	Dr. Yang Dachun	Co-founder, executive director, chairman of the board and chief executive officer	Ascentage Pharma Group International-B (6855.HK)	4.8	—	—	4.8	1,011.5	0.5%	0.0%
29	Dr. Wang Yu	Executive director, chief executive officer and co-chief technology officer	Immunotech Biopharm-B (6978.HK)	3.5	—	34.1	37.6	368.7	10.2%	90.8%
30	Dr. Jay Mei	Founder, executive director, chairman of the board and chief executive officer	Antengene Corporation-B (6996.HK)	5.6	5.1	6.1	16.8	726.2	2.3%	36.2%
31	Dr. Guo Feng	Executive director and chief executive officer	JHBP (CY) n-B (6998.HK)	6.1	1.5	33.7	41.2	918.7	4.5%	81.7%
32	Dr. Xia Yu	Founder, executive director, chairwoman of the board, president and chief executive	Akeso-B (9926.HK)	3.7	3.4	—	7.1	14,482.5	0.1%	0.0%
33	Dr. Youzhi Tong	Executive director, chairman of the board and chief executive officer	Kintor Pharmaceutical-B (9939.HK)	4.7	1.2	—	5.8	903.1	0.6%	0.0%
34	Dr. Xu Ting	Founder, executive director, chairman of the board and chief executive officer	Alphamab Oncology-B (9966.HK)	10	1.2	—	11.2	592.2	1.9%	0.0%
35	Dr. Jisong Cui	Executive director, chairperson of the board and chief executive officer	InnoCare Pharma-B (9969.HK)	3.2	1.7	24.6	29.4	1,226.8	2.4%	83.5%
36	Dr. Fang Jianmin	Co-founder, executive director, chief executive officer and chief scientific officer	RemeGen-B (9995.HK)	3.7	4.0	—	7.7	1,261.6	0.6%	0.0%
37	Dr. Yi Zhang	Executive director, chairman of the board, chief executive officer and chief technology officer	Peijia Medical-B (9996.HK)	1.4	—	0.7	2.1	745.1	0.3%	32.4%
						Maximum	162.9		28.2%	97.2%
						Minimum	0.9		0.1%	0.0%
						Average	33.0		3.8%	44.4%
						Median	16.2		1.3%	41.6%
		The Company (1952.HK)								
	Dr. Blanchard	Executive Director and chief executive officer	Scenario 1 — 2021 Proposed Award Grants	8.7	9.2	57.6 (Note 6)	75.6	1,054.3	7.2%	76.2%
			Scenario 2 — Proposed Performance Target Award Grants	8.8	9.2	64.0 (Note 7)	82.1	1,054.3	7.8%	78.0%

Source: Latest annual reports and/or prospectuses of the respective CEO Comparable Companies and the Company

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Notes:

1. Total operating expenses of the CEO Comparable Companies include cost of revenue, selling and distribution expenses, research and development costs, administrative expenses, share of losses of joint ventures, other net losses and other expenses, and exclude finance costs, income tax expense, listing and reorganization expenses and loss on fair value changes of financial assets and liabilities which are considered non-operating in nature.
2. The remunerations of Dr. Jinzi Jason Wu and Dr. Jisong Cui were not separated between (i) fees, salaries, other allowances and contribution; and (ii) performance related bonus in the financial statements of Asclepis Pharma Inc. (1672.HK) and InnoCare Limited (9969.HK) respectively. Accordingly, for the purpose of presentation in the table above, the entire remunerations of Dr. Wu and Dr. Cui are included in the category of “Fees, salaries, other allowances and contributions”.
3. MABpharm (2181.HK) and Shanghai Henlius Biotech (2696.HK) have satisfied the selection criteria of the CEO Comparable Companies. However, the CEOs of both companies have been changed during the most recent financial year and their remuneration packages were not reflecting a full year amount, which we consider not comparable to that of the Company and therefore they are excluded from the CEO Comparable Companies analysis above.
4. We have identified Zai Lab (9688.HK) which has satisfied the selection criteria of the CEO Comparable Companies. However, the emolument details of its directors were not disclosed in the annual report or the prospectus, therefore it is excluded from the CEO Comparable Companies analysis above.
5. The share-based payment of Dr. De-Chao Michael Yu of Innovent Biologics (1801.HK) included (i) the share-based payment expenses as set out in the annual report for the year ended 31 December 2021; and (ii) the annualised economic value of the restricted shares granted to Dr. Yu on 30 March 2022 based on the vesting period of 4 years.
6. The estimated economic value of the 2021 Proposed Award to Dr. Blanchard is based on (i) the 640,303 Awards granted on 14 July 2021; (ii) the closing share price of the Company (i.e. HK\$70.7 per Share) on the date of grant of the 2021 Proposed Award to Dr. Blanchard (i.e. 14 July 2021); and (iii) annualisation by dividing the aforesaid share awards by the vesting period of up to 4 years. For illustrative purpose, the translation of RMB to HK\$ is based on the exchange rate of RMB1 to HK\$1.198.
7. For illustrative purpose, the estimated economic value of the Proposed Performance Target Award Grants to Dr. Blanchard is based on (i) the 2,500,000 Performance Target Awards granted on 1 April 2022; (ii) the closing share price of the Company (i.e. HK\$22.85 per Share) on the date of grant of the Proposed Performance Target Award Grants (i.e. 1 April 2022); and (iii) annualisation by dividing the aforesaid awards by the vesting period of up to 3 years. The estimated values may be different from the values of the share-based payments to be recorded in the annual reports in the future subject to factors, including to but not limited to (i) the review by the reporting accountant; and (ii) the likelihood of achieving the specific milestones at the date of approval by the shareholders. For illustrative purpose, the translation of RMB to HK\$ is based on the exchange rate of RMB1 to HK\$1.198.
8. For illustrative purpose, the translation of the United States dollars into the RMB in the table above are based on the exchange rate of US\$1 to RMB6.462.

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As shown in the table above, the annual remunerations of the CEO of the CEO Comparable Companies ranged from approximately RMB0.9 million to RMB162.9 million with an average of approximately RMB33.0 million. Although the total remuneration of Dr. Blanchard will be higher than the average of those of the CEO of the CEO Comparable Companies, it is within the range of the 37 CEO Comparable Companies.

Given that the Group had not generated any revenue from product sales as at the Latest Practicable Date, we have also considered the proportions of (i) total remunerations of the CEOs over total operating expenses of the CEO Comparable Companies and (ii) share-based payment of the CEOs over total remunerations of the CEO Comparable Companies in evaluating the fairness and reasonableness of Dr. Blanchard's total remuneration. As shown in the table above, total remunerations of the CEO over total operating expenses of the CEO Comparable Companies for the financial year as disclosed in the latest available annual reports or the prospectuses ranged from approximately 0.1% to approximately 28.2% with a median and average of approximately 1.3% and 3.8%, respectively. Dr. Blanchard's total remuneration package taking into account of the 2021 Proposed Award Grant and Proposed Performance Target Award Grants constituted approximately 7.2% and 7.8% of the Group's total operating expenses for the year ended 31 December 2021, respectively, which is within the range of those of the CEO Comparable Companies.

As shown in the table above, the percentage of the share-based payment to the CEOs over total remunerations of the CEO Comparable Companies ranged from 0% to 100% with a median and average of approximately 44.4% and 41.6%, respectively. The share-based payment to Dr. Blanchard for the year ended 31 December 2021 taking into account of the 2021 Proposed Award Grant and Proposed Performance Target Award Grants accounted for approximately 76.2% and 78.0% of his total remuneration respectively, which is within range of that of the CEO Comparable Companies.

As set out in the Letter from the Board, the grant of Awards is part of the Company's remuneration policy. The Proposed Award to Dr. Blanchard and the Proposed Performance Target Award Grants to Dr. Blanchard aim to provide sufficient incentive to retain and motivate Dr. Blanchard to participate in the formulation of strategy and long-term development of the Company and to recognise his contribution to the growth of the Company.

Taking into account that (i) Dr. Blanchard's total remuneration is within the range of those of the CEOs among the CEO Comparable Companies; (ii) Dr. Blanchard's total remuneration to the Group's total operating expenses is within the range among the CEO Comparable Companies; and (iii) the percentage of share-based payment in Dr. Blanchard's total remuneration package is within the range among the CEO Comparable Companies, we consider his remuneration, including the Proposed Award to Dr. Blanchard, to be fair and reasonable.

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Assessment on the 2021 Proposed Award and the Proposed Performance Target Award Grants to Mr. Ian Ying Woo and Mr. Xiaofan Zhang

Set out below is the breakdown of the remuneration package of Mr. Ian Ying Woo and Mr. Xiaofan Zhang for the year ended 31 December 2021, including the 2021 Proposed Award Grants and the Proposed Performance Target Award to Mr. Ian Ying Woo and Mr. Xiaofan Zhang:

Name of executive Director	Salaries, contributions, and other benefits <i>(RMB'000)</i>	Performance Based or discretionary bonus <i>(RMB'000)</i>	Share-based payment expenses <i>(RMB'000)</i>	Total executive Directors' remuneration <i>(RMB'000)</i>
<i>Scenario 1: Considering the 2021 Proposed Award Grants to Mr. Ian Ying Woo and Mr. Xiaofan Zhang only</i>				
Mr. Ian Ying Woo	4,770	5,963	9,979	20,712 <i>Note 1</i>
Mr. Xiaofan Zhang	4,452	5,938	11,909	22,299 <i>Note 1</i>
Total	9,222	11,901	21,888	43,011
<i>Scenario 2: Considering the Proposed Performance Target Award Grants to Mr. Ian Ying Woo and Mr. Xiaofan Zhang only</i>				
Mr. Ian Ying Woo	4,770	5,963	13,883	24,616 <i>Note 2</i>
Mr. Xiaofan Zhang	4,452	5,938	15,813	26,203 <i>Note 2</i>
Total	9,222	11,901	29,696	50,819

Source: 2021 Annual Report and announcements of the Company dated 15 July 2021 and 1 April 2022

Notes:

- The share-based payments included the estimated economic value of the 2021 Proposed Award Grants which are based on (i) the 166,325 and 166,325 Awards granted to Mr. Ian Ying Woo and Mr. Xiaofan Zhang on 14 July 2021, respectively; (ii) the closing share price of the Company (i.e. HK\$70.7 per Share) on the date of grant of the 2021 Proposed Award Grants (i.e. 14 July 2021); and (iii) annualisation by dividing the aforesaid share awards by the vesting period of up to 4 years. For illustrative purpose, the translation of RMB to HK\$ is based on the exchange rate of RMB1 to HK\$1.198.

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2. For illustrative purpose, the share-based payments included the estimated economic value of the Proposed Performance Target Award Grants which are based on (i) the 1,000,000 and 1,000,000 Performance Target Awards granted to Mr. Ian Ying Woo and Mr. Xiaofan Zhang on 1 April 2022, respectively; (ii) the closing share price of the Company (i.e. HK\$22.85 per Share) on the date of grant of the Proposed Performance Target Award Grants (i.e. 1 April 2022); and (iii) annualisation by dividing the aforesaid share awards by the vesting period of up to 3 years. The above estimated values may be different from the values of the share-based payments to be recorded in the annual reports in the future subject to factors, including to but not limited to (i) the review by the reporting accountant; and (ii) the likelihood of achieving the specific milestones at the date of approval by the shareholders. For illustrative purpose, the translation of RMB to HK\$ is based on the exchange rate of RMB1 to HK\$1.198.

In assessing the fairness and reasonableness of the 2021 Proposed Award Grants and the Proposed Performance Target Award Grants to Mr. Ian Ying Woo and Mr. Xiaofan Zhang, we have compared the remuneration packages of Mr. Ian Ying Woo (executive Director and chief financial officer) and Mr. Xiaofan Zhang (executive Director and chief operation officer) with the executive directors with significant roles of the biopharmaceutical companies listed on the Stock Exchange under Chapter 18A of the Listing Rules. As we have already compared the remuneration package of Dr. Blanchard with other chief executive officers in the above analysis, we have considered the remuneration packages in the financial year as disclosed in the latest available annual reports or prospectuses of the executive directors with significant roles (such as C-suites and general managers) and ruled out the executive directors with roles of chief executive officers from the biopharmaceutical companies listed on the Stock Exchange under Chapter 18A of the Listing Rules (the “**ED Comparable Companies**”).

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Set out below is a summary of the remuneration packages of the executive directors with significant roles (such as C-suites and general managers) of the ED Comparable Companies in the financial year as disclosed in the annual reports:

			Range of total remunerations of executive directors (Note 1) (RMB'000)	Aggregate remuneration of executive directors (RMB'000)	Share-based payment of executive directors (RMB'000)	Percentage of share-based payment to aggregate remuneration package of executive directors (RMB'000)
1	Jacobio Pharmaceuticals-B	1167.HK	3,282	3,282	1,406	42.8%
2	Ocumension Therapeutics-B	1477.HK	6,681	6,681	4,605	68.9%
3	Ascleitis Pharma-B	1672.HK	2,504	2,504	—	—
4	Innovent Biologics	1801.HK	20,367	20,367	14,969	73.5%
5	TOT BIOPHARM International-B	1875.HK	3,442	3,442	1,166	33.9%
6	Shanghai Junshi Biosciences	1877.HK	2,205 to 11,676	24,603	12,966	52.7%
7	Lepu-B	2157.HK	12,549	12,549	9,480	75.5%
8	MicroPort CardioFlow Medtech Corporation-B	2160.HK	3,000 and 3,157	6,157	3,076	50.0%
9	Keymed Biosciences-B	2162.HK	996	996	—	—
10	CARsgen Therapeutics-B	2171.HK	2,153	2,153	—	—
11	MABpharm-B	2181.HK	1,418	1,418	533	37.6%
12	Zylox-Tonbridge Medical Technology-B	2190.HK	6,165 and 8,405	14,570	9,118	62.6%
13	Abbisko-B	2256.HK	17,058 and 17,258	34,316	28,236	82.3%
14	Sirnaomics-B	2257.HK	5,670 and 6,107 (Note 4)	11,777 (Note 4)	5,820	49.4%
15	Venus Medtech (Hangzhou)-B	2500.HK	1,038	1,038	—	—
16	Hua Medicine	2552.HK	7,086	7,086	2,063	29.1%
17	BeiGene	6160.HK	32,324 (Note 4)	32,324 (Note 4)	30,693	95.0%
18	CanSino Biologics-B	6185.HK	4,533 and 4,444	8,977	—	—
19	New Horizon Health-B	6606.HK	10,024	10,024	7,876	78.6%
20	Transcenta-B	6628.HK	4,125	4,125	943	22.9%
21	Ascentage Pharma Group International-B	6855.HK	4,750	4,750	—	—
22	Immunotech Biopharm-B	6978.HK	1,883 and 10,631	12,514	7,281	58.2%
23	Antengene Corporation-B	6996.HK	4,586	4,586	3,757	81.9%
24	JHBP (CY)-B	6998.HK	3,749	3,749	—	—
25	Akeso-B	9926.HK	4,210	4,210	—	—
26	Alphamab Oncology-B	9966.HK	6,168	6,168	3,197	51.8%
27	InnoCare-B	9969.HK	2,040	2,040	—	—
28	RemeGen-B	9995.HK	10,487	10,487	6,271	59.8%
29	Peijia Medical-B	9996.HK	3,025	3,025	2,442	80.7%
					Maximum	95.0%
					Minimum	—
					Average	40.9%
					Median	49.4%
The Company		1952.HK				
<i>Scenario 1: Considering the 2021 Proposed Award Grants</i>						
	— Mr. Ian Ying Woo		20,712		9,979 (Note 2)	48.2%
	— Mr. Xiaofan Zhang		22,299		11,909 (Note 2)	53.4%
<i>Scenario 2: Considering the Proposed Performance Target Award Grants</i>						
	— Mr. Ian Ying Woo		24,616		13,883 (Note 3)	56.4%
	— Mr. Xiaofan Zhang		26,203		15,813 (Note 3)	60.3%

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Source: 2021 Annual Report and the latest annual reports or prospectuses of the ED Comparable Companies

Notes:

1. The remuneration of the executive directors with significant roles (such as C-suites and general managers) primarily included salaries and other allowances, performance-related bonus, retirement benefit scheme contributions and share-based payment expenses as extracted from the latest annual reports or prospectuses of the ED Comparable Companies.
2. The share-based payments included the economic value of the 2021 Proposed Award Grants which are based on (i) the 166,325 and 166,325 Awards granted to Mr. Ian Ying Woo and Mr. Xiaofan Zhang on 14 July 2021, respectively; (ii) the closing share price of the Company (i.e. HK\$70.7 per Share) on the date of grant of the 2021 Proposed Award Grants (i.e. 14 July 2021); and (iii) annualisation by dividing the aforesaid share awards by the vesting period of up to 4 years. For illustrative purpose, the translation of RMB to HK\$ is based on the exchange rate of RMB1 to HK\$1.198.
3. For illustrative purpose, the share-based payments included the economic value of the Proposed Performance Target Award Grants which are based on (i) the 1,000,000 and 1,000,000 Performance Target Awards granted to Mr. Ian Ying Woo and Mr. Xiaofan Zhang on 1 April 2022, respectively; (ii) the closing share price of the Company (i.e. HK\$22.85 per Share) on the date of grant of the Proposed Performance Target Award Grants (i.e. 1 April 2022); and (iii) annualisation by dividing the aforesaid share awards by the vesting period of up to 3 years. The above estimated values may be different from the values of the share-based payments to be recorded in the annual reports in the future subject to factors, including to but not limited to (i) the review by the reporting accountant; and (ii) the likelihood of achieving the specific milestones at the date of approval by the shareholders. For illustrative purpose, the translation of RMB to HK\$ is based on the exchange rate of RMB1 to HK\$1.198.
4. For illustrative purpose, the translation of the United States dollars into the RMB in the table above are based on the exchange rate of US\$1 to RMB6.462.

Although details with respect to each ED Comparable Company and its executive director(s) such as responsibilities, experience and year of service of each executive director as well as product type, stage of clinical development and commercialisation and scale of each company may vary, we consider that the ED Comparable Companies can provide a general reference for common market practice in determining the remuneration packages of executive directors with significant roles of biopharmaceutical companies.

As shown in the table above, the remuneration of the executive directors with significant roles of the ED Comparable Companies ranged from approximately RMB996,000 to approximately RMB34.3 million for the financial year end as disclosed in the latest available annual reports or the prospectuses. The remuneration of each of Mr. Ian Ying Woo and Mr. Xiaofan Zhang taking into account of the 2021 Proposed Award Grants and the Proposed Performance Target Award Grants are within range among the executive directors of the ED Comparable Companies. The share-based payment of Mr. Ian Ying Woo and Mr. Xiaofan Zhang for the year ended 31 December 2021 of the 2021 Proposed Award Grants accounted for approximately 48.2% and 53.4% of their total remuneration packages, respectively, both of which is close to the average and median of that of the ED Comparable Companies of approximately 40.9% and approximately 49.4%, respectively. The share-based payment of Mr. Ian Ying Woo and Mr. Xiaofan Zhang for the year ended 31 December 2021 of the Proposed Performance Target Award Grants accounted for approximately 56.4% and 60.3% of their total remuneration packages, respectively, which are within range of that of the ED Comparable Companies between 0% to 95.0%.

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As set out in the Letter from the Board, the grant of Awards is part of the Company's remuneration policy. The 2021 Proposed Award and the Proposed Performance Target Award Grants to Mr. Ian Ying Woo and Mr. Xiaofan Zhang aims to provide sufficient incentive to retain and motivate Mr. Ian Ying Woo and Mr. Xiaofan Zhang to participate in the formulation of strategy and long-term development of the Company and to recognise their contributions to the growth of the Company. Given the respective background and experiences in the biopharmaceutical industry of Mr. Ian Ying Woo and Mr. Xiaofan Zhang have contributed and will continue to contribute to the success of the Group. The retention of these key management team members is critical to the development and expansion of the Company.

Having considered (i) the remuneration of Mr. Ian Ying Woo and Mr. Xiaofan Zhang (taking into account of the 2021 Proposed Award Grants and the Proposed Performance Target Award Grants) is within range among the executive directors with significant roles of the ED Comparable Companies; (ii) the percentage of share-based payment of the 2021 Proposed Award Grants in Mr. Ian Ying woo and Mr. Xiaofan Zhang's total remuneration package is close to the average and median of that of the ED Comparable Companies; (iii) the respective background and experience with their significant achievements and contribution to the growth of the Group as discussed above; and (iv) the reasons and benefits of the Proposed Award Grants as mentioned above, we are of the view that the Proposed Award Grants in relation to Mr. Ian Ying Woo and Mr. Xiaofan Zhang is fair and reasonable.

Assessment on the 2021 Proposed Award Grants to Ms. Yang Shi, Dr. Zhengying Zhu, Mr. Yuan Gao, Ms. Min Yu, Mr. Zixin Qiao and Ms. Xu Zhu (the "2021 Subsidiary Director Grantee(s)")

As provided by the Company, the aggregate remuneration packages of the 2021 Subsidiary Director Grantees (each of them is a director of subsidiaries of the Company as at the date of grant of the 2021 Proposed Award Grants) amounted to RMB24.5 million for the year ended 31 December 2021. Taking into account of the market value of the 2021 Proposed Award Grants to the 2021 Subsidiary Director Grantees of approximately RMB12.4 million for the year ended 31 December 2021, calculated based on (i) the closing price of the Shares (i.e. HK\$70.7 per Share) as at the date of grant of the 2021 Proposed Award Grants (i.e. 14 July 2021); (ii) the number of shares for the 2021 Proposed Award Grants of 842,542 Awards granted to the 2021 Subsidiary Director Grantees; and (iii) annualisation by dividing the aforesaid share awards by the vesting period of up to 4 years, the aggregate remuneration packages of the 2021 Subsidiary Award Grants amounts to approximately RMB37.0 million, representing a remuneration package of approximately RMB6.2 million per 2021 Subsidiary Director Grantee.

Given the fact that there is a lack of disclosure on the subsidiary directors' total remuneration packages of the pharmaceutical companies listed under Chapter 18A of the Listing Rules and we have already compared the remuneration package of Dr. Blanchard with other chief executive officers in the above analysis, in assessing the fairness and reasonableness of the 2021 Proposed Award Grants to the 2021 Subsidiary Director Grantees, we have compared the average remuneration package per 2021 Subsidiary Director Grantee with the average total remuneration package of the executive directors of the pharmaceutical companies listed under Chapter 18A of the Listing Rules for the financial year as disclosed in the latest annual reports or prospectuses by ruling out the executive directors with roles of chief executive officers (but including those with roles of C-suites, general managers, deputy general managers and other senior management, etc.) from the biopharmaceutical companies listed on the Stock Exchange under Chapter 18A of the Listing Rules (the "**Subsidiary Director Grantee Comparable Directors**").

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We have identified 60 Subsidiary Director Grantee Comparable Directors, the average remuneration package per Subsidiary Director Grantee Comparable Director amounted to approximately RMB8.4 million. The average remuneration package of per 2021 Subsidiary Director Grantees of approximately RMB6.2 million is lower than that of the Subsidiary Director Grantee Comparable Directors. Furthermore, the value of share-based payment of the 2021 Subsidiary Director Grantees (taking into account of the 2021 Proposed Award Grants) accounted for approximately 33.6% of their total remuneration package for the year ended 31 December 2021, which is lower than the average and median of that of the Subsidiary Director Grantee Comparable Directors of 69.1% and 53.9%, respectively.

Having considered (i) the comparison between the remuneration of the 2021 Subsidiary Director Grantees and the Subsidiary Director Grantee Comparable Directors; (ii) the respective background and experience with their significant achievements and contribution to the growth of the Group as discussed above; and (iii) the reasons and benefits of the 2021 Proposed Award Grants as mentioned above, we are of the view that the 2021 Proposed Award Grants to 2021 Subsidiary Director Grantees is fair and reasonable.

Assessment on the 2022 Proposed Award Grants to Ms. Heasun Park, Mr. Ng Kah San, Mr Yuan Gao, Ms. Min Yu and Mr. Zixin Qiao (the “2022 Subsidiary Director Grantee(s)”)

As provided by the Company, the aggregate remuneration packages of the 2022 Subsidiary Director Grantees (each of them is a director of subsidiaries of the Company as at the date of grant of the 2022 Proposed Award Grants) amounted to RMB10.9 million for the year ended 31 December 2021. Taking into account of the market value of the 2022 Proposed Award Grants to the 2022 Subsidiary Director Grantees of approximately RMB494,000 for the year ended 31 December 2021, calculated based on (i) the closing price of the Shares (i.e. HK\$22.85 per Share) as at the date of grant of the 2022 Proposed Award Grants (i.e. 1 April 2022); (ii) the number of shares for the 2022 Proposed Award Grants of 103,775 Awards granted to the 2022 Subsidiary Director Grantees; and (iii) annualisation by dividing the aforesaid share awards by the vesting period of up to 4 years, the aggregate remuneration packages of the 2022 Proposed Award Grants to the 2022 Subsidiary Director Grantees amounts to approximately RMB11.4 million, representing a remuneration package of approximately RMB2.3 million per 2022 Subsidiary Director Grantee.

In assessing the fairness and reasonableness of the 2022 Proposed Award Grants to the 2022 Subsidiary Director Grantees, we have compared the average remuneration package per 2022 Subsidiary Director Grantee with the average total remuneration package of the Subsidiary Director Grantee Comparable Directors.

The average remuneration package of per 2022 Subsidiary Director Grantees of approximately RMB2.3 million is lower than that of the per Subsidiary Director Grantee Comparable Director of approximately RMB8.4 million. Furthermore, the value of share-based payment of the 2022 Subsidiary Director Grantees (taking into account of the 2022 Proposed Award Grants) accounted for approximately 4.3% of their total remuneration package for the year ended 31 December 2021, which is lower than the average and median of that of the Subsidiary Director Grantee Comparable Directors of 69.1% and 53.9%, respectively.

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Having considered (i) the comparison between of the remuneration between the 2022 Subsidiary Director Grantees and the Subsidiary Director Grantee Comparable Directors; (ii) the respective background and experience with their significant achievements and contribution to the growth of the Group as discussed above; and (iii) the reasons and benefits of the 2022 Proposed Award Grants as mentioned above, we are of the view that the 2022 Proposed Award Grants to 2022 Subsidiary Director Grantees is fair and reasonable.

Overall assessment on the Proposed Award Grants

To assess the fairness and reasonableness of terms of the Proposed Award Grants (including but not limited to the relevant remuneration package and vesting periods), we have conducted a research on grants of share award and restricted shares to connected persons by the listed companies on the Main Board of the Stock Exchange which belong to (i) the “Biotechnology and Pharmaceuticals” sector of the Bloomberg Industry Classification System and/or (ii) biopharmaceutical companies listed under Chapter 18A of the Listing Rules on a best effort basis from 1 January 2020 and up to the Latest Practicable Date (the “**Comparable Grants**”). The listed issuers in the Comparable Grants may vary in terms of market capitalisation, profitability, financial position, product type, stage of clinical development and commercialization and scale of operations, the Comparable Grants selected under the similar nature of operations of the Company could provide a general reference to the terms and size of the grants to connected persons. A number of the grantees in the Comparable Grants involved the non-executive directors and independent non-executive executive directors of the listed companies being the connected relevant grantees, these grantees do not involve in the day-to-day operation of these listed companies and the grants were of relatively smaller portion comparing to the grants to other connected grantees in the Comparable Grants in terms of number of awarded shares. Given the Grantees under the Proposed Award Grants mainly comprise of executive Directors (chief executive officer, chief financial officer and chief operation officer) and directors of the subsidiaries of the Company and the Grantees held significant roles and have either assumed the role of C-suite or directorship within the Group. For the purpose of comparison, we have compared the values and the vesting periods of the Comparable Grants which related to connected parties that are neither non-executive directors nor independent non-executive directors.

The above review period covered more than one year prior to the announcements of the Company dated 15 July 2021 and 1 April 2022 in relation to the Proposed Award Grants and up to the Latest Practicable Date and we have identified fourteen Comparable Grants during our review period, we consider this review period is adequate to capture prevailing market conditions in relation to grants of share award and restricted shares and long enough to provide a sufficient sample size for comparison purpose.

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Based on the above selection criteria, we have identified fourteen Comparable Grants as set out below.

Date of announcement	Company name (stock code)	Grant date	Type	Value of total connected grant shares as at grant date (Note 1) (HK\$ million)	Market capitalisation as at grant date (HK\$ million)	Value of total connected grant shares over market capitalisation as at grant date (%)	Percentage of value of total connected grant shares over market capitalisation as at grant date per head (Note 6) (%)	Details of grantees involved in the connected grants	Vesting period (years)
27 March 2020	Wuxi Biologics (2269.HK)	27 March 2020	Restricted shares	51.1	129,760.2	0.04	0.02	2 connected grantees, comprising executive directors	5 years
15 April 2020	Innovent Biologics (1801.HK)	15 April 2020	Restricted shares	60.2	45,575.9	0.13	0.13	2 connected grantees, comprising executive directors	(i) 3 years and (ii) 4 years (Note 4)
21 May 2020	Cstone Pharmaceuticals-B (2616.HK)	15 August 2019	New shares	95.8	12,447.7	0.77	0.77	1 connected grantee, an executive director	3 years
29 May 2020	TOT Biopharm-B (1875.HK)	29 May 2020	Restricted shares	25.1	2,536.5	0.99	0.49	2 connected grantee comprising of executive directors	(i) 1.5 years and (ii) 5 years (Note 4)
21 July 2020	Wuxi Apptec (2359.HK) (Note 3)	21 July 2020	Restricted shares	41.9	37,524.3	0.11	0.11	12 connected grantees, comprising executive directors and senior managements of the company, supervisor and directors of the subsidiary of the company	4 years
26 January 2021	Frontage Holdings (1521.HK)	25 January 2021	New shares	18.6	12,799.7	0.15	0.15	2 connected grantees, comprising executive directors	4 years
24 March 2021	Wuxi Biologics (2269.HK)	24 March 2021	Restricted shares	157.9	372,732.1	0.04	0.01	5 connected grantees, comprising executive directors of the company and directors of the subsidiaries of the company	5 years
30 March 2021	Innovent Biologics (1801.HK)	30 March 2021	Restricted shares	69.2	114,051.2	0.06	0.03	3 connected grantees, comprising executive directors	4 years
6 April 2021	Beigene, Ltd (6160.HK)	30 April 2021	Restricted shares	37.0	231,408.3	0.02	0.01	2 connected grantees, comprising executive directors	4 years
14 July 2021	Ascentage Pharma-B (6855.HK)	31 August 2021	New shares	2.4	10,294.6	0.04	0.02	1 connected grantee, comprising senior management	4 years
2 August 2021	Wuxi Apptec (2359.HK) (Note 3)	2 August 2021	New shares	110.5	65,457.6	0.17	0.17	13 connected grantees, comprising executive director, chief executive officer, vice chairman and senior management	4 years
11 August 2021	Ocumension Therapeutics-B (1477.HK)	2 July 2021	New shares	342.6	164,429.0	0.21	0.21	2 connected grantees, comprising executive director and chief executive	4 years
3 January 2022	Transcenta-B (6628.HK)	1 January 2022	Restricted shares	9.2	4,069.2	0.22	0.22	1 connected grantee, executive director	4 years
30 March 2022	Innovent Biologics (1801.HK)	30 March 2022	Restricted shares	62.2	18,408.0	0.34%	0.17%	2 connected grantees, comprising executive directors	4 years
					Maximum	0.99	0.77	13 connected grantees	5 years
					Minimum	0.02	0.01	1 connected grantee	1.5 years
					Average	0.23	0.14	n/a	n/a
					Median	0.14	0.05	n/a	n/a
15 July 2021	The Company (1952.HK)	14 July 2021 (2021 Proposed Award Grants)	New shares	128.4 (Note 2)	21,037.8	0.61	0.07	9 connected Grantees, comprising executive Directors and directors of the subsidiaries of the Company	(i) approximately 3.8 years and (ii) approximately 4.3 years (Note 5)
1 April 2022	The Company (1952.HK)	1 April 2022 (2022 Proposed Award Grants)	New shares	2.4	6,882.1	0.03	0.01	5 connected Grantees, comprising directors of the subsidiaries of the Company	4 years

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Date of announcement	Company name (stock code)	Grant date	Type	Value of total connected grant shares as at grant date (Note 1) (HK\$ million)	Market capitalization (HK\$ million) (Note 2)	Value of total connected grant shares over market capitalisation (%) (Note 2)	Percentage of value of total connected grant shares over market capitalisation per head (Note 6) (%)	Details of grantees involved in the connected grants	Vesting period (years)
1 April 2022	The Company (1952.HK)	1 April 2022 (Proposed Performance Target Award Grants)	New shares	102.8	16,565.2	0.62	0.21	3 connected Grantees, comprising executive Directors	3 years

Sources: Website of the Stock Exchange and Bloomberg

Notes:

- The value of the total connected grant shares as at grant date is calculated based on the closing price of the grant date excluding the value of the connected shares granted to non-executive directors or independent non-executive directors.
- The Awards grant under Proposed Performance Target Award would be subject to achievement of stock price targets from HK\$55 per Share to HK\$75 per Share and certain business milestones. For illustrative purpose, the market capitalisation of the Company was calculated based on the stock price of HK\$55 per Share and number of issued Shares as at the Latest Practicable Date.
- The shares of WuXi AppTec Co., Ltd. (2359.HK) has been listed in both Hong Kong Stock Exchange and Shanghai Stock Exchange. For illustrative purpose, only the market capitalisation of the H-shares is considered.
- Two vesting schedules of different vesting periods were noted for the denoted Comparable Grants.
- The Awards under the Proposed Award Grant to Ms. Min Yu would be fully vested on 15 October 2025 (i.e. approximately 4.3 years from the date of grant on 14 July 2021), while the Awards under the Proposed Award Grants to remaining Grantees would be fully vested by early April 2025 (i.e. approximately 3.8 years from the date of grant on 14 July 2021).
- The percentage of value of the total connected grant shares over market capitalisation as at the grant date per connected grantee is calculated by dividing the percentage of value of the total connected grant shares over market capitalisation as at the grant date by number of connected grantees (excluding the non-executive directors or independent non-executive directors).

We noted from the above table that it is not uncommon for the companies listed on the Main Board of the Stock Exchange which belong to the “Biotechnology and Pharmaceuticals” sector of the Bloomberg Industry Classification System or biopharmaceutical companies and listed under Chapter 18A of the Listing Rules to grant share awards or restricted shares to their connected key personnel or employees.

As illustrated in the table above, the value of the total grant shares to connected persons over market capitalisation of the Comparable Grants ranged from approximately 0.02% to approximately 0.99% with an average of approximately 0.23%. We note that the value of the 2021 Proposed Award Grants and the 2022 Proposed Award Grants represent approximately 0.61% and 0.03%, respectively of the Company’s market capitalisation as at the respective grant date (i.e. 14 July 2021 and 1 April

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2022), which is within range but above the average of the Comparable Grants. We also note that the value of the Proposed Performance Target Award Grants represents approximately 0.62% of the market capitalisation calculated based on the stock price of HK\$55 per Share and number of issued Shares as at the Latest Practicable Date, which is within range but above the average of the Comparable Grants.

For illustration purpose, the percentage of value of the total connected grant shares over market capitalisation as at grant date per connected grantee ranged from approximately 0.01% to approximately 0.77% with an average of approximately 0.14%. We note that the value of the 2021 Proposed Award Grants and the 2022 Proposed Award Grants per Grantee represent approximately 0.07% and 0.01% of the Company's market capitalisation as at the respective grant date (i.e. 14 July 2021 and 1 April 2022), which is within range and below the average of the Comparable Grants. We also note that the value of the Proposed Performance Target Award Grants per Grantee represent approximately 0.21% of the Company's the market capitalisation calculated based on the stock price of HK\$55 per Share and number of issued Shares as at the Latest Practicable Date, which is within range but above the average of the Comparable Grants.

As shown in the above table, the number of connected grantees involved in the Comparable Grants varies from 1 to 13 grantees with different roles and responsibilities in the listed companies. The 2021 Proposed Award Grants, 2022 Proposed Award Grants and Proposed Performance Target Award Grants involved 9, 5 and 3 Grantees, respectively, including not only the executive Directors, but also the directors of the subsidiaries of the Company. Given the number of grantees is generally higher than that of the Comparable Grants and is mainly relating to the senior management of the Group, this may be one of the possible explanations of the total value of the Proposed Award Grants being higher than that of most of the Comparable Grants.

As illustrated in the table above, the vesting periods of the Comparable Grants ranged from approximately 1.5 years to 5 years. Under the 2021 Proposed Award Grants, 2022 Proposed Award Grants and Proposed Performance Target Award Grants, the relevant shares shall be transferred to the Grantees until the end of the respective vesting periods ranging from approximately 3 years to approximately 4.3 years from the respective date of grant (i.e. 14 July 2021 and 1 April 2022), subject to the satisfaction of the relevant vesting conditions as may be specified by the Board at the respective time including but not limited to, the Grantees shall remain as directors or employees of the Company until the end of their respective vesting periods. Accordingly, the vesting periods of the 2021 Proposed Award Grants, 2022 Proposed Award Grants and Proposed Performance Target Award Grants fall within the range of the Comparable Grants.

Based on the above, we consider that the Proposed Award Grants to be generally in line with market practices, fair and reasonable and in the ordinary and usual course of business of the Group.

6. Financial effects of the Proposed Award Grants

The Proposed Award Grants by way of allotment and issuance of the new shares will have no impact on the cash flow of the Group.

In respect of the 2021 Proposed Award Grants, compensation expenses would be recognised over the respective vesting periods of the new Shares by graded vesting method based on the respective fair values of the grant date. Based on the closing price of the Shares of HK\$70.70 per Share as at the date of 2021 Proposed Award Grants, the total economic value relating to the Proposed Award Grants is approximately HK\$128.4 million in aggregate, which are to be adjusted by forfeiture rate and expected to decrease the net profit of the Group over the vesting period or increase the net loss of the Group over the vesting period, as the case may be.

In respect of the 2022 Proposed Award Grants, compensation expenses would be recognised over the respective vesting periods of the new Shares by graded vesting method based on the respective fair values of the grant date. Based on the closing price of the Shares of HK\$22.85 per Share as at the date of the 2022 Proposed Award Grants (i.e. 1 April 2022), the total economic value relating to the 2022 Proposed Award Grants is approximately HK\$2.4 million in aggregate, which are to be adjusted by forfeiture rate and expected to decrease the net profit of the Group over the vesting period or increase the net loss of the Group over the vesting period, as the case may be.

In respect of the Proposed Performance Target Award Grants, compensation expenses would be recognised over the respective vesting periods of the new Shares by graded vesting method based on the respective fair values of the grant date. As discussed with the Company, for illustrative purpose only, based on the closing price of the Shares of HK\$22.85 per Share as at the date of the Proposed Performance Target Award Grants (i.e. 1 April 2022), the total economic value relating to the Proposed Performance Target Award Grants is approximately HK\$102.8 million in aggregate, subject to the review by the reporting accountant, which are to be adjusted by forfeiture rate and expected to decrease the net profit of the Group over the vesting period or increase the net loss of the Group over the vesting period, as the case may be. The above value may be different from the values of the share-based payments to be recorded in the annual reports in the future subject to factors, including to but not limited to (i) the review by the reporting accountant, and (ii) the likelihood of achieving the specific milestones at the date of approval by the shareholders.

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7. Potential dilution effect of the Proposed Award Grants

Assuming all the Shares under the Proposed Award Grants are vested in full, the number of such underlying Shares would amount to 6,419,270, or approximately 2.131% of the total issued share capital of the Company as at the Latest Practicable Date. Assuming such underlying Shares will be newly issued, such Shares will represent approximately 2.087% of the total issued share capital of the Company upon completion of issue of such Shares.

The table below sets out the shareholding in the Company assuming (i) the Shares under the Proposed Awards Grants were vested in full; (ii) no other Shares are issued or repurchased by the Company; and (iii) there are no other changes to the issued share capital of the Company (calculated based on the number of Shares in issue on the Latest Practicable Date):

Name of Shareholders	As at the Latest Practicable Date ^(Note 1)		Upon vesting of the Shares under the 2021 Proposed Award Grants in full ^(Note 1)		Upon vesting of the Shares under the 2022 Proposed Award Grants in full ^(Note 2)		Upon vesting of the Shares under the Proposed Performance Target Award Grants in full ^(Note 3)	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Dr. Blanchard ^(Note 4)	—	—	640,303	0.21%	640,303	0.21%	3,140,303	1.02%
Mr. Ian Ying Woo ^(Note 5)	—	—	166,325	0.06%	166,325	0.06%	1,166,325	0.38%
Mr. Xiaofan Zhang ^(Note 6)	—	—	166,325	0.06%	166,325	0.06%	1,166,325	0.38%
<i>In respect of the 2021 Awards</i>								
Ms. Xu Zhu, Ms. Yang Shi, Dr. Zhengying Zhu ^(Note 7) , Mr. Yuan Gao, Ms. Min Yu, Mr. Zixin Qiao	686,224	0.23%	1,528,766	0.50%	1,528,766	0.50%	1,528,766	0.5%
<i>In respect of the 2022 Awards</i>								
Ms. Min Yu, Mr. Zixin Qiao, Ms. Heason Park, Mr. Ng Kah San, Mr. Yuan Gao	—	—	—	—	103,775	0.03%	103,775	0.03%
<i>Other core connected persons (being CBC Group)</i>	133,932,652	44.46%	133,932,652	44.19%	133,932,652	44.18%	133,932,652	43.53%
Other Shareholders	166,635,433	55.31%	166,635,433	54.98%	166,635,433	54.96%	166,635,433	54.16%
Total	301,254,309	100.00%	303,069,804	100.00%	303,173,579	100.00%	307,673,579	100.00%

Notes:

- Assuming that no Shares are issued other than pursuant to the 2021 Proposed Award Grants.
- Assuming that no Shares are issued other than pursuant to the 2022 Proposed Award Grants.
- Assuming that no Shares are issued other than pursuant to the Proposed Performance Target Award Grants.
- Dr. Blanchard's interest in options (i.e. 1,483,196 share options granted on 14 July 2021 under the Post-IPO Share Option Scheme and 3,250,000 share options granted on 16 July 2020 under the pre-IPO management share option scheme) for which no voting rights may be exercisable are not included.
- Mr. Ian Ying Woo's interest in options (i.e. 338,403 share options granted on 14 July 2021 under the Post-IPO Share Option Scheme and 110,000 share options granted on 16 July 2020 under the pre-IPO management share option scheme) for which no voting rights may be exercisable are not included.
- Mr. Xiaofan Zhang's interest in options (i.e. 338,403 share options granted on 14 July 2021 under the Post-IPO Share Option Scheme and 2,353,902 share options granted on 6 March 2020 and 16 July 2020 under the pre-IPO management share option scheme) for which no voting rights may be exercisable are not included.
- The interest of Dr. Zhengying Zhu is comprised of 686,224 Shares held by her associates. Her interests in options and restricted share units for which no voting rights may be exercised are not included.

LETTER FROM ELSTONE CAPITAL LIMITED

As illustrated above, (i) the shareholding of the other Shareholders would be diluted from approximately 99.77% to approximately 99.16% assuming all the Shares under only the 2021 Proposed Award Grants are vested in full; (ii) the shareholding of the other Shareholders would be diluted from approximately 99.77% to approximately 99.14% assuming all the Shares under only the 2022 Proposed Award Grants are vested in full; and (iii) the shareholding of the other Shareholders would be diluted from approximately 99.77% to approximately 97.69% assuming all the Shares under only the Proposed Performance Target Award Grants are vested in full and subject to achievement of stock price targets from HK\$55 per Share to HK\$75 per Share and certain business milestones. However, the percentage of the market value of Shares granted under the Proposed Performance Target Award Grants in terms of projected market capitalisation (assuming the share price of HK\$55 and HK\$75) would only be approximately 0.62% and approximately 0.46% respectively. Taking into account (i) the reasons for and benefits of the Proposed Award Grants and terms and conditions of the Proposed Award Grants as discussed above; (ii) the terms of the Proposed Award Grants including vesting period and conditions are fair and reasonable as analysed above; and (iii) there will not be any actual cash outflows by the Group under the Proposed Award Grants, the dilution to the Independent Shareholders upon the vesting of the Shares under the Proposed Award Grants to be acceptable.

OPINION AND RECOMMENDATION

Having considered on an overall basis the principal factors and reasons as discussed above and in particular the following (which should be read in conjunction with and interpreted in the full context of this letter):

- (i) the Proposed Award Grants are conducted with the aim to recognise the Grantees for their past contribution and encourage the Grantees to work towards enhancing the value of the Company and the Shares for the benefit of the Company and the Shareholders as a whole;
- (ii) Dr. Blanchard possess a full spectrum of complementary skill sets from research to clinical development to product registration and management which is relevant to the Group. The Grantees, led by Dr. Blanchard, is capable of having a significant influence on and contribution to the development and growth of the Group;
- (iii) save for the relatively low equity interest held by the associates of one of the Grantees, the Grantees have no direct equity interest in the Shares as at the Latest Practicable Date, the Proposed Award Grants allows the Group tie their total compensation to the performance of the Group, which is beneficial to the Group and the Shareholders as a whole;
- (iv) the remuneration packages of Dr. Blanchard, Mr. Ian Ying Woo and Mr. Xiaofan Zhang, taking into account of the 2021 Proposed Award Grants and the Proposed Performance Target Award Grants are within the range of those of the CEO Comparable Companies and the ED Comparable Companies, respectively;
- (v) the remuneration packages of Ms. Yang Shi, Dr. Zhengying Zhu, Mr. Yuan Gao, Ms. Min Yu, Mr. Zixin Qiao and Ms. Xu Zhu, taking into account of the 2021 Proposed Award Grants are below the average of the Subsidiary Director Grantee Comparable Directors;
- (vi) the remuneration packages of Mr. Yuan Gao, Ms. Min Yu, Mr. Zixin Qiao, Ms. Heasun Park and Mr. Ng Kah San, taking into account of the 2022 Proposed Award Grants are below the average of the Subsidiary Director Grantee Comparable Directors;

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- (vii) the total value of the grant shares of the 2021 Proposed Award Grants and 2022 Proposed Award Grants over the market capitalisation as at the respective date of grant, the percentage of the total value of the grant shares of the 2021 Proposed Award Grants and 2022 Proposed Award Grants over the market capitalisation as at the respective date of grant per Grantee and the respective vesting periods in the Proposed Award Grants are generally in line with that of the Comparable Grants;
- (viii) the total value of the grant shares of the Proposed Performance Target Award Grants over the market capitalisation calculated based on the target stock price being achieved and number of issued Shares as at the Latest Practicable Date, such value per Grantee and the vesting periods in the Proposed Performance Target Award Grants are generally in line with that of the Comparable Grants;
- (ix) the Proposed Award Grants by way of allotment and issue of the new Shares will have no effect on the cash flow of the Group other than the compensation expenses recognised over the vesting period; and
- (x) the potential dilution effect of the Proposed Award Grants to the other Shareholders is acceptable.

We consider that (i) the Proposed Award Grants are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Proposed Award Grants are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the AGM in relation to the Proposed Award Grants.

Yours faithfully,
For and on behalf of
ELSTONE CAPITAL LIMITED
Fanny Lee
Managing Director

Ms. Fanny Lee has been a responsible officer of Type 6 (advising on corporate finance) regulated activity under the SFO since 2006. She has participated in the provision of independent financial advisory services for various types of transactions involving companies listed in Hong Kong.

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

- (1) **Dr. Kerry Levan Blanchard**, M.D., Ph.D., aged 66, was appointed as our Director in February 2020, was re-designated as an executive Director in July 2020, and was appointed as our chief executive officer in February 2020. Dr. Blanchard is also a director of Everest Medicines II Limited, EverNov Medicines (Zhuhai Hengqin) Co., Ltd., Everest China and Everstar Medicines (Shanghai) Limited.

Dr. Blanchard is an operating partner of CBC Group and most recently served as chief scientific officer at a subsidiary of Innovent Biologics, Inc. (HKEX: 1801), from January 2018 to June 2019. He was a senior executive at Eli Lilly (NYSE: LLY) and its subsidiaries from 2000 to December 2017, playing multiple roles including senior vice president of Lilly China and co-chairman of the Lilly Asia Venture investment committee. Dr. Blanchard's scientific and leadership positions in Eli Lilly included Oncology Discovery Biology Research, Lilly Singapore Systems Biology, Discovery operations, and Tailored Therapeutics in Indianapolis.

Dr. Blanchard worked at the Feist-Weiller Cancer Center, Department of Medicine, Louisiana State University Medical Center from 1992 to 1999, including as an associate professor of Louisiana State University, and was a research fellow, a clinical fellow and an instructor in Medicine at the Brigham and Women's Hospital in Boston, Massachusetts, United States, and at Harvard Medical School in Massachusetts, United States from 1985 to 1992.

Dr. Blanchard received his bachelor's degree in chemistry in August 1977, Ph.D. in biochemistry in September 1982 and M.D. in April 1985, each from Indiana University in the United States.

Dr. Blanchard has entered into a service agreement with the Company on 22 September 2020. The term of appointment shall be for an initial term of three years from the Listing Date or until the third annual general meeting of the Company after the Listing Date, whichever is sooner (subject to retirement as and when required under the Articles of Association). Either party may terminate the agreement by giving not less than three months' written notice. Dr. Blanchard is not entitled to receive any remuneration in his capacity as an executive Director and Dr. Blanchard is entitled to the reimbursement of all reasonable out-of-pocket expenses incurred in relation to the discharge of his duties in connection with the business of the Company under his service agreement.

In accordance with the meaning of Part XV of the SFO, as at the Latest Practicable Date, Dr. Blanchard had share options with respect to 3,250,000 Shares pursuant to the Pre-IPO Share Schemes and 1,483,196 Shares pursuant to the Post-IPO Share Option Scheme, which, in aggregate represent approximately 1.59% of the total issued capital of the Company. Save as disclosed above, Dr. Blanchard does not have any other interests in the Shares, underlying Shares and debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, Dr. Blanchard has confirmed that he does not (i) hold any other position in the Company or its subsidiaries; (ii) hold any directorship in any other public companies with securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (iii) have any other major appointments and professional qualifications; (iv) have any relationship with any other Directors, senior management or substantial shareholder or controlling shareholders of the Company; or (v) have any other information which is discloseable nor has he been involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and the Company is not aware of any other matters concerning Dr. Blanchard's standing for re-election as Director that need to be brought to the attention of the Shareholders.

- (2) **Mr. Yubo Gong (龔聿波)**, aged 36, was appointed as our Director in June 2020 and was re-designated as a non-executive Director in July 2020.

Mr. Gong has been an industrialist investor at Janchor Partners Limited, a company licensed by the SFC to conduct asset management, focusing on investments in China and the healthcare sector, since 2014. Prior to joining Janchor Partners Limited, he was an associate at TPG Capital, Limited in Hong Kong from August 2009 to February 2014. Prior to that, Mr. Gong worked as an analyst in the investment banking division of a subsidiary of Morgan Stanley (NYSE: MS) in New York.

Mr. Gong received his bachelor's degree in economics and biomedical engineering in May 2007 from Duke University in the United States.

Mr. Gong has entered into an appointment letter with the Company for a term of three years commencing from 25 September 2020 or until the third annual general meeting of the Company since the Listing Date, whichever is sooner (subject to retirement as and when required under the Articles of Association). Either party may terminate the agreement by giving not less than three months' written notice. According to the terms of Mr. Gong's appointment, Mr. Gong will not receive any remuneration and benefits in his capacity as a non-executive Director and Mr. Gong is entitled to the reimbursement of all reasonable out-of-pocket expenses incurred in relation to the discharge of his duties in connection with the business of the Company.

Save as disclosed above, Mr. Gong has confirmed that he does not (i) hold any other position in the Company or its subsidiaries; (ii) hold any directorship in any other public companies with securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (iii) have any other major appointments and professional qualifications; (iv) have any relationship with any other Directors, senior management or substantial shareholder or controlling shareholder of the Company; (v) have any interest in the Shares, underlying Shares and debentures of the Company and its associated corporations within the meaning of Part XV of the SFO; or (vi) have any other information which is discloseable nor has he been involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and the Company is not aware of any other matters concerning Mr. Gong's standing for re-election as Director that need to be brought to the attention of the Shareholders.

- (3) **Mr. Shidong Jiang (蔣世東)**, aged 55, was appointed as an independent non-executive Director and a member of the audit and remuneration committees of the Company in September 2020.

Mr. Jiang has over a decade of experience in the pharmaceutical industry and serves as the Head of Sales and Marketing of Beijing Astellas Medical Co., Ltd. (北京安斯泰來醫藥有限公司) to oversee both Hospital & Specialty Business Unit and Oncology Business Unit from 1 January 2022. He has been appointed as the Head of Hospital & Specialty Care Business Unit & Founding Partner of Astellas Pharmaceutical (China) Co, Ltd. since January 2021. He was previously the general manager of Hemony Pharma Co., Ltd., a private pharmaceuticals business in China, including in 2017, the chief executive officer of Hisun-Pfizer Pharmaceuticals Ltd., a joint venture between Pfizer Inc. (NYSE: PFE) and Zhejiang Hisun Pharmaceuticals Co., Ltd. (SSE: 600267), in 2015, the president of St. Jude Medical (Shanghai) Limited, St. Jude Medical, Inc.'s (NYSE: STJ, delisted) Chinese subsidiary, including in 2012, and employed by the Pfizer Inc. (NYSE: PFE) pharmaceutical group including as general manager for specialty/anti-infectives in 2010 and 2011.

Mr. Jiang received his bachelor's degree in power engineering from the Dalian University of Technology in Dalian, China in July 1989.

Mr. Jiang has entered into an appointment letter with the Company for a term of three years commencing from 25 September 2020 or until the third annual general meeting of the Company since the Listing Date, whichever is sooner (subject to retirement as and when required under the Articles of Association). Either party may terminate the agreement by giving not less than three months' written notice. According to the terms of Mr. Jiang's appointment, Mr. Jiang is entitled to a director's fee of US\$50,000 per annum and Mr. Jiang is entitled to the reimbursement of all reasonable out-of-pocket expenses incurred in relation to the discharge of his duties in connection with the business of the Company.

In accordance with the meaning of Part XV of the SFO, as at the Latest Practicable Date, Mr. Jiang had share options with respect to 40,000 Shares pursuant to the Post-IPO Share Option Scheme, which, in aggregate represent approximately 0.01% of the total issued capital of the Company. Save as disclosed above, Mr. Jiang does not have any other interests in the Shares, underlying Shares and debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Jiang has confirmed that he does not (i) hold any other positions in the Company or its subsidiaries; (ii) hold any directorship in any other public companies with securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (iii) have any other major appointments and professional qualifications; (iv) have any relationship with any other Director, senior management or substantial shareholder or controlling shareholder of the Company; or (v) have any other information which is discloseable nor has he been involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and the Company is not aware of any other matters concerning Mr. Jiang's standing for re-election as Director that need to be brought to the attention of the Shareholders.

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

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 301,254,309 Shares.

Subject to the passing of the ordinary resolution set out in item 4 of the notice of the AGM in respect of the granting of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, i.e. being 301,254,309 Shares, the Directors would be authorized under the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, a total of 30,125,430 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting.

2. REASONS FOR SHARE REPURCHASE

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

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

3. FUNDING OF SHARE REPURCHASE

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

4. IMPACT OF SHARE REPURCHASE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2021) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange in each of the previous twelve months immediately prior to the Latest Practicable Date were as follows:

Month	Highest HK\$	Lowest HK\$
2021		
May	77.80	62.35
June	77.50	67.00
July	79.90	53.30
August	68.05	45.20
September	66.50	48.05
October	50.05	42.00
November	45.95	35.40
December	40.60	31.80
2022		
January	46.80	24.55
February	29.65	22.35
March	27.30	13.86
April	30.50	18.16
May (<i>up to the Latest Practicable Date</i>)	22.00	15.40

6. INTENTION OF DIRECTORS AND CORE CONNECTED PERSONS TO SELL SHARES

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

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

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to repurchase Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

7. TAKEOVERS CODE

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

As of the Latest Practicable Date, to the best knowledge of the Company, CBC Group was deemed to control approximately 44.46% of the total number of issued Shares. Assuming there will be no change in the number of issued Shares and the shareholding of CBC Group, the shareholding of CBC Group would be increased to approximately 49.40% if the Repurchase Mandate is exercised in full. Save as disclosed herein, the Directors are not aware of any consequences which may arise under the Takeovers Code if the Repurchase Mandate is exercised.

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

8. SHARE REPURCHASE MADE BY THE COMPANY

During the 6 months prior to the Latest Practicable Date, the Company did not conduct any repurchase of Shares on the Stock Exchange.

**THE COMPANIES LAW ~~(2020 REVISION)~~ ACT (AS REVISED)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES**

**~~SIXTH~~SEVENTH AMENDED AND RESTATED
MEMORANDUM AND ARTICLES OF ASSOCIATION**

OF

Everest Medicines Limited

(~~conditionally~~ adopted by special resolution passed on 21 September 2020^[•] and effective on 9 October
2020^[•])

**THE COMPANIES LAW ~~(2020 REVISION)~~ ACT (AS REVISED)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES**

**~~SIXTH~~SEVENTH AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION**

OF

Everest Medicines Limited

(~~conditionally~~ adopted by special resolution passed on 21 September 2020~~[•]~~ and effective on 9 October
2020~~[•]~~)

**THE COMPANIES LAW (2020 REVISION) ACT (AS REVISED)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES**

**SIXTHSEVENTH AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION**

OF

Everest Medicines Limited

(~~conditionally~~ adopted by special resolution passed on ~~21 September 2020~~^[•] and effective on ~~9 October~~^[•] 2020^[•])

- 1 The name of the Company is Everest Medicines Limited.
- 2 The Registered Office of the Company shall be at the offices of Maples Corporate Services Limited, PO Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands or at such other place in the Cayman Islands as the Board may from time to time decide.
- 3 The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the laws of the Cayman Islands.
- 4 The liability of each member is limited to the amount from time to time unpaid on such member's shares.
- 5 The share capital of the Company is US\$50,000 divided into 500,000,000 shares of a nominal or par value of US\$0.0001 each.
- 6 The Company has power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.
- 7 Capitalised terms that are not defined in this Memorandum of Association bear the respective meanings given to them in the Articles of Association of the Company.

**THE COMPANIES LAW ~~(2020 REVISION)~~ ACT (AS REVISED)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES**

**~~SIXTH~~SEVENTH AMENDED AND RESTATED
ARTICLES OF ASSOCIATION**

OF

Everest Medicines Limited

(~~conditionally~~ adopted by special resolution passed on 21 September 2020~~[•]~~ and effective on 9 October 2020~~[•]~~)

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THE COMPANIES ~~LAW (2020 REVISION) ACT (AS REVISED)~~
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES

SIXTHSEVENTH AMENDED AND RESTATED
ARTICLES OF ASSOCIATION

OF

Everest Medicines Limited

(conditionally adopted by special resolution passed on ~~21 September 2020~~^[•] and effective on
~~9 October 2020~~^[•])

1 Exclusion of Table A

The regulations contained in Table A in the First Schedule to the Companies ~~Law~~^{Act} shall not apply to the Company.

2 Interpretation

2.1 The marginal notes to these Articles shall not affect the interpretation hereof.

2.2 In these Articles, unless there be something in the subject or context inconsistent therewith:

“**Articles**” shall mean these Articles of Association and all supplementary, amended or substituted Articles for the time being in force.

“**associate**” shall have the meaning given to it in the Listing Rules.

“**Auditors**” shall mean the persons appointed by the Company from time to time to perform the duties of auditors of the Company.

“**black rainstorm warning**” shall have the meaning given to it in the Interpretation and General Clauses Ordinance (Cap. 1 of the Laws of Hong Kong).

“**Board**” shall mean the majority of the Directors present and voting at a meeting of Directors at which a quorum is present.

“**business day**” shall mean a day on which the Exchange generally is open for the business of dealing in securities in Hong Kong. Notwithstanding the foregoing, where the Exchange is closed for business of dealing in securities in Hong Kong on a day by reason of a gale warning, black rainstorm warning or other similar event, such day shall for the purpose of any notice sent under these Articles be counted as a business day.

“**capital**” shall mean the share capital from time to time of the Company.

“Chairman”	shall mean the Chairman presiding at any meeting of members or of the Board.
“close associate”	shall have the meaning given to it in the Listing Rules.
“Communication Facilities”	<u>shall mean video, video-conferencing, internet or online conferencing applications, telephone or tele-conferencing and/or any other video-communication, internet or online conferencing application or telecommunications facilities by means of which all Persons participating in a meeting are capable of hearing and be heard by each other.</u>
“Companies LawAct”	shall mean the Companies Law (2020 Revision)Act (As Revised), Cap. 22 of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.
“Companies Ordinance”	shall mean the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) as in force from time to time.
“Company”	shall mean Everest Medicines Limited.
“Company’s Website”	shall mean the website of the Company, the address or domain name of which has been notified to members.
“Director”	shall mean any director from time to time of the Company.
“dividend”	shall include bonus dividends and distributions permitted by the Companies Law Act to be categorised as dividends.
“electronic”	shall have the meaning given to it in the Electronic Transactions Law Act.
“electronic means”	shall include sending or otherwise making available to the intended recipients of the communication in electronic format.
“Electronic Signature”	shall mean an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication.
“Electronic Transactions LawAct”	shall mean the Electronic Transactions Law (2003 Revision)Act (As Revised) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.
“Exchange”	shall mean The Stock Exchange of Hong Kong Limited.
“gale warning”	shall have the meaning given to it in the Interpretation and General Clauses Ordinance (Cap. 1 of the Laws of Hong Kong).

“holding company”	shall have the meaning attributed to such term in the Companies Ordinance.
“Listing Rules”	shall mean the Rules Governing the Listing of Securities on the Exchange as amended from time to time.
“members”	shall mean the persons who are duly registered as the holders from time to time of shares in the register including persons who are jointly so registered.
“Memorandum”	shall mean the memorandum of association of the Company.
“month”	shall mean a calendar month.
“ordinary resolution”	shall mean a resolution passed by a simple majority of the votes of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting held in accordance with these Articles and includes <u>shall include</u> an ordinary resolution passed pursuant to Article 13.10 <u>13.11</u> .
“Person”	<u>shall mean any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires.</u>
“Present”	<u>shall mean, in respect of any Person, such Person’s presence at a general meeting of members, which may be satisfied by means of such Person or, if a corporation or other non-natural Person, its duly authorised representative (or, in the case of any member, a proxy which has been validly appointed by such member in accordance with these Articles), being:</u> <u>(a) physically present at the meeting; or</u> <u>(b) in the case of any meeting at which Communication Facilities are permitted in accordance with these Articles, including any Virtual Meeting, connected by means of the use of such Communication Facilities.</u>
“principal register”	shall mean the register of members of the Company maintained at such place within or outside the Cayman Islands as the Board shall determine from time to time.
“published in the newspapers”	shall mean published as a paid advertisement in English in at least one English language newspaper and in Chinese in at least one Chinese language newspaper, being in each case a newspaper published daily and circulating generally in Hong Kong in accordance with the Listing Rules.

“published on the Exchange’s website”	shall mean published in English and Chinese on the Exchange’s website in accordance with the Listing Rules.
“recognised clearing house”	shall have the meaning ascribed thereto in Part I of Schedule 1 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.
“register”	shall mean the principal register and any branch registers.
“rights issue”	shall mean an offer by way of rights to existing holders of securities of the Company which enables those holders to subscribe for securities in proportion to their existing holdings.
“seal”	shall include the common seal of the Company, the securities seal or any duplicate seal adopted by the Company pursuant to Article 22.2.
“Secretary”	shall mean the person appointed as company secretary by the Board from time to time.
“share”	shall mean a share in the capital of the Company.
“special resolution”	shall have the same meaning as ascribed thereto in the Companies Law <u>Act</u> and shall include a unanimous written resolution of all members: for this purpose, the requisite majority shall be not less than three-fourths of the votes of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given, and includes a special resolution passed pursuant to Article 13.10.
“subsidiary”	shall have the meaning attributed to such term in the Companies Ordinance, but interpreting the term “subsidiary” in accordance with the definition of “subsidiary” under the Listing Rules.
“transfer office”	shall mean the place where the principal register is situate for the time being.
“Virtual Meeting”	<u>shall mean any general meeting of the members at which the members (and any other permitted participants of such meeting, including, without limitation, the Chairman of such meeting and any Directors) are permitted to attend and participate solely by means of Communication Facilities.</u>

- 2.3 Subject as aforesaid, any words defined in the Companies LawAct shall, if not inconsistent with the subject and/or context, bear the same meanings in these Articles.
- 2.4 Words importing either gender shall include the other gender and the neuter; words importing persons and the neuter shall include companies and corporations and vice versa; and words denoting the singular shall include the plural and words denoting the plural shall include the singular.
- 2.5 “**Writing**” or “**printing**” shall include writing, printing, lithograph, photograph, type-writing and every other mode of representing words or figures in a legible and non-transitory form and, only where used in connection with a notice served by the Company on members or other persons entitled to receive notices hereunder, shall also include a record maintained in an electronic medium which is accessible in visible form so as to be useable for subsequent reference.
- 2.6 Sections 8 and 19(3) of the Electronic Transactions LawAct shall not apply.

3 Share Capital and Modification of Rights

- 3.1 The authorised share capital of the Company at the date of the adoption of these Articles is US\$50,000 divided into 500,000,000 shares of a nominal or par value of US\$0.0001 each.
- 3.2 Subject to the provisions of these Articles and to any direction that may be given by the Company in general meeting and without prejudice to any special rights conferred on the holders of any existing shares or attaching to any class of shares, any share may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, and to such persons at such times and for such consideration as the Board may determine. Subject to the Companies LawAct and to any special rights conferred on any members or attaching to any class of shares, any share may, with the sanction of a special resolution, be issued on terms that it is, or at the option of the Company or the holder thereof is, liable to be redeemed. No shares shall be issued to bearer.
- 3.3 Subject to the Listing Rules, the Board may issue warrants to subscribe for any class of shares or other securities of the Company on such terms as it may from time to time determine. No warrants shall be issued to bearer for so long as a recognised clearing house (in its capacity as such) is a member. Where warrants are issued to bearer, no new warrant shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original has been destroyed and the Company has received an indemnity in such form as the Board shall think fit with regard to the issue of any such new warrant.
- 3.4 If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Companies LawAct, be varied or abrogated with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of shares of that class. To every such separate meeting all the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy or duly authorised representative) at the date of the relevant meeting not less than one-third in nominal value of the issued shares of that class.

- 3.5 The special rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
- 3.6 Where the share capital of the Company include shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares. Where the share capital of the Company includes shares with different voting rights, the words “restricted voting” or “limited voting” shall appear in the designation of each class of shares other than the class of shares with the most favourable voting rights.
- 3.7 Subject to the Companies ~~Law~~Act, or any other law or so far as not prohibited by any law or the Listing Rules and subject to any rights conferred on the holders of any class of shares, the Company shall have the power to purchase or otherwise acquire any of its own shares (which expression as used in this Article includes redeemable shares) provided that the manner of purchase has first been authorised by a resolution of the members, and to purchase or otherwise acquire warrants for the subscription or purchase of its own shares, and shares and warrants for the subscription or purchase of any shares in any company which is its holding company and may make payment therefor in any manner authorised or not prohibited by law, including out of capital, or to give, directly or indirectly, by means of a loan, a guarantee, a gift, an indemnity, the provision of security or otherwise howsoever, financial assistance for the purpose of or in connection with a purchase or other acquisition made or to be made by any person of any shares or warrants in the Company or any company which is a holding company of the Company and should the Company purchase or otherwise acquire its own shares or warrants neither the Company nor the Board shall be required to select the shares or warrants to be purchased or otherwise acquired rateably or in any other manner as between the holders of shares or warrants of the same class or as between them and the holders of shares or warrants of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares provided always that any such purchase or other acquisition or financial assistance shall only be made in accordance with any relevant code, rules or regulations issued by the Exchange or the Securities and Futures Commission of Hong Kong from time to time in force.
- 3.8 The Board may accept the surrender for no consideration of any fully paid share.
- 3.9 The Company in general meeting may, from time to time, whether or not all the shares for the time being authorised shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by ordinary resolution, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution shall prescribe.
- 3.10 Subject to the provisions of the Companies ~~Law~~Act and the Memorandum, and to any special rights conferred on the holders of any shares or attaching to any class of shares, shares may be issued on the terms that they may be, or at the option of the Company or the holders are, liable to be redeemed on such terms and in such manner, including out of capital, as determined by a special resolution.
- 3.11 Where the Company purchases or redeems any of its shares, purchases or redemption not made through the market or by tender shall be limited to a maximum price, and if purchases are by tender, tenders shall be available to all members alike.
- 3.12 The purchase or redemption of any share shall not be deemed to give rise to the purchase or redemption of any other share.

- 3.13 The holder of the shares being purchased, surrendered or redeemed shall be bound to deliver up to the Company at its principal place of business in Hong Kong or such other place as the Board shall specify the certificate(s) thereof, if any, for cancellation and thereupon the Company shall pay to him the purchase or redemption monies in respect thereof.
- 3.14 Subject to the provisions of the Companies Law Act, the Memorandum and these Articles relating to new shares, the unissued shares in the Company (whether forming part of its original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration, and upon such terms, as the Board shall determine.
- 3.15 The Company may, unless prohibited by law, at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company, but so that the conditions and requirements of the Companies Law Act shall be observed and complied with, and in each case the commission shall not exceed 10% of the price at which the shares are issued.
- 3.16 Except as otherwise expressly provided by these Articles or as required by law or as ordered by a court of competent jurisdiction, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any shares or any interest in any fractional part of a share or any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

4 Register of Members and Share Certificates

- 4.1 The Board shall cause to be kept at such place within or outside the Cayman Islands as it deems fit a principal register of the members and there shall be entered therein the particulars of the members and the shares issued to each of them and other particulars required under the Companies Law Act.
- 4.2 If the Board considers it necessary or appropriate, the Company may establish and maintain a branch register or registers of members at such location or locations within or outside the Cayman Islands as the Board thinks fit. The principal register and the branch register(s) shall together be treated as the register for the purposes of these Articles.
- 4.3 The Board may, in its absolute discretion, at any time transfer any share on the principal register to any branch register or any share on any branch register to the principal register or any other branch register.
- 4.4 Notwithstanding anything contained in this Article 4, the Company shall as soon as practicable and on a regular basis record in the principal register all transfers of shares effected on any branch register and shall at all times maintain the principal register in such manner as to show at all times the members for the time being and the shares respectively held by them, in all respects in accordance with the Companies Law Act.

- 4.5 For so long as any shares are listed on the Exchange, title to such listed shares may be evidenced and transferred in accordance with the Listing Rules that are or shall be applicable to such listed shares. The register of members maintained by the Company in respect of such listed shares (whether the principal register or a branch register) may be kept by recording the particulars required by Section 40 of the Companies Law Act in a form otherwise than legible (provided it is capable of being reproduced in a legible form) if such recording otherwise complies with the Listing Rules that are or shall be applicable to such listed shares.
- 4.6 Except when a register is closed and, if applicable, subject to the additional provisions of Article 4.8, the principal register and any branch register shall during business hours be kept open to inspection by any member without charge.
- 4.7 The reference to business hours in Article 4.6 is subject to such reasonable restrictions as the Company in general meeting may impose, but so that not less than two hours in each business day is to be allowed for inspections.
- 4.8 The register may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers, be closed at such times and for such periods as the Board may from time to time determine, either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year). The Company shall, on demand, furnish any person seeking to inspect the register or part thereof which is closed by virtue of these Articles with a certificate under the hand of the Secretary stating the period for which, and by whose authority, it is closed. In the event that there is an alteration of book closure dates, the Company shall give at least 5 business days' notice in accordance with the procedures set out in this Article.
- 4.9 Any register held in Hong Kong shall during normal business hours (subject to such reasonable restrictions as the Board may impose) be open to inspection by a member without charge and any other person on payment of a fee of such amount not exceeding the maximum amount as may from time to time be permitted under the Listing Rules as the Board may determine for each inspection. Any member may require a copy of the register, or any part thereof, on payment of HK\$0.25, or such lesser sum as the Company may prescribe, for every 100 words or fractional part thereof required to be copied. The Company shall cause any copy so required by any person to be sent to that person within a period of 10 days commencing on the date next after the day on which the request is received by the Company.
- 4.10 In lieu of, or apart from, closing the register pursuant to other provisions in these Articles, the Board may fix in advance a date as the record date for any such determination of members entitled to receive notice of, or to vote at any general meeting of the members or any adjournment thereof, or for the purpose of determining the members entitled to receive payment of any dividend or distribution, or in order to make a determination of members for any other purpose.

- 4.11 Every person whose name is entered as a member in the register shall be entitled to receive, within any relevant time limit as prescribed in the Companies Law Act or as the Exchange may from time to time determine, whichever is shorter, and subject to payment of any fees which may be payable pursuant to Article 7.8, after allotment or lodgement of transfer, or within such other period as the conditions of issue shall provide, one certificate for all his shares of each class or, if he shall so request, in a case where the allotment or transfer is of a number of shares in excess of the number for the time being forming an Exchange board lot, such numbers of certificates for shares in Exchange board lots or multiples thereof as he shall request and one for the balance (if any) of the shares in question, provided that, in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue a certificate or certificates to each such person, and the issue and delivery of a certificate or certificates to one of several joint holders shall be sufficient delivery to all such holders. All certificates for shares shall be delivered personally or sent through the post addressed to the member entitled thereto at his registered address as appearing in the register.
- 4.12 Every certificate for shares or debentures or representing any other form of security of the Company shall be issued under the seal of the Company, which shall only be affixed with the authority of the Board.
- 4.13 Every share certificate shall specify the number and class of shares in respect of which it is issued and the amount paid thereon or the fact that they are fully paid, as the case may be, and may otherwise be in such form as the Board may from time to time prescribe.
- 4.14 The Company shall not be bound to register more than four persons as joint holders of any share. If any share shall stand in the names of two or more persons, the person first named in the register shall be deemed the sole holder thereof as regards service of notices and, subject to the provisions of these Articles, all or any other matters connected with the Company, except the transfer of the share.
- 4.15 If a share certificate is defaced, lost or destroyed, it may be replaced on payment of such fee, if any, not exceeding such amount as may from time to time be permitted under the Listing Rules (or such lesser sum as the Board may from time to time require) and on such terms and conditions, if any, as to publication of notices, evidence and indemnity, as the Board thinks fit and where it is defaced or worn out, after delivery up of the old certificate to the Company for cancellation.

5 Lien

- 5.1 The Company shall have a first and paramount lien on every share (not being a fully paid up share) for all monies, whether presently payable or not, called or payable at a fixed time in respect of such share; and the Company shall also have a first and paramount lien and charge on all shares (other than fully paid up shares) standing registered in the name of a member (whether solely or jointly with others) for all the debts and liabilities of such member or his estate to the Company and whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person, whether such person is a member or not.
- 5.2 The Company's lien (if any) on a share shall extend to all dividends and bonuses declared in respect thereof. The Board may resolve that any share shall for some specified period be exempt wholly or partially from the provisions of this Article.

- 5.3 The Company may sell in such manner as the Board thinks fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, nor until the expiration of 14 days after a notice in writing, stating and demanding payment of the sum presently payable or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of intention to sell in default, shall have been given to the registered holder for the time being of the shares or the person, of which the Company has notice, entitled to the shares by reason of such holder's death, mental disorder or bankruptcy.
- 5.4 The net proceeds of such sale by the Company after the payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability or engagement in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale and upon surrender, if required by the Company, for cancellation of the certificate for the shares sold) be paid to the holder immediately before such sale of the shares. For giving effect to any such sale, the Board may authorise any person to transfer the shares sold to the purchaser thereof and may enter the purchaser's name in the register as holder of the shares, and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

6 Calls on Shares

- 6.1 The Board may from time to time make such calls as it may think fit upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal amount of the shares or by way of premium or otherwise) and not by the conditions of allotment thereof made payable at fixed times. A call may be made payable either in one sum or by instalments. A call may be revoked or postponed as the Board may determine.
- 6.2 At least 14 days' notice of any call shall be given to each member specifying the time and place of payment and to whom such payment shall be made.
- 6.3 A copy of the notice referred to in Article 6.2 shall be sent in the manner in which notices may be sent to members by the Company as herein provided.
- 6.4 Every member upon whom a call is made shall pay the amount of every call so made on him to the person and at the time or times and place or places as the Board shall specify. A person upon whom a call is made shall remain liable on such call notwithstanding the subsequent transfer of the shares in respect of which the call was made.
- 6.5 In addition to the giving of notice in accordance with Article 6.3, notice of the person appointed to receive payment of every call and of the times and places appointed for payment may be given to the members affected by notice published on the Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers.
- 6.6 A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed.
- 6.7 The joint holders of a share shall be severally as well as jointly liable for the payment of all calls and instalments due in respect of such share or other monies due in respect thereof.

- 6.8 The Board may from time to time at its discretion extend the time fixed for any call, and may extend such time as to all or any of the members, whom by reason of residence outside Hong Kong or other cause the Board considers it reasonable to grant an extension to, but no member shall be entitled to any such extension as a matter of grace and favour.
- 6.9 If the sum or any instalment payable in respect of any call is unpaid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding 15% per annum as the Board shall determine from the day appointed for the payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part.
- 6.10 No member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another member) at any general meeting, either personally or by proxy, or be reckoned in a quorum, or to exercise any other privilege as a member until all sums or instalments due from him to the Company in respect of any call, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.
- 6.11 At the trial or hearing of any action or other proceedings for the recovery of any money due for any call, it shall be sufficient to prove that the name of the member sued is entered in the register as the holder, or one of the holders, of the shares in respect of which such debt accrued; that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the member sued, in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, and the proof of the matters aforesaid shall be conclusive evidence of the debt.
- 6.12 Any sum which by the terms of allotment of a share is made payable upon allotment or at any fixed date, whether on account of the nominal value of the share and/or by way of premium or otherwise, shall for all purposes of these Articles be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, liabilities of joint holders, forfeiture and the like, shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 6.13 The Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the Board may decide. The Board may at any time repay the amount so advanced upon giving to such member not less than one month's notice in writing of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. No such sum paid in advance of calls shall entitle the member paying such sum to any portion of a dividend declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

7 Transfer of Shares

- 7.1 Transfers of shares may be effected by an instrument of transfer in the usual common form or in such other form as the Board may approve, which is consistent with the standard form of transfer as prescribed by the Exchange and approved by the Board. All instruments of transfer must be left at the registered office of the Company or at such other place as the Board may appoint and all such instruments of transfer shall be retained by the Company.

- 7.2 The instrument of transfer shall be executed by or on behalf of the transferor and by or on behalf of the transferee PROVIDED that the Board may dispense with the execution of the instrument of transfer by the transferee in any case which it thinks fit in its discretion to do so. The instrument of transfer of any share shall be in writing and shall be executed with a manual signature or facsimile signature (which may be machine imprinted or otherwise) by or on behalf of the transferor and transferee PROVIDED that in the case of execution by facsimile signature by or on behalf of a transferor or transferee, the Board shall have previously been provided with a list of specimen signatures of the authorised signatories of such transferor or transferee and the Board shall be reasonably satisfied that such facsimile signature corresponds to one of those specimen signatures. The transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register in respect thereof.
- 7.3 Notwithstanding Articles 7.1 and 7.2, transfers of shares which are listed on the Exchange may be effected by any method of transferring or dealing in securities permitted by the Listing Rules and which has been approved by the Board for such purpose.
- 7.4 The Board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share which is not fully paid up or on which the Company has a lien.
- 7.5 If the Board shall refuse to register a transfer of any share, it shall, within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of such refusal.
- 7.6 The Board may also decline to register any transfer of any shares unless:
- (a) the instrument of transfer is lodged with the Company accompanied by the certificate for the shares to which it relates (which shall upon registration of the transfer be cancelled) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
 - (b) the instrument of transfer is in respect of only one class of shares;
 - (c) the instrument of transfer is properly stamped (in circumstances where stamping is required);
 - (d) in the case of a transfer to joint holders, the number of joint holders to which the share is to be transferred does not exceed four;
 - (e) the shares concerned are free of any lien in favour of the Company; and
 - (f) a fee of such amount not exceeding the maximum amount as the Exchange may from time to time determine to be payable (or such lesser sum as the Board may from time to time require) is paid to the Company in respect thereof.
- 7.7 No transfer shall be made to an infant or to a person in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs or under other legal disability.
- 7.8 Upon every transfer of shares, the certificate held by the transferor shall be given up to be cancelled and shall forthwith be cancelled accordingly and a new certificate shall be issued, on payment by the transferee of such fee not exceeding the maximum amount as the Exchange may from time to

time determine to be payable or such lesser sum as the Board may from time to time require, to the transferee in respect of the shares transferred to him and, if any of the shares included in the certificate so given up shall be retained by the transferor, a new certificate in respect thereof shall be issued to him, on payment by the transferor of such fee not exceeding the maximum amount as the Exchange may from time to time determine to be payable or such lesser sum as the Board may from time to time require. The Company shall also retain the instrument(s) of transfer.

- 7.9 The registration of transfers may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers, be suspended and the register closed at such times for such periods as the Board may from time to time determine, provided always that such registration shall not be suspended or the register closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year). In the event that there is an alteration of book closure dates, the Company shall give at least 5 business days' notice before the announced closure, or the new closure, whichever is earlier. If, however, there are exceptional circumstances (e.g. during a gale warning or black rainstorm warning) that render the giving of such publication of advertisement impossible, the Company shall comply with these requirements as soon as practicable.

8 Transmission of Shares

- 8.1 In the case of the death of a member, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.
- 8.2 Any person becoming entitled to a share in consequence of the death or bankruptcy or winding-up of a member may, upon such evidence as to his title being produced as may from time to time be required by the Board and subject as hereinafter provided, either be registered himself as holder of the share or elect to have some other person nominated by him registered as the transferee thereof.
- 8.3 If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee a transfer of such share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy or winding-up of the member had not occurred and the notice or transfer were a transfer executed by such member.
- 8.4 A person becoming entitled to a share by reason of the death or bankruptcy or winding-up of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the Board may, if it thinks fit, withhold the payment of any dividend payable or other advantages in respect of such share until such person shall become the registered holder of the share or shall have effectually transferred such share, but, subject to the requirements of Article 14.3 being met, such a person may vote at meetings.

9 Forfeiture of Shares

- 9.1 If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may, at any time during such time as any part thereof remains unpaid, without prejudice to the provisions of Article 6.10, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment.
- 9.2 The notice shall name a further day (not earlier than the expiration of 14 days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is unpaid will be liable to be forfeited. The Board may accept a surrender of any share liable to be forfeited hereunder and in such case, references in these Articles to forfeiture shall include surrender.
- 9.3 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share, and not actually paid before the forfeiture.
- 9.4 Any share so forfeited shall be deemed to be the property of the Company, and may be re-allotted, sold or otherwise disposed of on such terms and in such manner as the Board thinks fit and at any time before a re-allotment, sale or disposition the forfeiture may be cancelled by the Board on such terms as it thinks fit.
- 9.5 A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding this, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until payment at such rate not exceeding 15% per annum as the Board may prescribe, and the Board may enforce the payment thereof if it thinks fit, and without any deduction or allowance for the value of the shares forfeited, at the date of forfeiture. For the purposes of this Article any sum which, by the terms of issue of a share, is payable thereon at a fixed time which is subsequent to the date of forfeiture, whether on account of the nominal value of the share or by way of premium, shall notwithstanding that time has not yet arrived, be deemed to be payable at the date of forfeiture, and the same shall become due and payable immediately upon the forfeiture, but interest thereon shall only be payable in respect of any period between the said fixed time and the date of actual payment.
- 9.6 A statutory declaration in writing that the declarant is a Director or Secretary, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any re-allotment, sale or disposition thereof and the Board may authorise any person to execute a letter of re-allotment or transfer the share in favour of the person to whom the share is re-allotted, sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the subscription or purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, re-allotment, sale or other disposal of the share.

- 9.7 When any share shall have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register. Notwithstanding the above, no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice as aforesaid.
- 9.8 Notwithstanding any such forfeiture as aforesaid, the Board may at any time, before any share so forfeited shall have been re-allotted, sold, or otherwise disposed of, permit the share forfeited to be redeemed upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon such further terms (if any) as it thinks fit.
- 9.9 The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon.
- 9.10 The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

10 Alteration of Capital

- 10.1 The Company may from time to time by ordinary resolution:
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares. On any consolidation of fully paid shares and division into shares of larger amount, the Board may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Board for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;
 - (b) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled subject to the provisions of the Companies ~~Law~~Act; and
 - (c) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association of the Company, subject nevertheless to the provisions of the Companies ~~Law~~Act, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.
- 10.2 The Company may by special resolution reduce its share capital or any capital redemption reserve in any manner authorised and subject to any conditions prescribed by the Companies ~~Law~~Act.

11 Borrowing Powers

- 11.1 The Board may from time to time at its discretion exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof.
- 11.2 The Board may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and, in particular, by the issue of debentures, debenture stock, bonds or other securities of the Company, whether outright or as collateral security for any debts, liability or obligations of the Company or of any third party.
- 11.3 Debentures, debenture stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
- 11.4 Any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise.
- 11.5 The Board shall cause a proper register to be kept, in accordance with the provisions of the Companies Law Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Companies Law Act in regard to the registration of mortgages and charges therein specified and otherwise.
- 11.6 If the Company issues debentures or debenture stock (whether as part of a series or as individual instruments) not transferable by delivery, the Board shall cause a proper register to be kept of the holders of such debentures.
- 11.7 Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge, and shall not be entitled, by notice to the members or otherwise, to obtain priority over such prior charge.

12 General Meetings

- 12.1 The Company shall hold a general meeting as its annual general meeting in each financial year ~~other than the year of the Company's adoption of these Articles, within a period of not more than 15 months after the holding of the last preceding annual general meeting or not more than 18 months after the date of adoption of these Articles (or such longer period as the Exchange may authorise).~~ The annual general meeting shall be specified as such in the notices calling it and shall be held at such time and place as the Board shall appoint.
- 12.2 All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 12.3 The Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any one or more members holding together, as at the date of deposit of the requisition, shares representing not less than one-tenth of the ~~paid-up capital~~ voting rights, on a one vote per share basis, of the Company which carry the right of voting at general meetings of the Company. The written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office,

the registered office of the Company, specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the requisitionist(s). If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

12.4 The Directors may make Communication Facilities available for a specific general meeting or all general meetings of the Company so that members and other participants may attend and participate at such general meetings by means of such Communication Facilities. Without limiting the generality of the foregoing, the Directors may determine that any general meeting may be held as a Virtual Meeting.

12.5 ~~12.4~~An annual general meeting shall be called by not less than 21 days' notice in writing and any extraordinary general meeting shall be called by not less than 14 days' notice in writing. Subject to the requirement under the Listing Rules, the notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place, and agenda of the meeting, particulars of the resolutions and the general nature of the business to be considered at the meeting. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. The notice of any general meeting (including a postponed or reconvened meeting held pursuant to Article 12.12) at which Communication Facilities will be utilised (including any Virtual Meeting) must disclose the Communication Facilities that will be utilised, including the procedures to be followed by any member or other participant of the general meeting who wishes to utilise such Communication Facilities for the purpose of attending, participating and voting at such meeting. Notice of every general meeting shall be given to the Auditors and to all members other than such as, under the provisions hereof or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company.

12.6 ~~12.5~~Notwithstanding that a meeting of the Company is called by shorter notice than that referred to in Article ~~12.4~~12.5, it shall be deemed to have been duly called if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all the members entitled to attend and vote thereat or their proxies; and
- (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right.

12.7 ~~12.6~~There shall appear with reasonable prominence in every notice of general meetings of the Company a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member.

12.8 ~~12.7~~The accidental omission to give any such notice to, or the non-receipt of any such notice by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting.

12.9 ~~12.8~~In cases where instruments of proxy are sent out with notices, the accidental omission to send such instrument of proxy to, or the non-receipt of such instrument of proxy by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting.

12.10 ~~12.9~~If, after the notice of a general meeting has been sent but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Board, in its absolute discretion, considers that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time and place specified in the notice calling such meeting, it may change or postpone the meeting to another date, time and place in accordance with Article ~~12.11~~12.12.

12.11 ~~12.10~~The Board shall also have the power to provide in every notice calling a general meeting that in the event of a gale warning or a black rainstorm warning (or the equivalent in the location of the relevant meeting) is in force at any time on the day of the general meeting (unless such warning has been cancelled at least a minimum period of time prior to the general meeting as the Board may specify in the relevant notice), the meeting shall be postponed without further notice to be reconvened on a later date in accordance with Article ~~12.11~~12.12. Where a general meeting is so postponed in accordance with this Article, the Company shall endeavour to cause a notice of such postponement to be placed on the Company's Website and published on the Exchange's website as soon as practicable (provided that failure to place or publish such notice shall not affect the automatic postponement of such meeting).

12.12 ~~12.11~~Where a general meeting is postponed in accordance with Article ~~12.9~~12.10 or Article ~~12.10~~12.11:

- (a) the Board shall fix the date, time and place for the reconvened meeting and at least seven clear days' notice shall be given for the reconvened meeting by one of the means specified in Article 30.1; and such notice shall specify the date, time and place at which the postponed meeting will be reconvened, and the date and time by which proxies shall be submitted in order to be valid at such reconvened meeting (provided that any proxy submitted for the original meeting shall continue to be valid for the reconvened meeting unless revoked or replaced by a new proxy); and
- (b) notice of the business to be transacted at the reconvened meeting shall not be required, nor shall any accompanying documents be required to be recirculated, provided that the business to be transacted at the reconvened meeting is the same as that set out in the notice of the original meeting circulated to the members of the Company.

13 Proceedings at General Meetings

13.1 For all purposes the quorum for a general meeting shall be two members ~~present in person (or in the case of a corporation, by its duly authorised representative) or by proxy~~Present provided always that if the Company has only one member of record the quorum shall be that one member ~~present in person or by proxy~~Present. No business (except the appointment of a Chairman) shall be transacted at any general meeting unless the requisite quorum shall be ~~present~~Present at the commencement of the business.

- 13.2 If within 15 minutes from the time appointed for the meeting a quorum is not ~~present~~Present, the meeting, if convened upon the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week and at such time and place as shall be decided by the Board, and if at such adjourned meeting a quorum is not ~~present~~Present within 15 minutes from the time appointed for holding the meeting, the member or members ~~present in person (or in the case of a corporation, by its duly authorised representative) or by proxy~~Present shall be a quorum and may transact the business for which the meeting was called.
- 13.3 The chairman of the board of Directors shall take the chair at every general meeting, or, if there be no such chairman or, if at any general meeting such chairman shall not be ~~present~~Present within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Directors ~~present~~Present shall choose another Director as Chairman, and if no Director be present, or if all the Directors ~~present~~Present decline to take the chair, or if the Chairman chosen shall retire from the chair, then the members ~~present~~Present (whether in person or represented by proxy or duly authorised representative) shall choose one of their own number to be Chairman.
- 13.4 The Chairman of any general meeting shall be entitled to attend and participate at such general meeting by means of Communication Facilities, and to act as the Chairman, in which event:
- (a) the Chairman shall be deemed to be Present at the meeting; and
 - (b) if the Communication Facilities are interrupted or fail for any reason to enable the Chairman to hear and be heard by all other Persons attending and participating at the meeting, then the other Directors Present at the meeting shall choose another Director Present to act as Chairman of the meeting for the remainder of the meeting; provided that (i) if no other Director is Present at the meeting, or (ii) if all the Directors Present decline to take the chair, then the meeting shall be automatically adjourned to the same day in the next week and at such time and place as shall be decided by the Board.
- ~~13.4~~13.5 The Chairman may, with the consent of any general meeting at which a quorum is ~~present~~Present, and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for 14 days or more, at least seven clear days' notice, specifying the place, the day and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.
- ~~13.5~~13.6 At any general meeting a resolution put to the vote of the meeting shall be decided on a poll save that the Chairman may, in good faith, allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by a show of hands.
- ~~13.6~~13.7 A poll shall (subject as provided in Article ~~13.7~~13.8) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was taken as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken.

- 13.8 ~~13.7~~ Any poll on the election of a Chairman of a meeting or any question of adjournment shall be taken at the meeting and without adjournment.
- 13.9 ~~13.8~~ Where a resolution is voted on by a show of hands as permitted under the Listing Rules, a declaration by the Chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 13.10 ~~13.9~~ In the case of an equality of votes, whether on a poll or on a show of hands, the Chairman of the meeting at which the poll or show of hands is taken shall be entitled to a second or casting vote.
- 13.11 ~~13.10~~ A resolution in writing (in one or more counterparts), including a special resolution, signed by all members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly appointed representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last member to sign.

14 Votes of Members

- 14.1 Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting ~~where~~ (a) every member Present shall have the right to speak, (b) on a show of hands is allowed, every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) Present shall have one vote, and (c) on a poll every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy Present shall have one vote for each share registered in his name in the register. On a poll a member entitled to more than one vote is under no obligation to cast all his votes in the same way. For the avoidance of doubt, where more than one proxy is appointed by a recognised clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands and is under no obligation to cast all his votes in the same way on a poll.
- 14.2 Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.
- 14.3 Any person entitled under Article 8.2 to be registered as a member may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least 48 hours before the time of the holding of the meeting or adjourned meeting (as the case may be) at which he proposed to vote, he shall satisfy the Board of his right to be registered as the holder of such shares or the Board shall have previously admitted his right to vote at such meeting in respect thereof.
- 14.4 Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be ~~present~~ Present at any meeting ~~personally or by proxy~~, that one of the said persons so ~~present~~ Present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the

- register in respect of the relevant joint holding. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.
- 14.5 A member in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote by any person authorised in such circumstances to do so, and such person may vote by proxy.
- 14.6 Save as expressly provided in these Articles or as otherwise determined by the Board, no person other than a member duly registered and who shall have paid all sums for the time being due from him payable to the Company in respect of his shares shall be entitled to be ~~present~~Present or to vote (save as proxy for another member), or to be reckoned in a quorum, either personally or by proxy at any general meeting.
- 14.7 No objection shall be raised as to the qualification of any person exercising or purporting to exercise any vote or to the admissibility of any vote except at the meeting or adjourned meeting at which the person exercising or purporting to exercise his vote or the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. In the case of any dispute as to the admission or rejection of any vote, the Chairman of the meeting shall determine the same and such determination shall be final and conclusive.
- 14.8 Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. Votes may be given either personally or by proxy. A proxy need not be a member. A member may appoint any number of proxies to attend in his stead at any one general meeting (or at any one class meeting).
- 14.9 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.
- 14.10 The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority, (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the registered office of the Company (or at such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 48 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid provided always that the Chairman of the meeting may at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited upon receipt of telex or cable or facsimile confirmation from the appointor that the instrument of proxy duly signed is in the course of transmission to the Company. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. Delivery of any instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

- 14.11 Every instrument of proxy, whether for a specified meeting or otherwise, shall be in common form or such other form that complies with the Listing Rules as the Board may from time to time approve, provided that it shall enable a member, according to his intention, to instruct his proxy to vote in favour of or against (or in default of instructions or in the event of conflicting instructions, to exercise his discretion in respect of) each resolution to be proposed at the meeting to which the form of proxy relates.
- 14.12 The instrument appointing a proxy to vote at a general meeting shall: (a) be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit; and (b) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates, provided that the meeting was originally held within 12 months from such date.
- 14.13 A vote given in accordance with the terms of an instrument of proxy or resolution of a member shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or power of attorney or other authority under which the proxy or resolution of a member was executed or revocation of the relevant resolution or the transfer of the share in respect of which the proxy was given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at its registered office, or at such other place as is referred to in Article 14.10, at least two hours before the commencement of the meeting or adjourned meeting at which the proxy is used.
- 14.14 Any corporation which is a member may, by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of members of any class of shares and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member and where a corporation is so represented, it shall be treated as being ~~present~~Present at any meeting in person.
- 14.15 If a recognised clearing house (or its nominee(s)) is a member it may authorise such person or persons as it thinks fit to act as its representative(s) at any general meeting of the Company or at any general meeting of any class of members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. The person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarised authorisation and/or further evidence to substantiate that it is so authorised. A person so authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if such person were an individual member holding the number and class of shares specified in such authorisation, including, where a show of hands is allowed, the right to vote individually on a show of hands, notwithstanding any contrary provision contained in these Articles.

15 Registered Office

The registered office of the Company shall be at such place in the Cayman Islands as the Board shall from time to time appoint.

16 Board of Directors

- 16.1 The number of Directors shall not be less than two.
- 16.2 The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the ~~next following~~first annual general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting.
- 16.3 The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall not be less than two. Subject to the provisions of these Articles and the Companies ~~Law~~Act, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors.
- 16.4 No person shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless during the period, which shall be at least seven days, commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has been given to the Secretary notice in writing by a member of the Company (not being the person to be proposed), entitled to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.
- 16.5 The Company shall keep at its registered office a register of directors and officers containing their names and addresses and any other particulars required by the Companies ~~Law~~Act and shall send to the Registrar of Companies of the Cayman Islands a copy of such register and shall from time to time notify to the Registrar of Companies of the Cayman Islands any change that takes place in relation to such Directors as required by the Companies ~~Law~~Act.
- 16.6 The Company may by ordinary resolution at any time remove any Director (including a Managing Director or other executive Director) before the expiration of his ~~period~~term of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and may by ordinary resolution elect another person in his stead. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed. Nothing in this Article should be taken as depriving a Director removed under any provision of this Article of compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment or office as a result of the termination of his appointment as Director or as derogatory from any power to remove a Director which may exist apart from the provision of this Article.
- 16.7 A Director may at any time by notice in writing delivered to the registered office of the Company, the principal office of the Company in Hong Kong or at a meeting of the Board, appoint any person (including another Director) to be his alternate Director in his place during his absence and may in like manner at any time determine such appointment. Such appointment, unless previously approved by the Board, shall have effect only upon and subject to being so approved, provided that the Board may not withhold approval of any such appointment where the proposed appointee is a Director.
- 16.8 The appointment of an alternate Director shall determine on the happening of any event which, were he a Director, would cause him to vacate such office or if his appointor ceases to be a Director.

- 16.9 An alternate Director shall (except when absent from Hong Kong), be entitled to receive and waive (in lieu of his appointor) notices of meetings of the Directors and shall be entitled to attend and vote as a Director and be counted in the quorum at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all the functions of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he (instead of his appointor) were a Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director his voting rights shall be cumulative and he need not use all his votes or cast all the votes he uses in the same way. If his appointor is for the time being absent from Hong Kong or otherwise not available or unable to act (as to which a certificate by the alternate shall in the absence of actual notice to the contrary to other Directors be conclusive), his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Board may from time to time determine in relation to any committee of the Board, the provisions of this Article shall also apply mutatis mutandis to any meeting of any such committee of which his appointor is a member. An alternate Director shall not, save as aforesaid, have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles.
- 16.10 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.
- 16.11 In addition to the provisions of Articles 16.7 to 16.10, a Director may be represented at any meeting of the Board (or of any committee of the Board) by a proxy appointed by him, in which event the presence or vote of the proxy shall for all purposes be deemed to be that of the Director. A proxy need not himself be a Director and the provisions of Articles 14.8 to 14.13 shall apply mutatis mutandis to the appointment of proxies by Directors save that an instrument appointing a proxy shall not become invalid after the expiration of twelve months from its date of execution but shall remain valid for such period as the instrument shall provide or, if no such provision is made in the instrument, until revoked in writing and save also that a Director may appoint any number of proxies although only one such proxy may attend in his stead at meetings of the Board (or of any committee of the Board).
- 16.12 A Director need not hold any qualification shares. No Director shall be required to vacate office or be ineligible for re-election or re-appointment as a Director and no person shall be ineligible for appointment as a Director by reason only of his having attained any particular age.
- 16.13 The Directors shall be entitled to receive by way of remuneration for their services such sum as shall from time to time be determined by the Company in general meeting or by the Board, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided amongst the Directors in such proportions and in such manner as they may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.

- 16.14 Payment to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must first be approved by the Company in general meeting.
- 16.15 The Directors shall be entitled to be paid all expenses, including travel expenses, reasonably incurred by them in or in connection with the performance of their duties as Directors including their expenses of travelling to and from Board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company or in the discharge of their duties as Directors.
- 16.16 The Board may grant special remuneration to any Director, who shall perform any special or extra services at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission or participation in profits or otherwise as may be agreed.
- 16.17 The remuneration of an Executive Director (as appointed according to Article 17.1) or a Director appointed to any other office in the management of the Company shall from time to time be fixed by the Board and may be by way of salary, commission, or participation in profits or otherwise or by all or any of those modes and with such other benefits (including share option and/or pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time decide. Such remuneration shall be in addition to such remuneration as the recipient may be entitled to receive as a Director.
- 16.18 The office of a Director shall be vacated:
- (a) if he resigns his office by notice in writing to the Company at its registered office or its principal office in Hong Kong;
 - (b) if an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Board resolves that his office be vacated;
 - (c) if, without leave, he is absent from meetings of the Board (unless an alternate Director appointed by him attends in his place) for a continuous period of 12 months, and the Board resolves that his office be vacated;
 - (d) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
 - (e) if he ceases to be or is prohibited from being a Director by law or by virtue of any provisions in these Articles;
 - (f) if he shall be removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office; or
 - (g) if he shall be removed from office by an ordinary resolution under Article 16.6.

- 16.19 At every annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Any Director required to stand for re-election pursuant to Article 16.2 shall not be taken into account in determining the number of Directors and which Directors are to retire by rotation. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.
- 16.20 No Director or proposed Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any person, company or partnership of or in which any Director shall be a member or otherwise interested be capable on that account of being avoided, nor shall any Director so contracting or being any member or so interested be liable to account to the Company for any profit so realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship thereby established, provided that such Director shall, if his interest in such contract or arrangement is material, declare the nature of his interest at the earliest meeting of the Board at which it is practicable for him to do so, either specifically or by way of a general notice stating that, by reason of the facts specified in the notice, he is to be regarded as interested in any contracts of a specified description which may subsequently be made by the Company.
- 16.21 Any Director may continue to be or become a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any other company in which the Company may be interested and (unless otherwise agreed between the Company and the Director) no such Director shall be liable to account to the Company or the members for any remuneration or other benefits received by him as a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any such other company. The Directors may exercise the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, joint managing directors, deputy managing directors, executive directors, managers or other officers of such company) and any Director may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or is about to be, appointed a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer of such a company, and that as such he is or may become interested in the exercise of such voting rights in the manner aforesaid.
- 16.22 A Director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profit or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.

16.23 A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Board in respect of any contract or arrangement or any other proposal whatsoever in which he or any of his close associates (or, if required by the Listing Rules, his other associates) has any material interest, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution), but this prohibition shall not apply to any of the following matters, namely:

- (a) the giving of any security or indemnity either:
 - (i) to the Director or any of his close associates in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
 - (ii) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his close associates has himself/ themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (b) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or any of his close associates is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (c) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:
 - (i) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme under which the Director or any of his close associates may benefit; or
 - (ii) the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both to Directors, their close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or any of his close associates as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (d) any contract or arrangement in which the Director or any of his close associates is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

16.24 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of or terminating the appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals shall be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not prohibited from voting under Article 16.23) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

16.25 If any question shall arise at any meeting of the Board as to the materiality of a Director's interest or the significance of a contract, arrangement or transaction or proposed contract, arrangement or transaction or as to the entitlement of any Director to vote or form part of a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the Chairman of the meeting (or, where such question relates to the interest of the Chairman, to the other Directors at the meeting) and his ruling (or, as appropriate, the ruling of the other Directors) in relation to any other Director (or, as appropriate, the Chairman) shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned (or, as appropriate, the Chairman) as known to such Director (or, as appropriate, the Chairman) has not been fairly disclosed to the Board.

17 Managing Directors

17.1 The Board may from time to time appoint any one or more of its body to the office of Managing Director, Joint Managing Director, Deputy Managing Director, or other Executive Director and/or such other employment or executive office in the management of the business of the Company as it may decide for such period and upon such terms as it thinks fit and upon such terms as to remuneration as it may decide in accordance with Article 16.17.

17.2 Every Director appointed to an office under Article 17.1 shall, without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director for any breach of any contract of service between him and the Company, be liable to be dismissed or removed therefrom by the Board.

17.3 A Director appointed to an office under Article 17.1 shall be subject to the same provisions as to removal as the other Directors, and he shall, without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director for any breach of any contract of service between him and the Company, ipso facto and immediately cease to hold such office if he shall cease to hold the office of Director for any cause.

17.4 The Board may from time to time entrust to and confer upon a Managing Director, Joint Managing Director, Deputy Managing Director or Executive Director all or any of the powers of the Board that it may think fit. But the exercise of all powers by such Director shall be subject to such regulations and restrictions as the Board may from time to time make and impose, and the said powers may at any time be withdrawn, revoked or varied but no person dealing in good faith and without notice of such withdrawal, revocation or variation shall be affected thereby.

18 Management

18.1 Subject to any exercise by the Board of the powers conferred by Articles 19.1 to 19.3, the management of the business of the Company shall be vested in the Board which, in addition to the powers and authorities by these Articles expressly conferred upon it, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not hereby or by the Companies Law Act expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Companies Law Act and these Articles and to any regulation from time to time made by the Company in general meeting not being inconsistent with such provisions or these Articles, provided that no regulation so made shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

- 18.2 Without prejudice to the general powers conferred by these Articles, it is hereby expressly declared that the Board shall have the following powers:
- (a) to give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share at par or at such premium as may be agreed; and
 - (b) to give to any Directors, officers or employees of the Company an interest in any particular business or transaction or participation in the profits thereof or in the general profits of the Company either in addition to or in substitution for a salary or other remuneration.
- 18.3 Except as would be permitted by the Companies Ordinance if the Company were a company incorporated in Hong Kong, and except as permitted under the Companies ~~Law~~Act, the Company shall not directly or indirectly:
- (a) make a loan to a Director or his close associates or a director of any holding company of the Company or a body corporate controlled by such a director or Director;
 - (b) enter into any guarantee or provide any security in connection with a loan made by any person to a Director or such a director or a body corporate controlled by such a director or Director; or
 - (c) if any one or more of the Directors hold (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

19 Managers

- 19.1 The Board may from time to time appoint a general manager, manager or managers of the Company and may fix his or their remuneration either by way of salary or commission or by conferring the right to participation in the profits of the Company or by a combination of two or more of these modes and pay the working expenses of any of the staff of the general manager, manager or managers who may be employed by him or them in connection with the conduct of the business of the Company.
- 19.2 The appointment of such general manager, manager or managers may be for such period as the Board may decide and the Board may confer upon him or them all or any of the powers of the Board as it may think fit.
- 19.3 The Board may enter into such agreement or agreements with any such general manager, manager or managers upon such terms and conditions in all respects as the Board may in its absolute discretion think fit, including a power for such general manager, manager or managers to appoint an assistant manager or managers or other employees whatsoever under them for the purpose of carrying on the business of the Company.

20 Proceedings of Directors

- 20.1 The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in any part of the world and may determine the quorum necessary for the transaction of business. Unless otherwise determined two Directors shall be a quorum. For the purposes of this Article an alternate Director shall be counted in a quorum in place of the Director who appointed him and an alternate Director who is an alternate for more than one Director shall for quorum purposes be counted separately in respect of himself (if he is a Director) and in respect of each Director for whom he is an alternate (but so that nothing in this provision shall be construed as authorising a meeting to be constituted when only one person is physically present). A meeting of the Board or any committee of the Board may be held by means of a telephone or tele-conferencing or any other telecommunications facility provided that all participants are thereby able to communicate contemporaneously by voice with all other participants and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.
- 20.2 A Director may, and on request of a Director the Secretary shall, at any time summon a meeting of the Board. Failing any determination by the Board, not less than 48 hours' notice thereof shall be given to each Director either in writing or by telephone or by facsimile, telex or telegram at the address or telephone, facsimile or telex number from time to time notified to the Company by such Director or in such other manner as the Board may from time to time determine.
- 20.3 Subject to Articles 16.20 to 16.25, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes the Chairman shall have a second or casting vote.
- 20.4 The Board may elect a Chairman of its meetings and determine the period for which he is to hold office; but if no such Chairman is elected, or if at any meeting the Chairman is not present within 15 minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.
- 20.5 A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Board generally.
- 20.6 The Board may delegate any of its powers to committees consisting of such member or members of the Board (including alternate Directors in the absence of their appointers) as the Board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed upon it by the Board.
- 20.7 All acts done by any such committee in conformity with such regulations and in fulfilment of the purposes for which it is appointed, but not otherwise, shall have the like force and effect as if done by the Board, and the Board shall have power, with the consent of the Company in general meeting, to remunerate the members of any such committee, and charge such remuneration to the current expenses of the Company.

- 20.8 The meetings and proceedings of any such committee consisting of two or more members of the Board shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto and are not replaced by any regulations imposed by the Board pursuant to Article 20.6.
- 20.9 The Board shall cause minutes to be made of:
- (a) all appointments of officers made by the Board;
 - (b) the names of the Directors present at each meeting of the Board and of committees appointed pursuant to Article 20.6;
 - (c) all declarations made or notices given by any Director of his interest in any contract or proposed contract or of his holding of any office or property whereby any conflict of duty or interest may arise; and
 - (d) all resolutions and proceedings at all meetings of the Company and of the Board and of such committees.
- 20.10 Any such minutes shall be conclusive evidence of any such proceedings if they purport to be signed by the chairman of the meeting or by the chairman of the succeeding meeting.
- 20.11 All acts bona fide done by any meeting of the Board or by a committee of Directors or by any person acting as Director shall, notwithstanding that it shall be afterwards discovered that there was some defect in the appointment of such Director or persons acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or member of such committee as the case may be.
- 20.12 The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Company but for no other purpose.
- 20.13 Unless required otherwise by the Listing Rules, a resolution in writing signed by each and every one of the Directors (or their respective alternates pursuant to Article 16.9) shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held and may consist of several documents in like form each signed by one or more of the Directors or alternate Directors. Notwithstanding the foregoing, a resolution which relates to any matter or business in which a substantial shareholder of the Company (as defined in the Listing Rules from time to time), or a Director, has an interest conflicting with that of the Company which the Board determines, prior to the passing of such resolution, to be material, shall not be passed by a resolution in writing and shall only be passed at a meeting of the Directors held in accordance with these Articles.

21 Secretary

- 21.1 The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board. Anything by the Companies Law Act or these Articles required or authorised to be done by or to the Secretary, if the office is vacant or there is for any other reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary appointed by the Board, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specifically in that behalf by the Board.
- 21.2 A provision of the Companies Law Act or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in place of the Secretary.

22 General Management and Use of the Seal

- 22.1 The Board shall provide for the safe custody of the seal which shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf, and every instrument to which such seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Board for the purpose. The securities seal which shall be a facsimile of the common seal with the word "Securities" engraved thereon shall be used exclusively for sealing securities issued by the Company and for sealing documents creating or evidencing securities so issued. The Board may either generally or in any particular case resolve that the securities seal or any signatures or any of them may be affixed to or imprinted on certificates for shares, warrants, debentures or any other form of security by facsimile or other mechanical means specified in such authority or that any such certificates sealed with the securities seal need not be signed by any person. Every instrument to which the seal is affixed or on which the seal is imprinted as aforesaid shall, as regards all persons dealing in good faith with the Company, be deemed to have been affixed to or imprinted on that instrument with the authority of the Directors previously given.
- 22.2 The Company may have a duplicate seal for use outside of the Cayman Islands as and where the Board shall determine, and the Company may by writing under the seal appoint any agents or agent, committees or committee abroad to be the agents of the Company for the purpose of affixing and using such duplicate seal and they may impose such restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the seal, the reference shall, when and so far as may be applicable, be deemed to include any such duplicate seal as aforesaid.
- 22.3 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company shall be signed, drawn, accepted, indorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine. The Company's banking accounts shall be kept with such banker or bankers as the Board shall from time to time determine.

- 22.4 The Board may from time to time and at any time, by power of attorney under the seal, appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.
- 22.5 The Company may, by writing under its seal, empower any person, either generally or in respect of any specified matter, as its attorney to execute deeds and instruments on its behalf in any part of the world and to enter into contracts and sign the same on its behalf and every deed signed by such attorney on behalf of the Company and under his seal shall bind the Company and have the same effect as if it were under the seal of the Company.
- 22.6 The Board may establish any committees, regional or local boards or agencies for managing any of the affairs of the Company, either in the Cayman Islands, Hong Kong, the People's Republic of China or elsewhere, and may appoint any persons to be members of such committees, regional or local boards or agencies and may fix their remuneration, and may delegate to any committee, regional or local board or agent any of the powers, authorities and discretions vested in the Board (other than its powers to make calls and forfeit shares), with power to sub-delegate, and may authorise the members of any local board or any of them to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
- 22.7 The Board may establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or provident or superannuation funds or (with the sanction of an ordinary resolution) employee or executive share option schemes for the benefit of, or give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company, or is allied or associated with the Company or with any such subsidiary company, or who are or were at any time directors or officers of the Company or of any such other company as aforesaid, and holding or who have held any salaried employment or office in the Company or such other company, and the wives, widows, families and dependents of any such persons. The Board may also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid, and may make payments for or towards the insurance of any such persons as aforesaid, and subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object. The Board may do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid. Any Director holding any such employment or office shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.

23 Capitalisation of Reserves

- 23.1 The Company in general meeting may upon the recommendation of the Board by ordinary resolution resolve that it is desirable to capitalise all or any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or funds or to the credit of the profit and loss account or otherwise available for distribution (and not required for the payment or provision of dividend on any shares with a preferential right to dividend) and accordingly that such sums be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares, debentures or other securities of the Company to be allotted and distributed credited as fully paid up to and amongst such members in proportion aforesaid or partly in one way and partly in the other, and the Board shall give effect to such resolution, provided that a share premium account and a capital redemption reserve and any reserve or fund representing unrealised profits may, for the purposes of this Article, only be applied in paying up unissued shares to be issued to members as fully paid up shares or paying up calls or instalments due or payable on partly paid securities of the Company subject always to the provisions of the Companies Law Act.
- 23.2 Wherever such a resolution as referred to in Article 23.1 shall have been passed the Board shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid up shares, debentures or other securities, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Board:
- (a) to make such provision by the issue of fractional certificates or by payment in cash or otherwise (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the members concerned) as they think fit in cases where shares, debentures or other securities become distributable in fractions;
 - (b) to exclude the right of participation or entitlement of any member with a registered address outside any territory where in the absence of a registration statement or other special or onerous formalities the circulation of an offer of such right or entitlement would or might be unlawful or where the Board consider the costs, expense or possible delays in ascertaining the existence or extent of the legal and other requirements applicable to such offer or the acceptance of such offer out of proportion to the benefits of the Company; and
 - (c) to authorise any person to enter on behalf of all members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares, debentures or other securities to which they may be entitled upon such capitalisation, or, as the case may require, for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

23.3 The Board may, in relation to any capitalisation sanctioned under Article 23.2 in its absolute discretion specify that, and in such circumstances and if directed so to do by a member or members entitled to an allotment and distribution credited as fully paid up of unissued shares or debentures in the Company pursuant to such capitalisation, the unissued shares, debentures or other securities to which that member is entitled shall be allotted and distributed credited as fully paid up to such person or persons as that member may nominate by notice in writing to the Company, such notice to be received not later than the day for which the general meeting of the Company to sanction the capitalisation is convened.

24 Dividends and Reserves

24.1 Subject to the Companies ~~Law~~Act and these Articles, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board.

24.2 The dividends, interest and bonuses and any other benefits and advantages in the nature of income receivable in respect of the Company's investments, and any commissions, trusteeship, agency, transfer and other fees and current receipts of the Company shall, subject to the payment thereof of the expenses of management, interest upon borrowed money and other expenses which in the opinion of the Board are of a revenue nature, constitute the profits of the Company available for distribution.

24.3 The Board may from time to time pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company and, in particular (but without prejudice to the generality of the foregoing), if at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Board acts bona fide, the Board shall not incur any responsibility to the holders of shares conferring any preferential rights.

24.4 The Board may also pay half-yearly or at other intervals to be selected by it any dividend which may be payable at a fixed rate if the Board is of the opinion that the profits available for distribution justify the payment.

24.5 The Board may in addition from time to time declare and pay special dividends on shares of any class of such amounts and on such dates as they think fit, and the provisions of Article 24.3 as regards the powers and the exemption from liability of the Board as relate to declaration and payment of interim dividends shall apply, mutatis mutandis, to the declaration and payment of any such special dividends.

24.6 No dividend shall be declared or payable except out of the profits and reserves of the Company lawfully available for distribution including share premium. No dividend shall carry interest against the Company.

24.7 Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the Board may further resolve:

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- (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the members entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment. In such case, the following provisions shall apply:
 - (i) the basis of any such allotment shall be determined by the Board;
 - (ii) the Board, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the members of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
 - (iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded;
 - (iv) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised (the "**non-elected shares**") and in satisfaction thereof shares shall be allotted credited as fully paid to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company or any part of any of the Company's reserve accounts (including any special account, share premium account and capital redemption reserve (if there be any such reserve)) or profit and loss account or amounts otherwise available for distribution as the Board may determine, a sum equal to the aggregate nominal amount of the shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the non-elected shares on such basis;

OR

- (b) that members entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. In such case, the following provisions shall apply:
 - (i) the basis of any such allotment shall be determined by the Board;
 - (ii) the Board, after determining the basis of allotment, shall give not less than two weeks' notice in writing to members of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;

- (iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded;
- (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on shares in respect whereof the share election has been duly exercised (the “**elected shares**”) and in lieu thereof shares shall be allotted credited as fully paid to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company’s reserve accounts (including any special account, share premium account and capital redemption reserve (if there be any such reserve)) or profit and loss account or amounts otherwise available for distribution as the Board may determine, a sum equal to the aggregate nominal amount of the shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the elected shares on such basis.

24.8 The shares allotted pursuant to the provisions of Article 24.7 shall be of the same class as the class of, and shall rank *pari passu* in all respects with, the shares then held by the respective allottees save only as regards participation:

- (a) in the relevant dividend (or share or cash election in lieu thereof as aforesaid); or
- (b) in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend, unless contemporaneously with the announcement by the Board of its proposal to apply the provisions of Article 24.7(a) or 24.7(b) in relation to the relevant dividend or contemporaneously with its announcement of the distribution, bonus or rights in question, the Board shall specify that the shares to be allotted pursuant to the provisions of Article 24.7 shall rank for participation in such distributions, bonuses or rights.

24.9 The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of Article 24.8 with full power to the Board to make such provisions as it thinks fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the members concerned). The Board may authorise any person to enter into on behalf of all members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.

24.10 The Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of Article 24.7 a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

- 24.11 The Board may on any occasion determine that rights of election and the allotment of shares under Article 24.7 shall not be made available or made to any members with registered addresses in any territory where in the absence of a registration statement or other special formalities the circulation of an offer of such rights of election or the allotment of shares would or might be unlawful, or where the Board considers the costs, expenses or possible delays in ascertaining the existence or extent of the legal and other requirements applicable to such offer or the acceptance of such offer out of proportion to the benefit of the Company, and in any such case the provisions aforesaid shall be read and construed subject to such determination.
- 24.12 The Board shall establish an account to be called the share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share in the Company. The Company may apply the share premium account in any manner permitted by the Companies Law Act. The Company shall at all times comply with the provisions of the Companies Law Act in relation to the share premium account.
- 24.13 The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (including shares, warrants and other securities of the Company) as the Board may from time to time think fit, and so that it shall not be necessary to keep any reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute by way of dividend.
- 24.14 Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purpose of this Article no amount paid up on a share in advance of calls shall be treated as paid up on the share.
- 24.15 The Board may retain any dividends or other monies payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- 24.16 The Board may retain any dividends or other monies payable upon shares in respect of which any person is, under the provisions as to the transmission of shares hereinbefore contained, entitled to become a member, or in respect of which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.
- 24.17 The Board may deduct from any dividend or other monies payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.
- 24.18 Any general meeting sanctioning a dividend may make a call on the members of such amount as the meeting resolves, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the member, be set off against the call.

- 24.19 The Board, with the sanction of the members in general meeting, may direct that any dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of any other company, or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient, and in particular may disregard fractional entitlements, round the same up or down or provide that the same shall accrue to the benefit of the Company, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend and such appointment shall be effective. Where required, a contract shall be filed in accordance with the provisions of the Companies ~~Law~~Act and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend and such appointment shall be effective.
- 24.20 A transfer of shares shall not pass therewith the right to any dividend or bonus declared thereon before the registration of the transfer.
- 24.21 Any resolution declaring or resolving upon the payment of a dividend or other distribution on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Board, may, subject to the provisions of the Listing Rules, specify that the same shall be payable or made to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend or other distribution shall be payable or made to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.
- 24.22 If two or more persons are registered as joint holders of any shares, any one of such persons may give effectual receipts for any dividends, interim and special dividends or bonuses and other monies payable or rights or property distributable in respect of such shares.
- 24.23 Unless otherwise directed by the Board, any dividend, interest or other sum payable in cash to a holder of shares may be paid by cheque or warrant sent through the post to the registered address of the member entitled, or, in case of joint holders, to the registered address of the person whose name stands first in the register in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares and shall be sent at his or their risk, and the payment of any such cheque or warrant by the bank on which it is drawn shall operate as a good discharge to the Company in respect of the dividend and/or bonus represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged.
- 24.24 The Company may cease sending such cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise its power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.

24.25 All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the exclusive benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof or be required to account for any money earned thereon. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the Board and shall revert to the Company and after such forfeiture no member or other person shall have any right to or claim in respect of such dividends or bonuses.

25 Untraceable Members

25.1 The Company shall be entitled to sell any shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or operation of law if and provided that:

- (a) all cheques or warrants, not being less than three in number, for any sums payable in cash to the holder of such shares have remained uncashed for a period of 12 years;
- (b) the Company has not during that time or before the expiry of the three month period referred to in Article 25.1(d) below received any indication of the whereabouts or existence of the member or person entitled to such shares by death, bankruptcy or operation of law;
- (c) during the 12-year period, at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed by the member; and
- (d) upon expiry of the 12-year period, the Company has caused an advertisement to be published in the newspapers, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided, giving notice of its intention to sell such shares, and a period of three months has elapsed since such advertisement and the Exchange has been notified of such intention.

The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former member for an amount equal to such net proceeds.

25.2 To give effect to any sale contemplated by Article 25.1 the Company may appoint any person to execute as transferor an instrument of transfer of the said shares and such other documents as are necessary to effect the transfer, and such documents shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares or other securities in or of the Company or its holding company if any) or as the Board may from time to time think fit.

26 Document Destruction

The Company shall be entitled to destroy all instruments of transfer, probate, letters of administration, stop notices, powers of attorney, certificates of marriage or death and other documents relating to or affecting title to securities in or of the Company (“**Registrable Documents**”) which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of two years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the register if purporting to have been made on the basis of an instrument of transfer or Registrable Document so destroyed was duly and properly made and every instrument of transfer or Registrable Document so destroyed was a valid and effective instrument or document duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, provided always that:

- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without express notice of the Company of any claim (regardless of the parties thereto) to which the document might be relevant;
- (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article; and
- (c) references herein to the destruction of any document include references to the disposal thereof in any manner.

Notwithstanding any provision contained in these Articles, the Directors may, if permitted by applicable law, authorise the destruction of any documents referred to in this Article or any other documents in relation to share registration which have been microfilmed or electronically stored by the Company or by the share registrar on its behalf provided always that this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document might be relevant to a claim.

27 Annual Returns and Filings

The Board shall make the requisite annual returns and any other requisite filings in accordance with the Companies ~~Law~~Act.

28 Accounts

- 28.1 The Board shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company’s affairs and to show and explain its transactions and otherwise in accordance with the Companies ~~Law~~Act.
- 28.2 The books of account shall be kept at the Company’s principal place of business in Hong Kong or, subject to the provisions of the Companies ~~Law~~Act, at such other place or places as the Board thinks fit and shall always be open to inspection by the Directors.

- 28.3 The Board shall from time to time determine whether, to what extent, at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to inspection by the members (other than officers of the Company) and no member shall have any right of inspecting any accounts or books or documents of the Company except as conferred by the Companies ~~Law~~Act or any other relevant law or regulation or as authorised by the Board or by the Company in general meeting.
- 28.4 The Board shall cause to be prepared and to be laid before the members at every annual general meeting a profit and loss account for the period, in the case of the first account, since the incorporation of the Company and, in any other case, since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up and a Directors' report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company's affairs as at the end of such period, an Auditors' report on such accounts prepared pursuant to Article 29.1 and such other reports and accounts as may be required by law.
- 28.5 Copies of those documents to be laid before the members at an annual general meeting shall not less than 21 days before the date of the meeting be sent in the manner in which notices may be served by the Company as provided herein to every member and every holder of debentures of the Company, provided that the Company shall not be required to send copies of those documents to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.
- 28.6 To the extent permitted by and subject to due compliance with these Articles, the Companies ~~Law~~Act and all applicable rules and regulations, including, without limitation, the rules of the Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 28.5 shall be deemed satisfied in relation to any member or any holder of debentures of the Company by sending to such person instead of such copies, not less than 21 days before the date of the annual general meeting, in any manner not prohibited by these Articles and the Companies ~~Law~~Act, a summary financial statement derived from the Company's annual accounts, together with the Directors' report and the Auditors' report on such accounts, which shall be in the form and containing the information required by these Articles, the Companies ~~Law~~Act and all applicable laws and regulations, provided that any person who is otherwise entitled to the annual accounts of the Company, together with the Director's report and the Auditor's report thereon may, if he so requires, by notice in writing served on the Company, demand that the Company sends to him, in addition to the summary financial statement, a complete printed copy of the Company's annual accounts, together with the Directors' report and the Auditor's report thereon.

29 Audit

- 29.1 The Auditors shall audit the profit and loss account and balance sheet of the Company in each year and shall prepare a report thereon to be annexed thereto. Such report shall be laid before the Company at its annual general meeting in each year and shall be open to inspection by any member. The Auditors shall at the next annual general meeting following their appointment and at any other time during their term of office, upon request of the Board or any general meeting of the members, make a report on the accounts of the Company during their tenure of office.

- 29.2 The Company shall at every annual general meeting by ordinary resolution appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. The removal of an Auditor before the expiration of his period of office shall require the approval of an ordinary resolution of the members in general meeting. The remuneration of the Auditors shall be fixed by the Company at the annual general meeting at which they are appointed by ordinary resolution provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board. No person may be appointed as the, or an, Auditor, unless he is independent of the Company. The Board may before the first annual general meeting appoint an auditor or auditors of the Company who shall hold office until the first annual general meeting unless previously removed by an ordinary resolution of the members in general meeting in which case the members at that meeting may appoint Auditors. The Board may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Board under this Article may be fixed by the Board.
- 29.3 Every statement of accounts audited by the Auditors and presented by the Board at an annual general meeting shall after approval at such meeting be conclusive except as regards any error discovered therein within three months of the approval thereof. Whenever any such error is discovered within that period, it shall forthwith be corrected, and the statement of account amended in respect of the error shall be conclusive.

30 Notices

- 30.1 Except as otherwise provided in these Articles, any notice or document may be served by the Company and any notices may be served by the Board on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register or, to the extent permitted by the Listing Rules and all applicable laws and regulations, by electronic means by transmitting it to any electronic number or address or website supplied by the member to the Company or by placing it on the Company's Website provided that the Company has obtained either (a) the member's prior express positive confirmation in writing or (b) the member's deemed consent, in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by such electronic means, or (in the case of notice) by advertisement published in the manner prescribed under the Listing Rules. In the case of joint holders of a share, all notices shall be given to that holder for the time being whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.
- 30.2 Notice of every general meeting shall be given in any manner hereinbefore authorised to:
- (a) every person shown as a member in the register of members as of the record date for such meeting except that in the case of joint holders the notice shall be sufficient if given to the joint holder first named in the register of members;
 - (b) every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a member of record where the member of record but for his death or bankruptcy would be entitled to receive notice of the meeting;
 - (c) the Auditors;
 - (d) each Director and alternate Director;

- (e) the Exchange; and
 - (f) such other person to whom such notice is required to be given in accordance with the Listing Rules.
- 30.3 No other person shall be entitled to receive notices of general meetings.
- 30.4 A member shall be entitled to have notice served on him at any address within Hong Kong. Any member who has not given an express positive confirmation in writing to the Company in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by electronic means and whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. A member who has no registered address in Hong Kong shall be deemed to have received any notice which shall have been displayed at the transfer office and shall have remained there for a period of 24 hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed, provided that, without prejudice to the other provisions of these Articles, nothing in this Article shall be construed as prohibiting the Company from sending, or entitling the Company not to send, notices or other documents of the Company to any member whose registered address is outside Hong Kong.
- 30.5 Any notice or document sent by post shall be deemed to have been served on the day following that on which it is put into a post office situated within Hong Kong and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly prepaid, addressed and put into such post office and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice or document was so addressed and put into such post office shall be conclusive evidence thereof.
- 30.6 Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left.
- 30.7 Any notice served by advertisement shall be deemed to have been served on the day of issue of the official publication and/or newspaper(s) in which the advertisement is published (or on the last day of issue if the publication and/or newspaper(s) are published on different dates).
- 30.8 Any notice given by electronic means as provided herein shall be deemed to have been served and delivered on the day following that on which it is successfully transmitted or at such later time as may be prescribed by the Listing Rules or any applicable laws or regulations.
- 30.9 A notice may be given by the Company to the person or persons entitled to a share in consequence of the death, mental disorder or bankruptcy of a member by sending it through the post in a prepaid letter addressed to him or them by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, within Hong Kong supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.

- 30.10 Any person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which prior to his name and address being entered on the register shall have been duly given to the person from whom he derives his title to such share.
- 30.11 Any notice or document delivered or sent to any member in pursuance of these Articles, shall notwithstanding that such member be then deceased and whether or not the Company has notice of his death be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of these Articles be deemed a sufficient service of such notice or document on his personal representatives and all persons (if any) jointly interested with him in any such shares.
- 30.12 The signature to any notice to be given by the Company may be written or printed by means of facsimile or, where relevant, by Electronic Signature.

31 Information

- 31.1 No member shall be entitled to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board would not be in the interests of the members or the Company to communicate to the public.
- 31.2 The Board shall be entitled to release or disclose any information in its possession, custody or control regarding the Company or its affairs to any of its members including, without limitation, information contained in the register of members and transfer books of the Company.

32 Winding Up

- 32.1 Subject to the Companies Act, the Company may by special resolution resolve that the Company be wound up voluntarily.
- 32.2 ~~31.4~~ If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the Company and any other sanction required by the Companies ~~Law~~Act divide among the members *in specie* or kind the whole or any part of the assets of the Company (whether the assets shall consist of property of one kind or shall consist of properties of different kinds) and may for such purpose set such value as he deems fair upon any property to be divided and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority or sanction vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like authority or sanction and subject to the Companies ~~Law~~Act, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.

32.3 ~~32.2~~If the Company shall be wound up, and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. If in a winding up the assets available for distribution amongst the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. This Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

32.4 ~~32.3~~In the event of a winding-up of the Company in Hong Kong, every member who is not for the time being in Hong Kong shall be bound, within 14 days after the passing of an effective resolution to wind up the Company voluntarily, or the making of an order for the winding-up of the Company, to serve notice in writing on the Company appointing some person resident in Hong Kong and stating that person's full name, address and occupation upon whom all summonses, notices, process, orders and judgments in relation to or under the winding-up of the Company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such member to appoint some such person, and service upon any such appointee, whether appointed by the member or the liquidator, shall be deemed to be good personal service on such member for all purposes, and, where the liquidator makes any such appointment, he shall with all convenient speed give notice thereof to such member by advertisement as he shall deem appropriate or by a registered letter sent through the post and addressed to such member at his address as appearing in the register, and such notice shall be deemed to be service on the day following that on which the advertisement first appears or the letter is posted.

33 Indemnities

33.1 Every Director, Auditor or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director, Auditor or other officer of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted.

33.2 Subject to the Companies Law Act, if any Director or other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge, or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or person so becoming liable as aforesaid from any loss in respect of such liability.

34 Financial Year

~~The financial year of the Company shall be prescribed by the Board and may, from time to time, be changed by it. Unless the Directors otherwise prescribe, the financial year of the Company shall end on 31 December in each year and, following the year of incorporation, shall begin on 1 January in each year.~~

35 Amendment of Memorandum and Articles

Subject to the Companies ~~Law~~Act, the Company may at any time and from time to time by special resolution alter or amend the Memorandum and these Articles in whole or in part.

36 Transfer by Way of Continuation

The Company shall, subject to the provisions of the Companies ~~Law~~Act and with the approval of a special resolution, have the power to register by way of continuation as a body corporate under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

37 Mergers and Consolidations

The Company shall, with the approval of a special resolution, have the power to merge or consolidate with one or more constituent companies (as defined in the Companies ~~Law~~Act), upon such terms as the Directors may determine.

APPENDIX IV PARTICULARS OF THE 2021 PROPOSED AWARD GRANTS

This appendix provides information as required by the Listing Rules to be provided to Shareholders for their consideration as to whether to vote for or against the resolutions to be proposed at the AGM in relation to the 2021 Proposed Award Grants.

2021 GRANTEES AND NUMBER OF AWARDS TO BE GRANTED

The total number of Shares to be issued upon the vesting of the Awards to be granted pursuant to the 2021 Proposed Award Grants and the percentage of total issued share capital of the Company, calculated based on the number of Shares in issue on the Latest Practicable Date, is as follows:

Name of Grantee	Capacity	No. of Shares to be issued upon vesting of the 2021 Awards	Percentage of total no. of Shares in issue
Dr. Kerry Levan Blanchard	Executive Director and chief executive officer	640,303	0.21%
Mr. Ian Ying Woo	Executive Director, president and chief financial officer	166,325	0.06%
Mr. Xiaofan Zhang	Executive Director and chief operating officer	166,325	0.06%
Ms. Xu Zhu, Ms. Yang Shi, Dr. Zhengying Zhu, Mr. Yuan Gao, Ms. Min Yu and Mr. Zixin Qiao	Employees of the Company and directors of subsidiaries of the Company	842,542 ⁽¹⁾	0.28%

Note:

- (1) Each individual employee, being a connected person at the subsidiary level, would receive between approximately 15,000 and 285,000 Shares upon vesting of the 2021 Awards.

TERMS OF THE 2021 PROPOSED AWARD GRANTS TO DR. KERRY LEVAN BLANCHARD, MR. IAN YING WOO AND MR. XIAOFAN ZHANG

The terms of the 2021 Proposed Award Grants to Dr. Kerry Levan Blanchard, Mr. Ian Ying Woo and Mr. Xiaofan Zhang shall follow the terms of the Post-IPO Share Award Scheme. Details of the 2021 Proposed Award to Dr. Kerry Levan Blanchard, Mr. Ian Ying Woo And Mr. Xiaofan Zhang are as follows:

- each of the 2021 Awards is granted for nil consideration;
- each of the 2021 Awards granted to Dr. Kerry Levan Blanchard, Mr. Ian Ying Woo and Mr. Xiaofan Zhang represents the right to receive one Share on the date it vests;

- the 2021 Awards shall vest in Dr. Kerry Levan Blanchard, Mr. Ian Ying Woo and Mr. Xiaofan Zhang in accordance with the following schedule:
 - o twenty five percent (25%) of the 2021 Awards granted shall vest on 1 April 2022;
 - o the remaining 2021 Awards granted shall vest in equal installments on 1 April 2023, 1 April 2024 and 1 April 2025.
- Prior written consent of the Board is required for any subsequent disposal of (i) more than 30% of the Shares underlying the awards granted to Dr. Kerry Levan Blanchard, Mr. Ian Ying Woo and Mr. Xiaofan Zhang under any share award scheme of the Company (including their respective 2021 Awards) within any 6-month period; and (ii) Shares underlying the awards granted to Dr. Kerry Levan Blanchard, Mr. Ian Ying Woo and Mr. Xiaofan Zhang under any share award scheme of the Company (including their respective 2021 Awards) of more than HK\$1,000,000 (which may be amended from time to time) within any 12-month period.

TERMS OF THE PROPOSED AWARD GRANTS TO MS. XU ZHU, MS. YANG SHI, DR. ZHENGYING ZHU, MR. YUAN GAO, MS. MIN YU AND MR. ZIXIN QIAO

The terms of the 2021 Proposed Award Grants to Ms. Xu Zhu, Ms. Yang Shi, Dr. Zhengying Zhu, Mr. Yuan Gao, Ms. Min Yu, Mr. Zixin Qiao shall follow the terms of the Post-IPO Share Award Scheme and Pre-IPO ESOP (as applicable). Details of the 2021 Proposed Award to Ms. Xu Zhu, Ms. Yang Shi, Dr. Zhengying Zhu, Mr. Yuan Gao, Mr. Zixin Qiao are as follows:

- each of the 2021 Awards is granted for nil consideration;
- each of the 2021 Awards granted to Ms. Xu Zhu, Ms. Yang Shi, Dr. Zhengying Zhu, Mr. Yuan Gao, Ms. Min Yu, Mr. Zixin Qiao represents the right to receive one Share on the date it vests; and
- the 2021 Awards shall vest in Ms. Xu Zhu, Ms. Yang Shi, Dr. Zhengying Zhu and Mr. Yuan Gao in accordance with the following schedule:
 - o in respect of 2021 Awards granted under the Post-IPO Share Award Scheme:
 - twenty five percent (25%) of the 2021 Awards granted shall vest on the first anniversary of 1 April 2021;
 - the remaining 2021 Awards granted shall vest in equal installments on 1 April 2023, 1 April 2024 and 1 April 2025.
 - o in respect of 2021 Awards granted under the Pre-IPO ESOP:
 - twenty five percent (25%) of the 2021 Awards granted shall vest on 2 April 2022; and
 - subsequently, six point twenty five percent (6.25%) of the 2021 Awards granted shall vest on the first date after each further three (3) months following the one year period after 1 April 2022.

- the 2021 Awards shall vest in Mr. Zixin Qiao in accordance with the following schedule:
 - o in respect of 2021 Awards granted under the Post-IPO Share Award Scheme:
 - twenty five percent (25%) of the 2021 Awards granted shall vest on the first anniversary of 1 April 2021; and
 - the remaining 2021 Awards granted shall vest in equal installments on 1 April 2023, 1 April 2024 and 1 April 2025;
- the 2021 Awards shall vest in Ms. Min Yu in accordance with the following schedule:
 - o in respect of 2021 Awards granted under the Post-IPO Share Award Scheme:
 - twenty five percent (25%) of the 2021 Awards granted shall vest on the first date after the expiry of twelve (12) months after commencement date being 15 October 2021; and
 - subsequently, six point twenty five percent (6.25%) of the 2021 Awards granted shall vest on the first date after each further three (3) months following the one year period after 15 October 2021.

Based on the closing price of HK\$70.70 per Share as quoted on the Stock Exchange on the date of the 2021 Proposed Award Grants, the market value of the Shares underlying the 2021 Proposed Awards to Dr. Kerry Levan Blanchard amounts to approximately HK\$45.27 million, the market value of the Shares underlying the 2021 Proposed Awards to Mr. Ian Ying Woo amounts to approximately HK\$11.76 million, the market value of the Shares underlying the Proposed Awards to Mr. Xiaofan Zhang amounts to approximately HK\$11.76 million and the market value of the Shares underlying the 2021 Proposed Awards to Ms. Xu Zhu, Ms. Yang Shi, Dr. Zhengying Zhu, Mr. Yuan Gao, Ms. Min Yu, Mr. Zixin Qiao amounts to approximately HK\$59.57 million.

APPENDIX V PARTICULARS OF THE 2022 PROPOSED AWARD GRANTS

This appendix provides information as required by the Listing Rules to be provided to Shareholders for their consideration as to whether to vote for or against the resolutions to be proposed at the AGM in relation to the 2022 Proposed Award Grants.

2022 GRANTEES AND NUMBER OF AWARDS TO BE GRANTED

The total number of Shares to be issued upon the vesting of the Awards to be granted pursuant to the 2022 Proposed Award Grants and the percentage of total issued share capital of the Company, calculated based on the number of Shares in issue on the Latest Practicable Date, is as follows:

Name of 2022 Grantee	Capacity	No. of Shares to be issued upon vesting of the 2022 Awards	Percentage of total no. of Shares in issue
Ms. Min Yu, Mr. Zixin Qiao, Dr. Heasun Park, Mr. Ng Kah San, and Mr. Yuan Gao	Employees of the Company and directors of subsidiaries of the Company	103,775 ⁽¹⁾	0.03%

Note:

- (1) Each individual employee, being a connected person at the subsidiary level, would receive between approximately 17,000 and 24,000 Shares upon vesting of the 2022 Awards.

TERMS OF THE 2022 PROPOSED AWARD GRANTS

The terms of the 2022 Proposed Award Grants shall follow the terms of the Post-IPO Share Award Scheme, details of which are as follows:

- each of the 2022 Awards is granted for nil consideration;
- each of the 2022 Awards represents the right to receive one Share on the date it vests; and
- the 2022 Awards shall vest in accordance with the following schedule:
 - o twenty five percent (25%) of the 2022 Awards granted shall vest on 1 April 2023;
 - o the remaining 2022 Awards granted shall vest in equal installments on 1 April 2024, 1 April 2025 and 1 April 2026.

Based on the closing price of HK\$22.85 per Share as quoted on the Stock Exchange on the date of the 2022 Proposed Award Grants, the market value of the Shares underlying the 2022 Proposed Award Grants amounts to approximately HK\$2.4 million.

This appendix provides information as required by the Listing Rules to be provided to Shareholders for their consideration as to whether to vote for or against the resolutions to be proposed at the AGM in relation to the Proposed Performance Target Award Grants.

PERFORMANCE TARGET AWARD GRANTEES AND NUMBER OF AWARDS TO BE GRANTED

The maximum number of Shares to be issued upon the vesting of the Performance Target Awards to be granted pursuant to the Proposed Performance Target Award Grant and the percentage of total issued share capital of the Company, calculated based on the number of Shares in issue on the Latest Practicable Date, is as follows:

Name of Performance Target Grantee	Capacity	No. of Shares to be issued upon vesting of the Performance Target Awards	Percentage of total no. of Shares in issue
Dr. Kerry Levan Blanchard	Executive Director and chief executive officer	2,500,000	0.83%
Mr. Ian Ying Woo	Executive Director, president and chief financial officer	1,000,000	0.33%
Mr. Xiaofan Zhang	Executive Director and chief operating officer	1,000,000	0.33%

TERMS OF THE PROPOSED PERFORMANCE TARGET AWARD GRANTS

The terms of the Proposed Performance Target Award Grants shall follow the terms of the Post-IPO Share Award Scheme, details of which are as follows:

- each of the Performance Target Awards is granted for nil consideration;
- each of the Performance Target Awards represents the right to receive one Share on the date it vests; and
- the Performance Target Awards shall vest in accordance with the following schedule. Specifically:

Dr. Kerry Levan Blanchard

The commencement of the vesting schedule shall be as follows: (i) 50% of the Performance Target Awards if the Share price reaches HK\$55 during the period from 1 April 2022 to 1 May 2023 (the “**Performance Period**”); and (ii) 50% of the Performance Target Awards if the Share price reaches HK\$75 during the Performance Period. Once any of the aforementioned targets is achieved, the relevant Performance Target Awards shall vest equally on each anniversary date of the relevant achievement date over the course of three years.

Mr. Ian Ying Woo

The commencement of the vesting schedule shall be as follows: (i) 25% of the Performance Target Awards if the Share price reaches HK\$55 during the Performance Period; (ii) 25% of the Performance Target Awards if the Share price reaches HK\$75 during the Performance Period; (iii) 30% of the Performance Target Awards if certain business milestones are achieved during the Performance Period; and (iv) 20% of the Performance Target Awards if certain additional business milestones are achieved during the Performance Period. Once any of the aforementioned targets is achieved, the relevant Performance Target Awards shall vest equally on each anniversary date of the relevant achievement date over the course of three years.

Mr. Xiaofan Zhang

The commencement of the vesting schedule shall be as follows: (i) 10% of the Performance Target Awards if the Share price reaches HK\$55 during the Performance Period; (ii) 10% of the Performance Target Awards if the Share price reaches HK\$75 during the Performance Period; (iii) 40% of the Performance Target Awards if certain business milestones are achieved during the Performance Period; and (iv) 40% of the Performance Target Awards if certain additional business milestones are achieved during the Performance Period. Once any of the aforementioned targets is achieved, the relevant Performance Target Awards shall vest equally on each anniversary date of the relevant achievement date over the course of three years.

- Prior written consent from the Board is required for any subsequent disposal of (i) more than 30% of the Shares underlying the awards granted to the Performance Award Grantee under any share award scheme of the Company (including their respective Performance Target Awards) within any 6-month period; and (ii) Shares underlying the awards granted to the Performance Award Grantee under any share award scheme of the Company (including their respective Performance Target Awards) of more than HK\$1,000,000 (which may be amended from time to time) within any 12-month period.

A stock price target is only deemed to have been achieved if the 30 trading day rolling average adjusted for turnover (calculated using the formula: $\sum 30 \text{ days (closing price * turnover)} / \sum (30 \text{ days turnover})$) reaches HK\$55 or HK\$75 during the Performance Period. The Board considers that these stock price targets are attainable without a share consolidation, based on various factors, including but not limited to the overall business planning and growth prospects of the Group, and the experiences and contributions of the Performance Target Award Grantees. Based on the closing price of HK\$22.85 per Share as quoted on the Stock Exchange on the 2022 Award Grant Date, the market value of the Shares underlying the Performance Target Awards under the Proposed Performance Target Award Grants amounts to approximately HK\$102.8 million.

This appendix provides additional information as required by the Listing Rules to be provided to Shareholders for their consideration as to whether to vote for or against the resolutions to be proposed at the AGM in relation to the 2021 Proposed Award Grants, the 2022 Proposed Award Grants and the Proposed Performance Target Award Grants.

Pursuant to the Shareholders' resolutions of the Company on 21 September 2020, the Post-IPO Share Award Scheme was adopted and the Share Award Scheme Limit is 14,184,519 Shares. As at the Latest Practicable Date, 11,101,585 Shares underlying the grant of Awards under the Post-IPO Share Award Scheme had been, or proposed to be, granted (excluding Shares which have been forfeited in accordance with the Post-IPO Share Award Scheme).

Pursuant to the Shareholders' resolutions of the Company on 25 December 2018, amended and restated on 17 February 2020 and as amended from time to time, the Pre-IPO ESOP was adopted and the Pre-IPO ESOP limit was 22,932,908 Shares. As at the Latest Practicable Date, 22,691,884 awards under the Pre-IPO ESOP had been, or proposed to be, granted (excluding awards which have been forfeited in accordance with the Pre-IPO ESOP).

Dilution effect

Assuming the Grantees become fully entitled to all Shares underlying the 2021 Awards, the 2022 Awards and the Performance Target Awards, the number of such underlying Shares would amount to 6,419,270, or approximately 2.131% of the total issued share capital of the Company as at the Latest Practicable Date. Assuming such underlying Shares will be newly issued, such Shares will represent approximately 2.086% of the total issued share capital of the Company upon completion of issue of such Shares. The Directors believe that this is acceptable in view of the potential benefits that can be brought to the Group as outlined above.

APPENDIX VII

**ADDITIONAL INFORMATION REGARDING
THE 2021 PROPOSED AWARD GRANTS,
THE 2022 PROPOSED AWARD GRANTS AND
THE PROPOSED PERFORMANCE TARGET AWARD GRANTS**

For illustrative purpose, the shareholding structures of the Company before and after the Grantees become fully entitled to all Shares underlying the 2021 Awards, the 2022 Awards and the Performance Target Awards, respectively, are summarised as follows:

Name of Shareholders	As at the Latest Practicable Date ^(Note 1)		Upon vesting of the Shares under the 2021 Proposed Award Grants in full ^(Note 1)		Upon vesting of the Shares under the 2022 Proposed Award Grants in full ^(Note 2)		Upon vesting of the Shares under the Proposed Performance Target Award Grants in full ^(Note 3)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dr. Kerry Levan Blanchard ^(Note 4)	—	—	640,303	0.21%	640,303	0.21%	3,140,303	1.02%
Mr. Ian Ying Woo ^(Note 5)	—	—	166,325	0.06%	166,325	0.06%	1,166,325	0.38%
Mr. Xiaofan Zhang ^(Note 6)	—	—	166,325	0.06%	166,325	0.06%	1,166,325	0.38%
<i>In respect of the 2021 Awards</i>								
Ms. Xu Zhu, Ms. Yang Shi, Dr. Zhengying Zhu ^(Note 7) , Mr. Yuan Gao, Ms. Min Yu, Mr. Zixin Qiao	686,224	0.23%	1,528,766	0.50%	1,528,766	0.50%	1,528,766	0.50%
<i>In respect of the 2022 Awards</i>								
Ms. Min Yu, Mr. Zixin Qiao, Dr. Heasun Park, Mr. Ng Kah San, Mr. Yuan Gao	—	—	—	—	103,775	0.03%	103,775	0.03%
Other core connected persons (being CBC Group)	133,932,652	44.46%	133,932,652	44.19%	133,932,652	44.18%	133,932,652	43.53%
Other Shareholders	166,635,433	55.31%	166,635,433	54.98%	166,635,433	54.96%	166,635,433	54.16%
Total	301,254,309	100.00%	303,069,804	100.00%	303,173,579	100.00%	307,673,579	100.00%

Notes:

- Assuming that no Shares are issued other than pursuant to the 2021 Proposed Award Grants.
- Assuming that no Shares are issued other than pursuant to the 2022 Proposed Award Grants.
- Assuming that no Shares are issued other than pursuant to the Proposed Performance Target Award Grants.
- Dr. Kerry Levan Blanchard's interest in options for which no voting rights may be exercisable are not included.
- Mr. Ian Ying Woo's interest in options for which no voting rights may be exercisable are not included.
- Mr. Xiaofan Zhang's interest in options for which no voting rights may be exercisable are not included.
- The interest of Dr. Zhengying Zhu is comprised of 686,224 Shares held by her associates. Her interest in options and restricted stock units for which no voting rights may be exercised are not included.
- Certain figures included in the table above have been rounded to the nearest three decimal places. Any discrepancies between the total shown and the sum of the amounts listed are due to rounding.

The vesting of the 2021 Awards, the 2022 Awards and the Performance Target Awards remains subject to acceptance by the 2021 Grantees, the 2022 Grantees and the Performance Target Award Grantees and the approval of the Independent Shareholders at the AGM. In the event of (i) a change in control of the Company by way of a merger, a privatisation of the Company by way of a scheme or by way of an offer or (ii) any 2021 Grantee, 2022 Grantee or Performance Target Award Grantee ceasing to be an eligible person by reason of illness, death or disability, the vesting of the Awards may be accelerated at the sole discretion of the Board.

The Shares to be allotted and issued upon vesting of the 2021 Awards, the 2022 Awards and the Performance Target Awards will be subject to all the provisions of the Articles of Association for the time being in force and will rank *pari passu* with the fully paid Shares in issue. The Awards themselves shall not entitle the 2021 Grantees, the 2022 Grantees and the Performance Target Award Grantees to any voting rights, or rights to participate in any dividends or other distributions.

The following is a summary of the principal terms of the Post-IPO Share Award Scheme adopted by the Shareholders on 21 September 2020. This summary assumes the proposed resolutions at the AGM have been approved and the Increase in Scheme Limit were effective.

Purpose

The purpose of the Post-IPO Share Award Scheme is to align the interests of eligible persons with those of our Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, and to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group.

Eligible Participants

Any individual, being an employee, director, officer, consultant, adviser, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate (including nominees and/or trustees of any employee benefit trust established for them) who the Board or its delegate(s) considers, in its sole discretion, to have contributed or will contribute to our Group is eligible to receive an Award (as defined below). However, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Post-IPO Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Post-IPO Share Award Scheme.

Awards

An Award gives a selected participant a conditional right, when the Shares vest, to obtain the Shares or, if in the absolute discretion of the Board or its delegate(s), it is not practicable for the selected participant to receive the Award in Shares, the cash equivalent from the sale of the Shares. An Award includes all cash income from dividends in respect of those Shares from the date the Award is granted (the “**Grant Date**”) to the date the Award vests (the “**Vesting Date**”). For the avoidance of doubt, the Board at its discretion may from time to time determine that any dividends declared and paid by the Company in relation to the Shares be paid to the selected participant even though the Shares have not yet vested.

Grant of Award

The Board or the committee of the Board or person(s) to which the Board has delegated its authority may, from time to time, at their absolute discretion, grant an Award to a selected participant (in the case of the Board’s delegate(s), to any selected participant other than a director or an officer of the Company) by way of an award letter (the “**Award Letter**”). The Award Letter will specify the Grant Date, the number of Shares underlying the Award, the vesting criteria and conditions, the Vesting Date and such other details as the Board or its delegate(s) may consider necessary.

Each grant of an Award to any Director or the chief executive officer shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of an Award). The Company will comply with the relevant requirements under Chapter 14A of the Listing Rules for any grant of shares to connected persons of the Company.

The Board and its delegate(s) may not grant any Shares to any selected participant in certain circumstances, including the following:

- (i) where any applicable approval from any applicable regulatory authorities has not been granted;
- (ii) where any member of the Group will be required under applicable securities laws, rules or regulations to issue a prospectus or other offer documents in respect of such Award or the Post-IPO Share Award Scheme, unless the Board determines otherwise;
- (iii) where such Award would result in a breach by any member of the Group or its directors of any applicable securities laws, rules or regulations in any jurisdiction;
- (iv) where such grant of Award would result in a breach of the Share Award Scheme Limit or would otherwise cause the Company to issue Shares in excess of the permitted amount in the mandate approved by the Shareholders;
- (v) where any Director is in possession of unpublished inside information in relation to the Company or where dealings by Directors are prohibited under any code or requirement of the Listing Rules and all applicable laws, rules or regulations, from time to time;
- (vi) 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 the publication date of the results; and
- (vii) during the period of 30 days immediately preceding the publication date of the half-year results or, if shorter, the period from the end of the relevant half-year period up to the publication date of the results.

Maximum Number of Shares

The Company shall not make any further grant of Award which will result in the aggregate number of Shares underlying all grants made pursuant to the Scheme (excluding Award Shares that have been forfeited in accordance with the Scheme) to exceed 18,684,519 Shares without Shareholders' approval, subject to an annual limit of 2.5% of the total number of issued Shares at the time.

Scheme Mandate

To the extent that the Share Award Scheme Limit is subsequently increased by way of alteration of the Post-IPO Share Award Scheme and the Company is required to issue and allot new Shares to satisfy any Awards in excess of any amount previously approved by the Shareholders (as the case may be), the Company shall at a general meeting propose, and the Shareholders shall consider and, if thought fit, pass an ordinary resolution approving a mandate specifying:

- (i) the maximum number of new Shares that may be issued for this purpose;
- (ii) that the Board has the power to issue, allot, procure the transfer of and otherwise deal with the Shares in connection with the Post-IPO Share Award Scheme; and

- (iii) the mandate will remain in effect during the period from the passing of the ordinary resolution granting the mandate until the variation or revocation of such mandate by an ordinary resolution of the Shareholders in a general meeting.

Rights attached to the Award

Save that the Board at its discretion may from time to time determine that any dividends declared and paid by the Company in relation to the Shares be paid to the selected participants even though the Shares have not yet vested, the selected participant only has a contingent interest in the Shares underlying an Award unless and until such Shares are actually transferred to the selected participant, nor does he/she have any rights to any cash or non-cash income until the Shares and related income vest.

Rights attached to the Shares

Any Shares transferred to a selected participant in respect of any Awards will be subject to all the provisions of the Articles of Association and will form a single class with the fully paid Shares in issue on the relevant date.

Assignment of Awards

Any Shares granted under the Post-IPO Share Award Scheme but not yet vested are personal to the selected participants to whom they are granted and cannot be assigned or transferred. A selected participant shall not in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Award, or enter into any agreement to do so.

Vesting of Awards

The Board or its delegate(s) may from time to time while the Post-IPO Share Award Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the Award to be vested.

If there is an event of change in control of the Company by way of a merger, a privatization of the Company by way of a scheme or by way of an offer, the Board or the committee of the Board or person(s) to which the Board has delegated its authority shall at their sole discretion determine whether the Vesting Dates of any Awards will be accelerated to an earlier date.

Consolidation, subdivision, bonus issue and other distribution

In the event the Company undertakes a subdivision or consolidation of the Shares, corresponding changes will be made to the number of outstanding Shares that have been granted provided that the adjustments shall be made in such manner as the Board or its delegate(s) determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Post-IPO Share Award Scheme for the selected participants. All fractional shares (if any) arising out of such consolidation or sub-division in respect of the Shares of a selected participant shall be deemed as returned shares (the “**Returned Shares**”) and shall not be transferred to the relevant selected participant on the relevant Vesting Date.

In the event of any non-cash distribution or other events not referred to above by reason of which the Board or its delegate(s) considers an adjustment to an outstanding Award to be fair and reasonable, an adjustment shall be made to the number of outstanding Shares of each selected participant as the Board or its delegate(s) shall consider as fair and reasonable, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Post-IPO Share Award Scheme for the selected participants.

Retirement, death or permanent physical or mental disability of an eligible person

If a selected participant ceases to be an eligible person by reason of retirement of the selected participant, any outstanding Shares and related income not yet vested shall continue to vest in accordance with the Vesting Dates set out in the Award Letter, unless the Board or its delegate(s) determines otherwise at their absolute discretion.

If a selected participant ceases to be an eligible person by reason of (i) death of the selected participant; (ii) termination of the selected participant's employment or contractual engagement with our Group or an affiliate by reason of his/her permanent physical or mental disablement; or (iii) termination of the selected participant's employment or contractual engagement with our Group by reason of redundancy, any outstanding Shares and related income not yet vested shall be immediately forfeited, unless the Board or its delegate(s) determines otherwise at their absolute discretion.

If a selected participant, being an employee whose employment is terminated by our Group or an affiliate by reason of the employer terminating the contract of employment without notice or payment in lieu of notice, or the selected participant having been convicted of any criminal offense involving his or her integrity or honesty, any outstanding Shares and related income not yet vested shall be immediately forfeited, unless the Board or its delegate(s) determines otherwise at their absolute discretion.

Duration and termination

The Post-IPO Share Award Scheme shall be valid and effective for ten years from the Listing Date (the "**Award Period**") (after which no Awards will be granted), and thereafter for so long as there are any non-vested Shares granted prior to the expiration of the Post-IPO Share Award Scheme, in order to give effect to the vesting of such Shares or otherwise as may be required in accordance with the rules of the Post-IPO Share Award Scheme. Subject to the foregoing, the Post-IPO Share Award Scheme shall terminate on the earlier of:

- (i) the end of the Award Period except in respect of any non-vested Shares granted prior to the expiration of the Post-IPO Share Award Scheme, for the purpose of giving effect to the vesting of such Shares or otherwise as may be required in accordance with the provisions of the Post-IPO Share Award Scheme; and
- (ii) such date of early termination as determined by our Board provided that such termination shall not affect any subsisting rights in respect of the Shares granted to a selected participant under the Post-IPO Share Award Scheme.

Administration by trustee

Without prejudice to the Board's general power of administration, to the extent not prohibited by applicable laws and regulations, the Board or the committee of the Board or persons to which the Board has delegated its authority may from time to time appoint one or more trustees in respect of granting administration or vesting of any Shares under the Post-IPO Share Award Scheme.

Subject to the rules of the Post-IPO Share Award Scheme:

- (i) the Company shall, as soon as reasonably practicable and no later than 30 business days from the Grant Date, for the purposes of satisfying the grant of awards, issue and allot Shares to the trustee and/or transfer to the trust the necessary funds and instruct the trustee to acquire Shares through on-market transactions at the prevailing market price; and
- (ii) the Company shall instruct the trustee whether or not to apply any Returned Shares to satisfy any grant of Awards made, and if the Returned Shares, as specified by the Company, are not sufficient to satisfy the Awards granted, the Company shall as soon as reasonably practicable and no later than 30 business days from the Grant Date, for purposes of satisfying the Awards granted, issue and allot further Shares to the trustee and/or transfer to the trust the necessary funds and instruct the trustee to acquire further Shares through on-market transactions at the prevailing market price.

Where the trustee has received instructions from the Company to acquire shares through on-market transactions, the trustee shall acquire such number of Shares as instructed by the Company on-market at the prevailing market price as soon as reasonably practicable after receiving the necessary funds from the Company. The trustee shall only be obliged to transfer Shares granted (and the related income derived from such Shares) to selected participants on vesting to the extent that Shares granted (and the related income derived from such Shares) are comprised in the trust.

1. 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 in this circular or this circular misleading.

2. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN EQUITY SECURITIES

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Director	Capacity/ Nature of interest	Number of ordinary Shares	Approximate percentage of shareholding ⁽¹⁾	Long position/ short position
Mr. Wei Fu	Founder of a discretionary trust who can influence how the trustee exercises his discretion	133,932,652 ⁽²⁾	44.46%	Long position
Dr. Kerry Levan Blanchard	Beneficial owner	4,733,196 ⁽³⁾	1.57%	Long position
Mr. Ian Ying Woo	Beneficial owner	448,403 ⁽⁴⁾	0.15%	Long position
Mr. Xiaofan Zhang	Beneficial owner	2,692,305 ⁽⁵⁾	0.89%	Long position
Mr. Shidong Jiang	Beneficial owner	40,000 ⁽⁶⁾	0.01%	Long position
Mr. Yifan Li	Beneficial owner	40,000 ⁽⁷⁾	0.01%	Long position
Mr. Bo Tan	Beneficial owner	40,000 ⁽⁸⁾	0.01%	Long position

Notes:

- 1) The calculation is based on the total number of 301,254,309 Shares in issue as at the Latest Practicable Date.
- 2) The sole shareholder of C-Bridge Investment Everest Limited is C-Bridge Healthcare Fund II, L.P. while its General Partner is C-Bridge Healthcare Fund GP II, L.P.. The General Partner of C-Bridge Healthcare Fund GP II, L.P. is C-Bridge Capital GP, Ltd. while TF Capital, Ltd. and TF Capital II, Ltd. (“**TF Capital II**”) jointly have controlling interest in it. Nova Aqua Limited has a controlling interest in TF Capital II. C-Bridge IV Investment Two Limited and C-Bridge IV Investment Nine Limited is wholly owned by is C-Bridge Healthcare Fund IV, L.P. (“**CBH IV**”). The General Partner of CBH IV is C-Bridge Healthcare Fund GP IV, L.P. which is under the management by its General Partner C-Bridge Capital GP IV, Ltd. (“**CBC IV**”). The controlling shareholder of

CBC IV is TF Capital IV Ltd. which is wholly owned by Nova Aqua Limited. Everest Management Holding Co., Ltd. is owned as to 78.32% by C-Bridge Joint Value Creation Limited. C-Bridge Joint Value Creation Limited is wholly-owned by Nova Aqua Limited. The sole shareholder of C-Bridge IV Investment Sixteen Limited is Nova Aqua Limited. The entire interest in Nova Aqua Limited is held by Vistra Trust (Singapore) Pte. Limited as trustee for a trust established by Mr. Wei Fu (as settlor) for the benefit of Mr. Wei Fu and his family.

- 3) Dr. Kerry Levan Blanchard's entitlement to receive up to 3,250,000 Shares and 1,483,196 Shares pursuant to the exercise of options under the Pre-IPO ESOP and the Post-IPO Share Option Scheme, respectively, subject to the conditions of those options. The exercise price of these options are USD2.26 (up to 250,000 Shares) or USD3.24 (up to 3,000,000 Shares) and HK\$72.49 (up to 1,483,196 Shares).
- 4) Mr. Ian Ying Woo's entitlement to receive up to 110,000 Shares and 338,403 Shares pursuant to the exercise of options under the Pre-IPO ESOP and the Post-IPO Share Option Scheme, respectively, subject to the conditions of those options. The exercise price of these options is USD2.26 (up to 110,000 Shares) and HK\$72.49 (up to 338,403 Shares).
- 5) Mr. Xiaofan Zhang's entitlement to receive up to 2,353,902 Shares and 338,403 Shares pursuant to the exercise of options under the Pre-IPO ESOP and Post-IPO Share Option Scheme, respectively, subject to the conditions of those options. The exercise price of these options is USD0.18 (up to 2,353,902 Shares) and HK\$72.49 (up to 338,403 Shares).
- 6) Mr. Shidong Jiang's entitlement to receive up to 40,000 Shares pursuant to the exercise of options under the Post-IPO Share Option Scheme, subject to the conditions of those options. The exercise price of the 20,000 options granted on 14 July 2021 is HK\$72.49 and the exercise price of the 20,000 options granted on 1 April 2022 is HK\$23.17.
- 7) Mr. Yifan Li's entitlement to receive up to 40,000 Shares pursuant to the exercise of options under the Post-IPO Share Option Scheme, subject to the conditions of those options. The exercise price of the 20,000 options granted on 14 July 2021 is HK\$72.49 and the exercise price of the 20,000 options granted on 1 April 2022 is HK\$23.17.
- 8) Mr. Bo Tan's entitlement to receive up to 40,000 Shares pursuant to the exercise of options under the Post-IPO Share Option Scheme, subject to the conditions of those options. The exercise price of the 20,000 options granted on 14 July 2021 is HK\$72.49 and the exercise price of the 20,000 options granted on 1 April 2022 is HK\$23.17.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2, 3, 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register to be kept by the Company pursuant to section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

3. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS OF THE GROUP

None of the Directors has, or has had, any direct or indirect interest in any assets acquired or disposed of by or leased to or proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2021, the date to which the latest published audited financial statements of the Group were made up, and none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group taken as a whole.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group, excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective associate(s) was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

6. EXPERT AND CONSENT

The following is the qualification of the professional adviser who has given opinion or advice contained in this circular:

<u>Name</u>	<u>Qualification</u>
Elstone Capital Limited	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO

Elstone Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, Elstone Capital Limited did not have: (a) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and (b) any direct or indirect interest in any assets acquired or disposed of by or leased to or proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2021, the date to which the latest published audited financial statements of the Group were made up.

7. MATERIAL ADVERSE CHANGE

The Directors confirm that there was no material adverse change in the financial or trading position of the Group since 31 December 2021, the date to which the latest published audited consolidated financial statements of the Group were made up.

8. DOCUMENTS ON DISPLAY

A copy of each of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.everestmedicines.com/>) for 14 days from the date of this circular:

- (i) the Pre-IPO ESOP;
- (ii) the current version of the Post-IPO Share Award Scheme;
- (iii) the letter from the Independent Board Committee, the text of which is set out on page 33 of this circular;
- (iv) the letter from Elstone Capital Limited, the text of which is set out on pages 34 to 70 of this circular; and
- (v) the written consent of the expert as referred to in the section headed “Expert and Consent” of this Appendix.

9. LANGUAGE

In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

NOTICE OF ANNUAL GENERAL MEETING



EVEREST MEDICINES

云 頂 新 耀

Everest Medicines Limited

雲 頂 新 耀 有 限 公 司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 1952)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Annual General Meeting**”) of Everest Medicines Limited (the “**Company**”) will be held at 16th Floor, CITIC Pacific Plaza, 1168 West Nanjing Road, Jing An District, Shanghai, China on Wednesday, 29 June 2022 at 9:30 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive and adopt the audited consolidated financial statements of the Company for the year ended 31 December 2021 and the reports of the directors of the Company (the “**Directors**”) and the independent auditor of the Company (the “**Auditor**”) thereon.
2. To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:
 - (a) To re-elect Dr. Kerry Levan Blanchard as an executive Director;
 - (b) To re-elect Mr. Yubo Gong as a non-executive Director;
 - (c) To re-elect Mr. Shidong Jiang as an independent non-executive Director; and
 - (d) To authorize the board of Directors (the “**Board**”) to fix the remuneration of the Directors of the Company.
3. To re-appoint PricewaterhouseCoopers as the Auditor to hold office until the conclusion of the next annual general meeting of the Company and to authorize the Board to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

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

“THAT:

- (a) subject to compliance with the prevailing requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the Directors to exercise during the Relevant Period (as defined below) all the powers of the Company to repurchase its shares in accordance with all applicable laws, rules and regulations;
- (b) the total number of shares of the Company to be repurchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and
- (c) for the purposes of this resolution:

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

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

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

“THAT:

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

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company; and
 - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

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

- (c) for the purposes of this resolution:

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

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

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

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

“**THAT** conditional upon the passing of the resolutions set out in items 4 and 5 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 5 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of the number of shares repurchased by the Company pursuant to the mandate referred to in resolution set out in item 4 of the Notice, provided that such number of shares shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution).”

NOTICE OF ANNUAL GENERAL MEETING

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

“THAT

- (a) the grant of share awards (the **“2021 Awards”**) to Dr. Kerry Levan Blanchard in accordance with the terms of the post-IPO share award scheme adopted by the Shareholders on 21 September 2020 (the **“Post-IPO Share Award Scheme”**), subject to all applicable laws, rules, regulations and the applicable grant letter, be hereby approved and confirmed;
- (b) the grant of 2021 Awards to Mr. Ian Ying Woo in accordance with the terms of the Post-IPO Share Award Scheme, subject to all applicable laws, rules, regulations and the applicable grant letter, be hereby approved and confirmed;
- (c) the grant of 2021 Awards to Mr. Xiaofan Zhang in accordance with the terms of the Post-IPO Share Award Scheme, subject to all applicable laws, rules, regulations and the applicable grant letter, be hereby approved and confirmed;
- (d) the grant of 2021 Awards to Ms. Xu Zhu in accordance with the terms of the Post-IPO Share Award Scheme and the pre-IPO employee equity plan adopted on 25 December 2018, amended and restated on 17 February 2020 (the **“Pre-IPO ESOP”**), subject to all applicable laws, rules, regulations and the applicable grant letter, be hereby approved and confirmed;
- (e) the grant of 2021 Awards to Ms. Yang Shi in accordance with the terms of the Post-IPO Share Award Scheme and the Pre-IPO ESOP, subject to all applicable laws, rules, regulations and the applicable grant letter, be hereby approved and confirmed;
- (f) the grant of 2021 Awards to Dr. Zhengying Zhu in accordance with the terms of the Post-IPO Share Award Scheme and the Pre-IPO ESOP, subject to all applicable laws, rules, regulations and the applicable grant letter, be hereby approved and confirmed;
- (g) the grant of 2021 Awards to Mr. Yuan Gao in accordance with the terms of the Post-IPO Share Award Scheme and the Pre-IPO ESOP, subject to all applicable laws, rules, regulations and the applicable grant letter, be hereby approved and confirmed;
- (h) the grant of 2021 Awards to Ms. Min Yu in accordance with the terms of the Post-IPO Share Award Scheme, subject to all applicable laws, rules, regulations and the applicable grant letter, be hereby approved and confirmed;
- (i) the grant of 2021 Awards to Mr. Zixin Qiao in accordance with the terms of the Post-IPO Share Award Scheme, subject to all applicable laws, rules, regulations and the applicable grant letter, be hereby approved and confirmed; and
- (j) any one or more of the Directors of the Company, with the exception of Dr. Kerry Levan Blanchard, Mr. Ian Ying Woo and Mr. Xiaofan Zhang in respect to the proposed grant of 2021 Awards to each of them, respectively, be authorised to exercise the powers of the Company to allot and issue the ordinary shares of the Company pursuant to the proposed grant of 2021 Awards (the **“2021 Award Shares”**) under the specific mandate granted to the Directors by the shareholders of the Company (the **“Shareholders”**) pursuant to

NOTICE OF ANNUAL GENERAL MEETING

the unanimous written resolutions of all the Shareholders dated 21 September 2020 in accordance with the terms of the Post-IPO Share Award Scheme and the unanimous written resolutions of all the Shareholders dated 25 December 2018, amended and restated on 17 February 2020, in accordance with the terms of the Pre-IPO ESOP, such that the 2021 Award Shares shall rank pari passu in all respects among themselves and with the existing ordinary shares in issue at the date of the allotment and issuance of the 2021 Award Shares, and that he/she/they, be and is/are hereby authorised to take such actions, do such things, which in their opinion may be necessary, desirable or expedient for the purpose of giving effect to and/or to implement the transactions contemplated in 7(a) to (i) above.”

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

“THAT

- (a) the grant of share awards (the “**2022 Awards**”) to Ms. Min Yu in accordance with the terms of the Post-IPO Share Award Scheme, subject to all applicable laws, rules, regulations and the applicable grant letter, be hereby approved and confirmed;
- (b) the grant of 2022 Awards to Mr. Zixin Qiao in accordance with the terms of the Post-IPO Share Award Scheme, subject to all applicable laws, rules, regulations and the applicable grant letter, be hereby approved and confirmed;
- (c) the grant of 2022 Awards to Dr. Heasun Park in accordance with the terms of the Post-IPO Share Award Scheme, subject to all applicable laws, rules, regulations and the applicable grant letter, be hereby approved and confirmed;
- (d) the grant of 2022 Awards to Mr. Ng Kah San in accordance with the terms of the Post-IPO Share Award Scheme, subject to all applicable laws, rules, regulations and the applicable grant letter, be hereby approved and confirmed;
- (e) the grant of 2022 Awards to Mr. Yuan Gao in accordance with the terms of the Post-IPO Share Award Scheme, subject to all applicable laws, rules, regulations and the applicable grant letter, be hereby approved and confirmed; and
- (f) any one or more of the Directors of the Company be authorised to exercise the powers of the Company to allot and issue the ordinary shares of the Company pursuant to the proposed grant of 2022 Awards (the “**2022 Award Shares**”) under the specific mandate granted to the Directors by the Shareholders pursuant to the unanimous written resolutions of all the Shareholders dated 21 September 2020 in accordance with the terms of the Post-IPO Share Award Scheme, such that the 2022 Award Shares shall rank pari passu in all respects among themselves and with the existing ordinary shares in issue at the date of the allotment and issuance of the 2022 Award Shares, and that he/she/they, be and is/are hereby authorised to take such actions, do such things, which in their opinion may be necessary, desirable or expedient for the purpose of giving effect to and/or to implement the transactions contemplated in 8(a) to (e) above.

NOTICE OF ANNUAL GENERAL MEETING

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

“THAT

- (a) the grant of performance target awards (the “**Performance Target Awards**”) to Dr. Kerry Levan Blanchard in accordance with the terms of the Post-IPO Share Award Scheme, subject to all applicable laws, rules, regulations and the applicable grant letter, be hereby approved and confirmed;
 - (b) the grant of the Performance Target Awards to Mr. Ian Ying Woo in accordance with the terms of the Post-IPO Share Award Scheme, subject to all applicable laws, rules, regulations and the applicable grant letter, be hereby approved and confirmed;
 - (c) the grant of the Performance Target Awards to Mr. Xiaofan Zhang in accordance with the terms of the Post-IPO Share Award Scheme, subject to all applicable laws, rules, regulations and the applicable grant letter, be hereby approved and confirmed; and
 - (d) any one or more of the Directors of the Company, with the exception of Dr. Kerry Levan Blanchard, Mr. Ian Ying Woo and Mr. Xiaofan Zhang in respect to the proposed grant of Performance Target Awards to each of them, respectively, be authorised to exercise the powers of the Company to allot and issue the ordinary shares of the Company pursuant to the proposed grant of Performance Target Awards (the “**Performance Target Award Shares**”) under the specific mandate granted to the Directors by the Shareholders pursuant to the unanimous written resolutions of all the Shareholders dated 21 September 2020 in accordance with the terms of the Post-IPO Share Award Scheme, such that the Performance Target Award Shares shall rank pari passu in all respects among themselves and with the existing ordinary shares in issue at the date of the allotment and issuance of the Performance Target Award Shares, and that he/she/they, be and is/are hereby authorised to take such actions, do such things, which in their opinion may be necessary, desirable or expedient for the purpose of giving effect to and/or to implement the transactions contemplated in 9(a) to (c) above.”
10. To consider and, if thought fit, pass with or without amendments, the following resolutions as an ordinary resolution:

“THAT

- (a) the existing scheme limit of the Post-IPO Share Award Scheme be increased by 4,500,000 shares to the new scheme limit of 18,684,519 shares (the “**Increase in Scheme Limit**”), and accordingly,
 - (i) Paragraph 15.1 of the scheme rules of the Post-IPO Share Award Scheme (the “**Scheme Rules**”) be and is hereby amended as follows:

the text of Paragraph 15.1 of the Scheme Rules, which reads:

“The Company shall not make any further grant of Award which will result in the aggregate number of Shares underlying all grants made pursuant to the Scheme (excluding Award Shares that have been forfeited in accordance with the Scheme)

NOTICE OF ANNUAL GENERAL MEETING

to exceed 14,184,519 Shares without Shareholders' approval (the "Scheme Limit"), representing approximately 5% of the total issued Shares immediately after the Company's listing on the Stock Exchange, subject to an annual limit of 2.5% of the total number of issued Shares at the time."

shall be deleted in its entirety and replaced with:

"The Company shall not make any further grant of Award which will result in the aggregate number of Shares underlying all grants made pursuant to the Scheme (excluding Award Shares that have been forfeited in accordance with the Scheme) to exceed 18,684,519 Shares without Shareholders' approval (the "Scheme Limit"), subject to an annual limit of 2.5% of the total number of issued Shares at the time.";
and

- (b) subject to paragraph (a) of this resolution being passed, a mandate (the "**Scheme Mandate**") be and is hereby granted to the Directors to issue, allot, procure the transfer of and otherwise deal with 4,500,000 shares that may be awarded pursuant to the Post-IPO Share Award Scheme upon the Increase in Scheme Limit in excess of those Shares under the Existing Scheme Limit previously approved by the Shareholders;
- (c) any one Director be and is hereby authorised to do all such further acts and things and to sign and execute all such other or further documents and to take all such steps as he/she may consider necessary, desirable, appropriate or expedient to implement and/or give effect to or otherwise in connection with the Increase in Scheme Limit and the incidental amendment of the Scheme Rules, the Scheme Mandate and the transactions respectively contemplated thereunder or in connection therewith."

SPECIAL RESOLUTION

11. To consider and, if thought fit, to pass the following resolution as a special resolution:

"THAT

- (a) the proposed amendments to the existing memorandum and articles of association of the Company (the "**Proposed Amendments**"), the details of which are set out in Appendix III to the circular of the Company dated 24 May 2022, be and are hereby approved;
- (b) the seventh amended and restated memorandum and articles of association of the Company (the "**Amended and Restated Articles**"), which contains all the Proposed Amendments and a copy of which has been produced to this meeting and marked "A" and initialled by the chairman of the meeting for the purpose of identification, be and is hereby approved and adopted in substitution for and to the exclusion of the existing memorandum and articles of association of the Company with immediate effect; and

NOTICE OF ANNUAL GENERAL MEETING

- (c) any Director or company secretary of the Company be and is hereby authorised to do all such acts, deeds and things and execute all such documents and make all such arrangements that he/she shall, in his/her absolute discretion, deem necessary or expedient to give effect to the Proposed Amendments and the adoption of the Amended and Restated Articles, including without limitation, attending to the necessary filings with the Registrar of Companies in the Cayman Islands and Hong Kong.”

By Order of the Board
Everest Medicines Limited
Wei Fu
Chairman and Executive Director

Hong Kong, 24 May 2022

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any Shareholder entitled to attend and vote at the meeting is entitled to appoint any number of proxies to attend and vote instead of him. A proxy need not be a Shareholder. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every Shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the meeting or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a Shareholder from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the meeting, the register of members of the Company will be closed from Friday, 24 June 2022 to Wednesday, 29 June 2022, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 23 June 2022.