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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

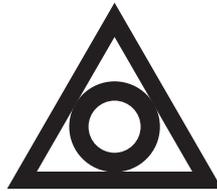
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**If you are in any doubt** to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other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

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

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**SINO BIOPHARMACEUTICAL LIMITED**

**中國生物製藥有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

*Website: [www.sinobiopharm.com](http://www.sinobiopharm.com)*

**(Stock code: 1177)**

- (1) GENERAL MANDATES TO ISSUE AND BUY BACK SHARES;  
(2) RE-ELECTION OF DIRECTORS;  
(3) ADOPTION OF SHARE OPTION SCHEME;  
AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**

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This circular is despatched together with the 2022 annual report of Sino Biopharmaceutical Limited which includes the directors' report, the independent auditors' report and the financial statements of Sino Biopharmaceutical Limited for the year ended 31 December 2022.

A notice convening the annual general meeting of Sino Biopharmaceutical Limited to be held with a combination of an in-room meeting at Drawing Room, Mezzanine Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong and an online virtual meeting via e-Meeting System at 11:00 a.m. on Thursday, 15 June 2023 is set out on pages 40 to 45 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of such meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting in person or via the e-Meeting System if you so wish and in such event, the form of proxy shall be deemed to be revoked.

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## DEFINITIONS

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

“Adoption Date”	the date on which the Share Option Scheme becomes unconditional
“AGM”	the annual general meeting of the Company to be held with a combination of an in-room meeting at Drawing Room, Mezzanine Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong and an online virtual meeting via e-Meeting System at 11:00 a.m. on Thursday, 15 June 2023 to consider and, if thought fit, to approve, among other things, the grant to the Directors of the Share Issue Mandate and the Share Buy-back Mandate, the re-election of Directors and the adoption of the Share Option Scheme
“Articles”	the articles of association of the Company
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities listed thereon
“Company”	Sino Biopharmaceutical Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1177)
“Directors”	directors of the Company
“Eligible Participants”	the Employee Participants and the Service Providers
“Employee Participants”	the directors (including independent non-executive Directors) and employees (whether full-time or part-time) of any member of the Group (including persons who are granted Options under the Share Option Scheme as inducement to enter into employment contracts with any member of the Group)
“Existing Share Option Scheme”	the share option scheme of the Company adopted on 28 May 2013
“Grantee”	any Eligible Participant who accepts the offer for the grant of an Option in accordance with the terms of the Share Option Scheme
“Group”	the Company and its subsidiaries

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	21 April 2023, being the latest practicable date for the purpose of ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Minimum Period”	with respect to an Option, the period commences on the offer date and ending on the day immediately prior to the first anniversary thereof
“Offer”	an offer to an Eligible Participant for the grant of an Option
“Option”	any option to subscribe for Shares pursuant to the Share Option Scheme
“Option Period”	in respect of any particular Option, the period to be determined and notified by the Company to the Grantee thereof at the time of making an offer for the grant of an Option
“Scheme Mandate Limit”	has the meaning defined in the section headed “7. MAXIMUM NUMBER OF SHARES AVAILABLE FOR ISSUE” of Appendix 2
“Service Provider”	has the meaning defined in the section headed “3. ELIGIBLE PARTICIPANTS AND THE BASIS OF ELIGIBILITY” of Appendix 2
“Service Provider Sublimit”	has the meaning defined in the section headed “7. MAXIMUM NUMBER OF SHARES AVAILABLE FOR ISSUE” of Appendix 2
“SFO”	Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Shares”	the ordinary shares of nominal value of HK\$0.025 each in the share capital of the Company
“Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the upcoming annual general meeting

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## DEFINITIONS

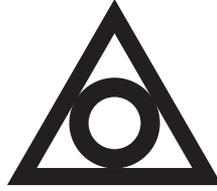
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“Share Buy-back Mandate”	a general mandate proposed to be granted to the Directors which would empower the Directors to exercise the power of the Company to buy back Shares not exceeding 10% of the total number of issued shares of the Company as at the date of the AGM
“Shareholders”	holders of Shares
“Share Issue Mandate”	a general mandate proposed to be granted to the Directors to allot, issue and deal with additional Shares not exceeding 20% of the total number of issued shares of the Company as at the date of the AGM and to add to such general mandate so granted to the Directors any Shares bought back by the Company under the Share Buy-back Mandate
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suspension Date”	has the meaning defined in the section headed “20. RIGHTS ON RECONSTRUCTION, COMPROMISE OR ARRANGEMENT” of Appendix 2
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“Termination Date”	close of business of the Company on the date which falls on the date immediately prior to the tenth anniversary of the Adoption Date
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“%”	per cent.

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LETTER FROM THE BOARD OF DIRECTORS

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SINO BIOPHARMACEUTICAL LIMITED  
中國生物製藥有限公司

*(Incorporated in the Cayman Islands with limited liability)*

*Website: www.sinobiopharm.com*

**(Stock code: 1177)**

*Executive Directors:*

Ms. Tse, Theresa Y Y (*Chairwoman*)  
Mr. Tse Ping (*Senior Vice Chairman*)  
Ms. Cheng Cheung Ling (*Vice Chairwoman*)  
Mr. Tse, Eric S Y (*Chief Executive Officer*)  
Mr. Tse Hsin  
Mr. Tian Zhoushan  
Ms. Li Mingqin

*Registered office:*

Codan Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

*Independent non-executive Directors:*

Mr. Lu Zhengfei  
Mr. Li Dakui  
Ms. Lu Hong  
Mr. Zhang Lu Fu  
Dr. Li Kwok Tung Donald

*Head office and principal place of  
business in Hong Kong:*

Unit 09, 41st Floor, Office Tower  
Convention Plaza  
1 Harbour Road  
Wanchai  
Hong Kong

28 April 2023

*To the Shareholders*

Dear Sir or Madam,

**(1) GENERAL MANDATES TO ISSUE AND BUY BACK SHARES;  
(2) RE-ELECTION OF DIRECTORS;  
AND  
(3) ADOPTION OF SHARE OPTION SCHEME**

**INTRODUCTION**

This circular provides you with information relating to proposals for the grant of the Share Issue Mandate, the Share Buy-back Mandate, the re-election of Directors and the proposed adoption of the Share Option Scheme.

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## LETTER FROM THE BOARD OF DIRECTORS

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### GENERAL MANDATES TO ISSUE AND BUY BACK SHARES

At the annual general meeting of the Company held on 6 June 2022, general mandates were granted by the Shareholders to the Directors to exercise the power of the Company to allot and issue further Shares and to buy back Shares. Such mandates will lapse upon the conclusion of the AGM (unless previously revoked or varied by ordinary resolutions of the Shareholders). At the AGM, ordinary resolutions will be proposed to seek the approval of the Shareholders to grant to the Directors general mandates:–

- (i) to allot, issue and deal with additional Shares not exceeding 20% of the total number of issued shares of the Company as at the date of the AGM, which is equivalent to the issue of a maximum of 3,761,843,446 Shares on the basis that there is no change in the total number of issued Shares from the Latest Practicable Date to the date of the AGM, and to add to such general mandate so granted to the Directors any Shares bought back by the Company under the Share Buy-back Mandate; and
- (ii) to buy back Shares not exceeding 10% of the total number of issued shares of the Company as at the date of the AGM.

The general mandates if granted, will remain in effect until (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 to be held by the Articles or any applicable laws of the Cayman Islands or the Listing Rules; or (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company, whichever is the earliest.

An explanatory statement as required by the Listing Rules to be sent to the Shareholders in connection with the Share Buy-back Mandate is set out in Appendix 1 to this circular.

### RE-ELECTION OF DIRECTORS

In accordance with Article 87 of the Articles, the executive Director Ms. Cheng Cheung Ling and the independent non-executive Directors Ms. Lu Hong, Mr. Zhang Lu Fu, and Dr. Li Kwok Tung Donald will retire by rotation and, being eligible, offer themselves for re-election at the AGM.

None of the independent non-executive Directors who are proposed for re-election at the AGM has served the Board for more than nine years. Each of them has provided the Company with written confirmation on his or her independence, and the Board considers that they continue to be independent as they have satisfied all the criteria for independence set out in Rule 3.13 of the Listing Rules. The Board believes that the independent non-executive Directors' skills and knowledge and experience in the Company's affairs will continue to benefit the Board, the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD OF DIRECTORS

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Details of each of the aforesaid Directors who are proposed for re-election at the AGM are set out below:

### **Ms. Cheng Cheung Ling**

Ms. Cheng Cheung Ling (鄭翔玲女士), aged 59, is one of the founders of the Company, and is currently the vice chairwoman of the Board, an executive director, a member of the executive board committee, and the chairwoman of the environmental, social and governance committee of the Company and the chairwoman of CP Pharmaceutical (Qingdao) Co., Ltd. Ms. Cheng graduated from the Guanghua School of Management of Peking University and obtained a Master Degree in Business Administration. She is also a clinician. Having extensive experience in and a discerning vision for management and investment in pharmaceutical industry, she has made significant contribution to the business development of the Company in China and has also spared no effort in promoting innovation, R&D capabilities and international collaboration in the industry. When Ms. Cheng was at the helm of Beijing Tide Pharmaceutical Co. Ltd. (“Beijing Tide”), she advocated for innovations in R&D, production, sales, management, etc. and led Beijing Tide to step up its efforts in developing international collaboration, aiming at promoting rapid development of cutting-edge technologies for pharmaceutical industry in China. Riding on internationalization and innovation, Beijing Tide has achieved tremendous growth and become a leading company for the development, production and sales of targeted drugs in China under her leadership.

Over the years, Ms. Cheng is committed to facilitating communication and trade between the Mainland and Hong Kong, and has done remarkable work for the purposes of promoting national cohesion and attracting investments in the Mainland from Hong Kong. She is a devoted charity supporter, actively participating in and caring for community philanthropy. The distinguished community services provided by Ms. Cheng are well recognized by various domestic and overseas organisations. She has not only been appointed as a Justice of the Peace and awarded the Silver Bauhinia Star by the Government of Hong Kong SAR but also awarded by a number of organizations honours such as the 3rd session of “Sanqin Philanthropy Award (三秦慈善獎)” of Shanxi Province, “Bearer of Red Flag March 8 (三八紅旗手) of Shanxi Province”, the 4th session of “Jinghua Award (京華獎)” of Beijing, the 11th session of “Qindao Award (島琴獎)” of Qingdao City, and one of the “Top 10 Persons in Pharmaceutical Industry for 2022”. Public offices held by Ms. Cheng include the chairwoman of the Friendship Association of the Chinese People’s Political Consultative Conference (Hong Kong Provincial Committee), the chairwoman of the foundation of the Friendship Association of the Chinese People’s Political Consultative Conference (Hong Kong Provincial Committee), the president of the council of Hong Kong Belt & Road General Chamber of Commerce, a member of the Eighth, Ninth, Tenth, Eleventh, Twelfth and Thirteenth Standing Committees of the Shaanxi Province Chinese People’s Political Consultative Conference, a vice director of the Twelfth and Thirteenth Subcommittees of Hong Kong, Macao and Taiwan Compatriots and Overseas Chinese of the Shaanxi Province Chinese People’s Political Consultative Conference, the president of the General Association of Shaanxi Entrepreneurs, an executive vice chairwoman of the Beijing Overseas Chinese Chamber of Commerce, and a vice president of Beijing Federation of Industry & Commerce, etc.

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## LETTER FROM THE BOARD OF DIRECTORS

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Ms. Cheng is the mother of Ms. Tse, Theresa Y Y and Mr. Tse, Eric S Y, both being executive Directors and substantial shareholders of the Company.

Save as disclosed, Ms. Cheng has not held any directorship in any other listed companies in the past three years, and does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Ms. Cheng held 880,034,750 Shares, of which 205,034,750 Shares were held through her own interests and 675,000,000 Shares were held through Chia Tai Bainian Holdings Limited, the entire issued share capital of which was owned by Ms. Cheng. Save as disclosed above, Ms. Cheng did not have any interests or short position in shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO as at the Latest Practicable Date.

### **Ms. Lu Hong**

Ms. Lu Hong (魯紅女士), aged 53, joined the Company as an independent non-executive director and a member of the audit committee, the remuneration committee and the nomination committee, respectively, of the Company in April 2015. Ms. Lu has over 20 years of experience in accounting, financial management, company secretary and domestic and overseas capital operations fields. She is a member of the Chinese Institute of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Ms. Lu has extensive knowledge of the PRC and international accounting standards and the listing rules and regulations of both Hong Kong and the PRC. She was in charge of or involved in the entire process of the listing of multiple corporations in the PRC, Hong Kong, Singapore and the United States of America and quite a number of foreign and domestic investment and financing operations as well as mergers and acquisitions. She is familiar with financial analysis, budgeting, financial management and tax planning. She also has expertise in dealing with complex financing and taxation matters. Ms. Lu is an independent non-executive director of Xingye Alloy Materials Group Limited, which is listed on the Stock Exchange.

Save for mentioned above, Ms. Lu has not previously held and is not holding any other position with the Company or any of its subsidiaries, and has not held any directorship in any other listed companies in the past three years. Ms. Lu does not have any relationship with any directors, senior management or any substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Ms. Lu did not have any interests or short position in shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

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## LETTER FROM THE BOARD OF DIRECTORS

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### **Mr. Zhang Lu Fu**

Mr. Zhang Lu Fu (張魯夫先生), aged 65, joined the Company as an independent non-executive director and the chairman of the remuneration committee and a member of the nomination committee of the Company in April 2015. He had worked for multiple sectors of the Chinese government since 1987, including the Hong Kong branch of the Xin Hua News Agency (now known as Liaison Office of the Central People's Government in Hong Kong). After 2000, Mr. Zhang had worked for a number of Hong Kong listed companies and charitable organisations on full-time or part-time bases, successively holding positions such as chief representative for affairs in China, China affairs advisor, secretary-general (China affairs) of foundation, and executive president.

Mr. Zhang has served as the director-general of Friends of Hong Kong Association Ltd since 2008. He was appointed as a member of the Shenzhen Committee of the 4th Chinese People's Political Consultative Conference in 2008 and a council member of the China Overseas Friendship Association in 2013, and served successively as a standing council member of the Shenzhen Overseas Friendship Association and a standing council member of the Guangdong Overseas Friendship Association since 2015. He holds a Master Degree in Philosophy from the Beijing Normal University and was a research associate. He has been hired as a part-time professor of the Hong Kong Academy of Management since 2011. Mr. Zhang is an independent non-executive director of Kingboard Laminates Holdings Limited, which is listed on the Stock Exchange.

Save for mentioned above, Mr. Zhang has not previously held and is not holding any other position with the Company or any of its subsidiaries, and has not held any directorship in any other listed companies in the past three years. Mr. Zhang does not have any relationship with any directors, senior management or any substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Zhang did not have any interests or short position in shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

### **Dr. Li Kwok Tung Donald**

Dr. Li Kwok Tung Donald (*SBS, CStJ, JP*) (李國棟醫生), aged 68, joined the Company as an independent non-executive director and a member of the audit committee and nomination committee, respectively, of the Company in December 2020. Dr. Li is a specialist in family medicine in private practice in Hong Kong. He is the immediate past president of the World Organisation of Family Physicians (WONCA) and the past president of the Hong Kong Academy of Medicine as well as a censor of the Hong Kong College of Family Physicians.

Dr. Li graduated with a bachelor of arts degree from Cornell University, USA, in 1975 and followed by his study in medicine, he obtained a bachelor of medicine from the University of Hong Kong in 1980. He is a fellow of The Hong Kong College of General Practitioners, fellow of the Hong Kong Academy of Medicine, honorary fellow of the Hong Kong College of Dental Surgeons, honorary fellow of the Royal Australian College of

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## LETTER FROM THE BOARD OF DIRECTORS

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General Practitioners, honorary fellow of the Hong Kong College of Family Physicians, fellow of the Faculty of Public Health of the Royal College of Physicians of the United Kingdom, honorary fellow of the Academy of Family Physicians of Malaysia, registered Mainland China medical practitioner, fellow of the American College of Physicians, honorary fellow of the Royal College of Physicians of Thailand, fellow of the Academy of Medicine, Singapore, honorary fellow of the Royal College of Physicians of Ireland, and honorary fellow of the Royal College of General Practitioners.

Dr. Li is an honorary clinical professor in family medicine of the Chinese University of Hong Kong, honorary professor in the Faculty of Medicine of the University of Hong Kong, and the adjunct associate professor of the Faculty of Health Science of Macau University of Science and Technology. He is the chairman of the Action Committee Against Narcotics, the chairman of Elderly Commission, the director of the Hong Kong St. John Ambulance Association, the advisor to the Board & Executive Committee of Hong Kong Sheng Kung Hui Welfare Council, an honorary steward of the Hong Kong Jockey Club, and a senior advisor of Jiahui Health. He is also an honorary adviser of The Hong Kong Award for Young People, an adviser of Our Hong Kong Foundation, the chairman of the Professional Committee on Medical Health of Belt & Road General Chamber of Commerce in Hong Kong, and a member of the steering committee on Primary Healthcare Development of Food and Health Bureau in Hong Kong. Dr. Li is an independent non-executive director of C-MER Eye Care Holdings Limited, UMP Healthcare Holdings Limited, and New Horizon Health Limited, respectively, which are listed on the Stock Exchange.

Save for mentioned above, Dr. Li has not previously held and is not holding any other position with the Company or any of its subsidiaries, and has not held any directorship in any other listed companies in the past three years. Dr. Li does not have any relationship with any directors, senior management or any substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Dr. Li held 71,000 Shares. Apart from that, Dr. Li did not have any interests or short position in shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

### Directors' Emoluments

The amounts of emoluments received in 2022 by the Directors to be re-elected at the AGM are set out in the table below:

Directors	Fees <i>RMB'000</i>	Salaries, allowances and benefits in kind <i>RMB'000</i>	Discretionary bonuses <i>RMB'000</i>	Employee share option benefits <i>RMB'000</i>	Pension scheme benefits <i>RMB'000</i>	Total remuneration <i>RMB'000</i>
Ms. Cheng Cheung Ling	–	18,010	17,154	–	15	35,179
Ms. Lu Hong	309	–	–	–	–	309
Mr. Zhang Lufu	340	–	–	–	–	340
Dr. Li Kwok Tung Donald	340	–	–	–	–	340

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## LETTER FROM THE BOARD OF DIRECTORS

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The emoluments to be received in 2023 by the above Directors will be determined by the Board based on the remuneration policy of the Company, with reference to the Directors' qualification and experience, responsibilities undertaken, contribution to the Group, and the prevailing market level of remuneration of similar position.

### **Other Information**

Of the above Directors to be re-elected at the AGM, the executive Directors will not be appointed for a specific term while each of the independent non-executive Directors will be appointed for a term of two years. All of the aforesaid Directors shall be subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Articles, the laws of the Cayman Islands and the Listing Rules so far as the same may be applicable. There is no information which is discloseable or are/were the above Directors to be re-elected involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(w) of the Listing Rules, and the Board is not aware of any other matters which need to be brought to the attention of the Shareholders.

### **ADOPTION OF THE SHARE OPTION SCHEME**

#### **(1) Introduction**

The term of the Existing Share Option Scheme will expire on 28 May 2023.

As at the Latest Practicable Date, there were no outstanding share options under the Existing Share Option Scheme.

To enable the Company to continue to grant Options to the Eligible Participants, the Board proposes to recommend to the Shareholders at the AGM to approve and adopt the Share Option Scheme.

A summary of the principal terms of the Share Option Scheme is set out in the Appendix 2 to this circular.

#### **(2) The purpose**

The purpose of the Share Option Scheme is set out in the section headed "1. PURPOSE" in Appendix 2.

#### **(3) The conditions**

The conditions for the adoption of the Share Option Scheme are set out in the section headed "26. CONDITIONS OF THE SHARE OPTION SCHEME" in Appendix 2.

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## LETTER FROM THE BOARD OF DIRECTORS

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### (4) The Eligible Participants

The Eligible Participants and the criteria for determination of their eligibility are set out in the section headed “3. ELIGIBLE PARTICIPANTS AND THE BASIS OF ELIGIBILITY” in Appendix 2.

Whilst the scope of the Eligible Participants is not limited to the employees of the Group and the Directors, the Company considers that the Service Providers have made and may continue to make contributions to the Group.

In assessing whether the Service Providers provide services to the Group on a continuing and recurring basis and in its ordinary and usual course of business, the Board will take into consideration:

- (i) the length and type of services provided and the recurrences and regularity of such services;
- (ii) the nature of the services provided to the Group by the Service Provider; and
- (iii) whether such services form part of or are directly ancillary to the businesses conducted by the Group.

Having taken into account that:

- (i) the proposed categories of Service Providers are in line with the Group’s business needs;
- (ii) the consultant, advisors, suppliers, distributors, contractors and agents which provide services akin to employees of the Group, may not be able to serve as full-time or part-time employees of the Group;
- (iii) recognising the contribution of Service Providers may enhance their performance and further contribution to the Group; and
- (iv) the invaluable contributions from Service Providers are essential to the sustainable and successful development of the Group,

the Board (including the independent non-executive Directors) is of the view that the inclusion of Service Providers as Eligible Participants, the criteria of selection of the Eligible Participants, and the terms of the grants are fair and reasonable and align with the purpose of the Share Option Scheme to recognise contributions made and to be made to the growth and development of the Group and the long term interests of the Company and its Shareholders.

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## LETTER FROM THE BOARD OF DIRECTORS

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### **(5) Vesting period**

The vesting period of the Options is set out in the section headed “5. VESTING PERIOD” in Appendix 2. The same section also sets out circumstances in which the Board may grant Options with a vesting period shorter than the Minimum Period.

The Board and the remuneration committee of the Company are of the view that (i) there are certain instances (in circumstances (1) to (3) set out in the section headed “5. VESTING PERIOD” in Appendix 2) where a strict twelve (12)-month vesting requirement would not be fair to the Options holder(s); (ii) there is a need (in circumstance (4) set out in the section headed “5. VESTING PERIOD” in Appendix 2) for the Company for example to retain flexibility to reward exceptional performers with accelerated vesting period or as part of competitive terms and conditions to induce exceptional talents to join the Group (in circumstances (1) and (4) set out in the section headed “5. VESTING PERIOD” in Appendix 2); (iii) the Company should be allowed to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition; and (iv) the Company should have the flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances (in the circumstance (5) set out in the section headed “5. VESTING PERIOD” in Appendix 2).

For the reasons set out above, the Board and the remuneration committee of the Company are of the view that under the specific and limited the circumstances prescribed in the section headed “5. VESTING PERIOD” of Appendix 2 to this circular, granting Options that may have vesting period shorter than the Minimum Period would be appropriate and align with the purpose of the Share Option Scheme.

### **(6) Maximum number of Shares subject to the Share Option Scheme**

The total number of Shares which may be issued in respect of all Options which may be granted under the Share Option Scheme is set out in the section headed “7. MAXIMUM NUMBER OF SHARES AVAILABLE FOR ISSUE” in Appendix 2.

As at the Latest Practicable Date, the number of issued Shares was 18,809,217,230 Shares. Assuming that there will be no change in the number of issued Shares between the Latest Practicable Date and the Adoption Date, the total number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company would be 1,880,921,723 Shares, representing approximately 10% of the issued share capital of the Company on the date of approval of the Share Option Scheme.

Within the Scheme Mandate Limit, the Service Provider Sublimit would be 188,092,172 Shares, representing approximately 1% of the total number of Shares in issue on the date of approval of the Share Option Scheme.

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## LETTER FROM THE BOARD OF DIRECTORS

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The basis for determining the Service Provider Sublimit is that (i) the potential dilution effect arising from grants to the Service Providers; (ii) the importance of striking a balance between achieving the purpose of the Share Option Scheme and protecting the Shareholders from the dilution effect from granting a substantial number of Options to the Service Providers; (iii) the extent of use of Service Provider in the Group's businesses; (iv) the expected contribution to the development and growth of the Company attributable to the Service Providers; and (v) the Company expects that a majority of Options will be granted to the Employee Participants and as such there is a need to reserve a larger portion of the Scheme Mandate Limit for grants to the Employee Participants. The Company considers that the proportionately low limit of 1% would not lead to excessive dilution of existing Shareholders' shareholdings while allowing for the Board to grant Options to the clearly identified categories of Service Providers which would benefit the Company for the reasons explained in the paragraph headed "(4) The Eligible Participants" above. Having considered the innovation-driven and technological- driven nature of the Group's principal business, the Company considers that the Service Provider Sublimit limit is required to provide the Group with flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward and collaborate with persons who are not employees or officers of the Group, but who may have exceptional expertise in their field or who may be able to provide valuable expertise and services to the Group. Also having considered that there are no other share schemes of the Company involving grant of options over new Shares, notwithstanding the fact that the Company did not grant any share options to the Service Providers in the past, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable. The Service Provider Sublimit is subject to separate approval by the Shareholders at the AGM.

### **(7) Performance targets and clawback mechanism**

Save as determined by the Board and provided in the offer letter of the grant of an Option, the Share Option Scheme does not stipulate any performance target a Grantee is required to achieve before the relevant Option can be exercised nor any clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Participants.

The Board believes that this will provide the Board with more flexibility in setting out the terms and conditions of the Options under particular circumstances of each grant and facilitate the Board to offer suitable incentives to attract and retain quality personnel that are valuable to the development of the Group.

### **(8) Others**

As at the Latest Practicable Date, the Company has no other concrete plans to grant Options under the Share Option Scheme.

The Company understands that whilst the Share Option Scheme is not restricted to executives and employees of the Group, the adoption of the Share Option Scheme would not constitute an offer to public and prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

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## LETTER FROM THE BOARD OF DIRECTORS

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None of the Directors is and will be trustee of the Share Option Scheme nor has a direct or indirect interest in the trustee.

The Company will, where applicable, comply with the applicable requirements under Chapter 17 of the Listing Rules in respect of the operation of the Share Option Scheme.

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

### **(9) Application for Listing**

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued and allotted pursuant to the exercise of any Option that may be granted under the Share Option Scheme.

### **(10) Document on display**

A copy of the Share Option Scheme will be published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at <http://www.sinobiopharm.com> for a period of not less than 14 days before the date of the AGM and is also made available for inspection at the AGM.

## **AGM**

The notice convening the AGM is set out on pages 40 to 45 of this circular. Whether or not you intend to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the branch share registrar and transfer office of the Company, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not prevent you from attending and voting at the AGM or any adjourned meeting in person or via the e-Meeting System if you so wish and in such event, the form of proxy shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all the resolutions put to the vote at the AGM will be taken by way of poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules. Given that no Shareholder is considered as having a material interest in the resolutions to be proposed at the AGM, no Shareholder is required to abstain from voting at the AGM for the relevant resolutions.

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## LETTER FROM THE BOARD OF DIRECTORS

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### RECOMMENDATION

The Directors believe that the proposals for the grant of the Share Issue Mandate, the Share Buy-back Mandate, the re-election of Directors, and the adoption of the Share Option Scheme are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to approve the above matters to be proposed at the AGM.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,  
By order of the Board  
**Sino Biopharmaceutical Limited**  
**Tse, Theresa Y Y**  
*Chairwoman*

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## **SPECIAL ARRANGEMENTS FOR THE ANNUAL GENERAL MEETING**

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*Shareholders may appoint the chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM or attend virtually via the e-Meeting System, instead of attending the AGM in person.*

### **ATTENDING THE AGM BY MEANS OF ELECTRONIC FACILITIES**

The AGM will be a hybrid meeting using the e-Meeting System provided by Tricor Tengis Limited, the Company's branch share registrar and transfer office in Hong Kong, which allows Shareholders to participate in the AGM online in a convenient and efficient way from anywhere with internet connection, in addition to the traditional physical attendance at the AGM.

The e-Meeting System permits a "split vote" on a resolution, in other words, a Shareholder casting his/her/its votes through the e-Meeting System does not have to vote all of his/her/its Shares in the same way (i.e. "For" or "Against"). In the case of a proxy/corporate representative, he/she can vote such number of Shares in respect of which he/she has been appointed as a proxy/corporate representative. Votes cast through the e-Meeting System are irrevocable once the votes have been casted. The e-Meeting System will be opened for registered Shareholders and non-registered Shareholders (see below for login details and arrangements) to log in approximately 30 minutes prior to the commencement of the AGM and can be accessed from any location with internet connection by a mobile phone, tablet or computer device. Shareholders should allow ample time to check into the e-Meeting System to complete the related procedures.

#### **Login details for registered Shareholders**

Registered Shareholders will be able to attend the AGM, submit questions and vote online through the e-Meeting System. Each registered Shareholder's personalised username and password will be sent to him/her/it under a separate letter.

Registered Shareholders who do not receive their personalised username or password by 3:00 p.m. on Wednesday, 14 June 2023 may contact Tricor Tengis Limited for assistance at +852 2980 1333 between 9:00 a.m. to 5:00 p.m. (on a Business Day) or by email to [is-enquiries@hk.tricorglobal.com](mailto:is-enquiries@hk.tricorglobal.com).

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## **SPECIAL ARRANGEMENTS FOR THE ANNUAL GENERAL MEETING**

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### **Login details for non-registered Shareholders**

Non-registered Shareholders whose Shares are held in the Central Clearing and Settlement System through banks, stockbrokers, custodians or Hong Kong Securities Clearing Company Limited (collectively the “**Intermediary**”) may also be able to attend the AGM, submit questions and vote online through the e-Meeting System. In this regard, they should:

- (i) contact and instruct their Intermediary to appoint themselves as proxy or corporate representative to attend the AGM; and
- (ii) provide their email addresses to their Intermediary before the time limit required by the relevant Intermediary.

Details regarding the AGM arrangements including login details to access the e-Meeting System will be sent by Tricor Tengis Limited to the email addresses of the non-registered Shareholders provided by the Intermediary. Any non-registered Shareholder who has provided an email address through the relevant Intermediary for this purpose but has not received the login details by email by 3:00 p.m. on Wednesday, 14 June 2023 should reach out to Tricor Tengis Limited for assistance at +852 2980 1333 between 9:00 a.m. to 5:00 p.m. (on a Business Day) or by email to [is-enquiries@hk.tricorglobal.com](mailto:is-enquiries@hk.tricorglobal.com). Without the login details, non-registered Shareholders will not be able to participate and vote using the e-Meeting System. Non-registered Shareholders should therefore give clear and specific instructions to their Intermediary in respect of both (i) and (ii) above.

### **Login details for proxies or corporate representatives**

Details regarding the AGM arrangements including login details to access the e-Meeting System will be sent by Tricor Tengis Limited to the email addresses of the proxies or corporate representatives provided to it in the relevant proxy forms.

**Registered and non-registered Shareholders should note that only one device is allowed in respect of each set of login details. Please keep the login details in safe custody for use at the AGM and do not disclose them to anyone else. Neither the Company nor its agents assume any obligation or liability whatsoever in connection with the transmission of the login details or any use of the login details for voting or otherwise.**

### **QUESTIONS AT AND PRIOR TO THE AGM**

Shareholders attending the AGM using the e-Meeting System will be able to submit questions relevant to the proposed resolutions online during the AGM. Shareholders can also send their questions by email from 9:00 a.m. on Friday, 28 April 2023 to 6:00 p.m. on Tuesday, 13 June 2023 to [info@sino-biopharm.com](mailto:info@sino-biopharm.com). The Board and/or the management will endeavour to address substantial and relevant questions in relation to the resolutions to be tabled for approval at the meeting and may decide, at their discretion, which questions to respond to.

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## **SPECIAL ARRANGEMENTS FOR THE ANNUAL GENERAL MEETING**

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### **APPOINTMENT OF PROXY**

#### **Registered Shareholders**

A proxy form for use at the AGM is enclosed with this circular. A copy of the proxy form can also be downloaded from the websites of the Company at [www.sinobiopharm.com](http://www.sinobiopharm.com) and Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk). The deadline to submit completed proxy forms to the Company's Branch Share Registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for Shareholders registered in Hong Kong) is not less than 48 hours before the time appointed for holding the AGM (i.e. at or before 11:00 a.m. on Tuesday, 13 June, 2023 (Hong Kong Time)), or any adjournment thereof (as the case may be). Registered Shareholders submitting the proxy form are requested to provide a valid email address of his or her proxy (except for appointment of the Chairman of the AGM) for the proxy to receive the username and password to participate in the online virtual meeting via the e-Meeting System.

#### **Non-registered Shareholders**

Non-registered Shareholders should contact their Intermediary or stockbroker as soon as possible for assistance in the appointment of proxy.

If Shareholders have any questions relating to the AGM, please contact Tricor Tengis Limited as follows:

**Tricor Tengis Limited**

17/F, Far East Finance Centre  
16 Harcourt Road, Hong Kong  
Telephone: (852) 2980 1333  
Facsimile: (852) 2810 8185

*This appendix serves as an explanatory statement as required by the Listing Rules to provide the requisite information to you for your consideration of the Share Buy-back Mandate.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the number of issued shares of the Company was 18,809,217,230 Shares.

Subject to the passing of the relevant ordinary resolution at the AGM and assuming there is no change in the number of issued shares of the Company from the Latest Practicable Date to the date of the AGM, the Directors will be authorised to buy back up to 1,880,921,723 Shares pursuant to the Share Buy-back Mandate.

## **2. REASONS FOR BUY BACK**

The Directors believe that it is in the best interests of the Company and its Shareholders to have a general authority from the Shareholders to enable the Directors to buy back the shares of the Company in the market. Such buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or earnings per share and will only be made when the Directors believe that such buy-backs will benefit the Company and the Shareholders as a whole.

## **3. FUNDING OF BUY-BACKS**

In buying back the shares of the Company, the Company may only apply funds legally available for such purpose in accordance with its Articles and all applicable laws. It is envisaged that the funds required for any buy-back would be derived from the distributable profits of the Company.

The Share Buy-back Mandate, if exercised in full, may have a material adverse effect on the working capital or gearing position of the Company as compared with the position disclosed in the Company's most recent published audited accounts. The Directors, however, do not propose to exercise the Share Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing level of the Company which in the opinion of the Directors is from time to time appropriate for the Company.

## **4. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS**

None of the Directors, to the best of their knowledge after having made all reasonable enquiries, nor any of their associates (as defined in the Listing Rules) currently intend to sell any Shares to the Company in the event that the Share Buy-back Mandate is granted by the Shareholders at the AGM.

No core connected person, as defined in the Listing Rules, has notified the Company that he or she has a present intention to sell any Shares held by him or her to the Company, or that he or she has undertaken not to sell any Shares held by him or her to the Company, in the event that the Share Buy-back Mandate is granted by the Shareholders at the AGM.

## **5. UNDERTAKING**

The Directors have undertaken to the Stock Exchange that they will exercise the Share Buy-back Mandate in accordance with the Listing Rules, the laws of the Cayman Islands and the Articles so far as the same may be applicable.

## **6. EFFECT OF THE TAKEOVERS CODE**

If, on the Company's exercise of its power to buy back the shares of the Company pursuant to the Share Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of such increase, could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge of the Company, each of Mr. Tse Ping (through his own interests and interests in Validated Profits Limited), Ms. Cheng Cheung Ling (through her own interests and interests in Chia Tai Bainian Holdings Limited), Ms. Tse, Theresa Y Y (through her controlling interests in France Investment (China 1) Group Limited), and Mr. Tse, Eric S Y (through his interests in Thousand Eagles Limited and Remarkable Industries Limited) was interested in 1,621,403,124 Shares, 880,034,750 Shares, 2,279,254,761 Shares, and 4,050,000,000 Shares, respectively, representing approximately 8.62%, 4.68%, 12.11%, and 21.53% of the number of issued shares of the Company, respectively. In the event that the Directors exercise in full the power to buy back Shares pursuant to the Share Buy-back Mandate, the shareholding interests of Mr. Tse Ping, Ms. Cheng Cheung Ling, Ms. Tse, Theresa Y Y, and Mr. Tse, Eric S Y in the Company would be increased to approximately 9.58%, 5.20%, 13.46%, and 23.92% of the number of issued shares of the Company respectively. The Directors do not intend to exercise the Share Buy-back Mandate to such an extent as would result in a Shareholder or a group of Shareholders acting in concert becoming obliged to make a mandatory general offer under Rule 26 of the Takeovers Code and accordingly, it is not anticipated that purchases of Shares under the Buy-back Mandate will give rise to any consequences under the Takeovers Code.

The Directors are not aware of any consequences such that the public float of the issued shares of the Company will be reduced to less than 25% as a result of any purchases of Shares to be made under the Share Buy-back Mandate.

## 7. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the twelve months preceding the Latest Practicable Date are as follows:

	Shares	
	Highest HK\$	Lowest HK\$
<b>2022</b>		
April	4.87	3.83
May	4.44	3.62
June	5.00	4.00
July	5.39	4.49
August	4.58	3.99
September	4.18	3.58
October	4.31	3.59
November	4.71	3.86
December	4.93	4.30
<b>2023</b>		
January	5.00	4.44
February	4.87	4.03
March	4.46	4.04
April (up to and including the Latest Practicable Date)	4.73	3.97

## 8. SHARE BUY-BACK MADE BY THE COMPANY

The Company bought back an aggregate of 4,650,000 Shares on the Stock Exchange during the six months preceding the Latest Practicable Date, details of which are as follows:

Date (dd/mm/yyyy)	Number of Shares bought back	Highest price paid per Share HK\$	Lowest price paid per Share HK\$	Total amount paid HK\$
20/02/2023	1,500,000	4.22	4.22	6,330,000
24/02/2023	1,500,000	4.12	4.12	6,180,000
28/02/2023	<u>1,650,000</u>	4.05	4.05	<u>6,682,500</u>
Total	<u>4,650,000</u>			<u>19,192,500</u>

*The following is a summary of the principal terms of the Share Option Scheme to be approved and adopted by ordinary resolution at the annual general meeting, but such summary does not form part of, nor was it intended to be, part of the Share Option Scheme, nor should it be taken as affecting the interpretation of the rules of the Share Option Scheme:*

**1. PURPOSE**

The purpose of the Share Option Scheme is to attract and retain the best available personnel of the Group, to provide additional incentive to the Eligible Participants and to promote the success of the business of the Group. The Share Option Scheme will give the Eligible Participants an opportunity to have a personal stake in the Company and will help motivate the Eligible Participants in optimising their performance and efficiency and attract and retain the Eligible Participants whose contributions are important to the long-term growth of the Group.

**2. ADMINISTRATION OF THE SHARE OPTION SCHEME**

The Share Option Scheme shall be subject to the administration of the Board whose decision on all matters arising in relation to the Share Option Scheme or its interpretation or application or effect shall (save as otherwise provided in the Share Option Scheme and in the absence of manifest error) be final and binding on all persons who may be affected thereby. For the avoidance of doubt, subject to compliance with the requirements of the Listing Rules and the provisions of the Share Option Scheme, the Board shall have the right to (i) interpret and construe the provisions of the Share Option Scheme; (ii) determine the persons who will be offered Options under the Share Option Scheme, and the number of Shares and the subscription price of the Shares, in relation to such Options; (iii) make such appropriate and equitable adjustments to the terms of Options granted under the Share Option Scheme as it may deem necessary; and (iv) make such other decisions or determinations or regulations as it shall deem appropriate for the administration of the Share Option Scheme.

**3. ELIGIBLE PARTICIPANTS AND THE BASIS OF ELIGIBILITY**

The Eligible Participants are the Employee Participants and the Service Providers.

In determining the basis of eligibility for Employee Participants, the factors in assessing whether any person is eligible to participate in the Share Option Scheme include: (1) the performance of the Employee Participants; (2) their time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (3) their length of engagement with the Group; and (4) their contribution or potential contribution to the development and growth of the Group.

A service provider (“**Service Provider**”) refers to a person who provides services to any member of the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, and fall into any of the following categories, provided that placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity shall be excluded.

**(1) Consultants and advisors**

- (a) (i) Consultants refer to those who apply their specialised skills and knowledge (x) to provide consultancy services and related professional services to any member of the Group on areas relating to the Group’s principal business activities that are being carried out by the Group from time to time (including for example experts in pharmaceuticals being developed by the Group from time to time, and the research and development, commercialization, marketing and upgrading of those pharmaceuticals); and (y) to help maintain or enhance the competitiveness of the Group by for example introducing new customers or business opportunities to any member of the Group, and management consultancy to upgrade the corporate image, digitization, and investor relations, which are desirable from a commercial or strategic perspective.
- (ii) Similar to consultants, advisors refer to those who apply their specialised skills and knowledge to provide advisory services in the two main areas set out in (i) above. They typically include experts who have stepped down from employment position. They may be veterans in their own fields or professionals with many business connections which the Group may not be able to recruit them as employees.
- (b) The Board shall, in its absolute discretion, take into account
- (i) the performance of the Service Provider including its capability, expertise and technical know-how;
- (ii) its experience and network in the relevant industry;
- (iii) the frequency of collaboration and length of business relationship with the Group;
- (iv) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties and the relevant replacement costs);
- (v) the background, reputation and track record of the Service Provider;

- (vi) the potential and/or actual contribution to the business affairs of the Group, and in particular, whether such Service Provider could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by services provided by such Service Provider;
- (vii) the business opportunities and external connections that the Service Provider has introduced or will potentially introduce to the Group; and
- (viii) other factors, including but not limited to the synergy between the Service Provider and the Group.

**(2) Suppliers, distributors, contractors and agents**

- (a)
  - (i) Suppliers refer to those who are engaged in businesses that supply the Group with goods and raw materials on a regular or recurring basis with which the Group would consider important to maintain a close business relationship on an ongoing basis.
  - (ii) Distributors refer to those who are engaged in businesses would be businesses that supply the Group with services in connection with distribution of its pharmaceutical products on a regular or recurring basis with which the Group would consider important to maintain a close business relationship on an ongoing basis.
  - (iii) Contractor and agents refer to the same category of Service Providers that are engaged in businesses that contract with the Group, as principal or as agent, to provide important services to the Group on a regular or recurring in technology, logistics, procurement, marketing, manufacturing, research and development of pharmaceutical products, human resources and public relations with which the Group would consider important to maintain a close business relationship on an ongoing basis.
- (b) The Board shall, in its absolute discretion, take into account:
  - (i) the scale of the Service Provider's collaboration and business dealings with the Group in terms of the overall purchases or sales attributable to it;
  - (ii) the ability of the Service Provider to maintain the quality of services;
  - (iii) the performance of the Service Provider and track record, including whether the Service Provider has a proven track record of delivering quality services; and

- (iv) the length of business relationship between the Service Provider and the Group.

#### **4. GRANT AND ACCEPTANCE OF OPTIONS**

Subject to and in accordance with the provisions of the Share Option Scheme and the Listing Rules, the Board shall be entitled (but shall not be bound), at any time and from time to time and within a period commencing on the Adoption Date and ending on the Termination Date (both dates inclusive), to make an Offer to such Eligible Participant as it may, in its absolute discretion, select, and subject to such conditions as the Board may think fit, to subscribe for such number of Shares (being a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof) as the Board may, subject to section 7, determine at the subscription price pursuant to section 6, provided that no such Offer shall be made if a prospectus is required to be issued under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any applicable laws or if such grant will result in the breach by the Company or any of the Directors of any applicable securities laws and regulations in any jurisdiction.

An Offer shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the Board may from time to time determine specifying the number of Shares and the Option Period and requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the Share Option Scheme. An Offer shall remain open for acceptance by the Eligible Participant concerned (and by no other person, including the Eligible Participant's personal representative) for a period of twenty-one (21) days from the date of offer.

An Offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all the Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant, together with a payment in favour of the Company of HK\$1.00 as consideration for the grant thereof, is received by the Company.

Any Offer may be accepted by an Eligible Participant in respect of less than the number of Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. The relevant Options offered but not accepted shall lapse.

**5. VESTING PERIOD**

Save for the circumstances prescribed below, an Option must be held by the Grantee for a period that is not shorter than the Minimum Period before the Option can be exercised.

In relation to Employee Participants only, the Board may at its discretion grant Options with a vesting period shorter than the Minimum Period in the following circumstances:

- (1) grants of “make-whole” Options to new joiners to replace the share options they forfeited when leaving the previous employers;
- (2) grants to an Eligible Participant whose employment is terminated due to death or occurrence of any out of control event;
- (3) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch;
- (4) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months; or
- (5) grants with performance-based vesting conditions in lieu of time-based vesting criteria.

**6. EXERCISE OF OPTIONS AND SUBSCRIPTION PRICE OF SHARES**

An Option may be exercised in whole or in part by the Grantee giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is so exercised.

Each of such notice must be accompanied by a remittance for the full amount of the subscription price for the Shares in respect of which the notice is given.

Within twenty-eight (28) days after receipt of the notice and the remittance and, where appropriate, after receipt of the certificate of the Company’s auditors or independent financial advisers, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, in the event of an exercise of Option by his or her personal representative, to the estate of the Grantee) credited as fully paid and instruct the share registrar of the Company to issue to the Grantee (or his or her personal representative(s)) a share certificate for the Shares so allotted.

Holders of the Options are not entitled to voting, dividend, transfer and other rights of the holders of the Shares, including those arising on a liquidation of the Company, save as otherwise provided in the Share Option Scheme or under the relevant laws or the memorandum of association and the articles of the Company in effect from time to time.

The subscription price for Shares to be subscribed under the Share Option Scheme may be determined by the Board at its absolute discretion, provided that it shall not be less than the highest of:

- (1) the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange on the offer date, which must be a Business Day;
- (2) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) consecutive days on which the Shares are traded on the Stock Exchange immediately preceding the offer date; and
- (3) the nominal value of the Share on the offer date.

Where a relevant Option is to be granted under section 8 or section 9, for the purposes of the paragraph (1) and paragraph (2) above, the date of the Board meeting at which the grant was proposed shall be taken to be the offer date for such relevant Option, and the provisions as set above shall apply *mutatis mutandis*.

## **7. MAXIMUM NUMBER OF SHARES AVAILABLE FOR ISSUE**

### **The Scheme Mandate Limit**

- (1) The total number of Shares which may be issued in respect of all Options which may be granted at any time under the Share Option Scheme together with options and awards which may be granted under any other schemes of the Company shall not exceed such number of Shares as equals 10 % of the Shares in issue as at the Adoption Date (the “**Scheme Mandate Limit**”), which is 1,880,921,723 Shares assuming there is no change in the number of Shares in issue during the period between the Latest Practicable Date and the Adoption Date. Options lapsed in accordance with the terms of the Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit;

### **The Service Provider Sublimit**

- (2) Subject to paragraph (1) above, the total number of Shares which may be issued in respect of all Options which may be granted at any time under the Share Option Scheme together with options and awards which may be granted under any other share schemes for the time being of the Company to Service Providers shall not exceed such number of Shares as equals to 1% of the Shares in issue as at the Adoption Date (the “**Service Provider Sublimit**”) within the Scheme Mandate Limit. Options lapsed in accordance with the terms of the Share Option Scheme will not be regarded as utilised for the purpose of calculating the Service Provider Sublimit;

**Refreshment**

- (3) (a) the Company may seek approval of the Shareholders in a general meeting of the Company to refresh the Scheme Mandate Limit and/or the Service Provider Sublimit under the Share Option Scheme on or after the third anniversary of the date of the Shareholders' approval for the last refreshment or the Adoption Date. The total number of Shares which may be issued upon exercise of all (i) the Options under the Share Option Scheme and (ii) the options and awards to be granted under any other schemes of the Company as "refreshed" must not exceed 10 % of the Shares in issue as at the date of approval of the refreshment. For the purpose of seeking approval of the Shareholders under this paragraph (3), the Company must send a circular to the Shareholders containing the information required under the Listing Rules; and
- (b) any refreshment within any three-year period shall be subject to independent Shareholders' approval pursuant to Rule 17.03C(1)(b) of the Listing Rules.

**Grant in excess of the Scheme Mandate Limit**

- (4) The Company may seek separate approval of the Shareholders in a general meeting of the Company for granting Options exceeding the Scheme Mandate Limit provided that the Options in excess of the Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. For the purpose of seeking approval of the Shareholders under this paragraph (4), the Company must send a circular to the Shareholders containing a generic description of the specified Eligible Participants who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose, and such other information as required under the Listing Rules. The number and terms (including the subscription price) of Options to be granted to such Eligible Participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the subscription price.

**8. GRANT OF OPTIONS TO A DIRECTOR, CHIEF EXECUTIVE OR  
SUBSTANTIAL SHAREHOLDER OF THE COMPANY OR ANY OF THEIR  
ASSOCIATES**

- (1) Any grant of Options to a Director, a chief executive of the Company or substantial shareholder (as defined under the Listing Rules), or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Grantee of an Option).

- (2) (a) Where any grant of an Option to an independent non-executive Director or a substantial shareholder (as defined in the Listing Rules), or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) to such person in the twelve (12)-month period up to and including the date of such grant representing in aggregate exceeding 0.1% of the Shares in issue, such grant of Option must be approved by the Shareholders in a general meeting of the Company.
- (b) The Company must send a circular to the Shareholders. The circular must contain the following information:
- (i) details of the number and terms of the Options to be granted to each selected Eligible Participant, which must be fixed before the Shareholders' meeting. In respect of any Options to be granted, the date of the Board meeting for proposing such further grant is to be taken as the date of grant for the purpose of calculating the exercise price of such Options;
  - (ii) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Options) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting;
  - (iii) the information required under Rule 17.02(2)(c) of the Listing Rules; and
  - (iv) the information required under Rule 2.17 of the Listing Rules.

- (c) The Grantee, his associates and all the core connected persons must abstain from voting in favour of the proposed grant at such general meeting. Parties that are required to abstain from voting in favour of the proposed grant at the general meeting of the Company pursuant to Rule 17.04(4) of the Listing Rules may vote against the resolution at the general meeting of the Company, provided that their intention to do so has been stated in the relevant circular to the Shareholders.
  - (d) Any vote taken at the general meeting of the Company to approve the grant of such Option must be taken on a poll and comply with the requirements under the Listing Rules.
- (3) Any change in the terms of options (including an Option) or awards granted to an Eligible Participant who is a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates must be approved by the Shareholders in the manner as set out in Rule 17.04(4) of the Listing Rules if the initial grant of the options requires such approval (except where the changes take effect automatically under the existing terms of the Share Option Scheme).

## **9. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT**

Where any grant of an Option to an Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) in the twelve(12)-month period up to and including the date of such grant representing in aggregate exceeding 1% of the Shares in issue, such grant must be separately approved by the Shareholders in a general meeting of the Company with such Eligible Participant and the person's close associates (or associates if the Eligible Participant is a connected person) abstaining from voting.

The Company must send a circular to the Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the Options to be granted (and Options previously granted to such Eligible Participant during the twelve(12)-month period), the purpose of granting the Options to the Eligible Participant, an explanation as to how the terms of the Options serve such purpose and such information as may be required by the Stock Exchange from time to time. The number and terms (including the subscription price) of the Option to be granted to such Eligible Participant must be fixed before the general meeting of the Company, and the date of the meeting of the Board for proposing such grant should be taken as the offer date for the purpose of calculating the subscription price.

**10. TIME OF EXERCISE OF OPTIONS**

Subject to the terms of the Share Option Scheme, an Option may be exercised in whole or in part at any time during the Option Period, provided that such period shall not go beyond the day immediately prior to the tenth anniversary of the offer date with respect of the relevant Option.

The Board may at its discretion specify any condition in the offer letter at the grant of the relevant Option which must be satisfied before an Option may be exercised. Save as determined by the Board and provided in the offer of the grant of the relevant Option, there is no performance target which must be achieved before an Option can be exercised under the terms of the Share Option Scheme nor any clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Participant.

**11. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS****Grant of Options may not be made:**

- (1) after inside information (having the meaning defined in the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong) has come to the knowledge of the Company until (and including) the trading day after it has been announced pursuant to the requirements of the Listing Rules;
- (2) during the period commencing from one (1) month immediately preceding the earlier of:
  - (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approving the Company's results for any year, half-year or quarter-year period or any other interim period (whether or not required under the Listing Rules); and
  - (b) the deadline for the Company to publish its results for any year, half-year or quarter-year period under the Listing Rules, or any other interim period (whether or not required under the Listing Rules)

and ending on the date of the results announcements (or during any period of delay in publishing results announcements); and

- (3) with respect to an Eligible Participant who is subject to the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") as set out in Appendix 10 of the Listing Rules during the periods or times in which such Eligible Participant is prohibited from dealing in the Shares pursuant to the Model Code, or any corresponding code or securities dealing restrictions adopted by the Company.

**12. RIGHTS ARE PERSONAL TO GRANTEES**

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Option or any part thereof granted to such Grantee to the extent not already exercised.

**13. RIGHTS ON CESSATION OF EMPLOYMENT OR DIRECTORSHIP**

In the event that the Grantee ceases to be an Eligible Participant by reason of termination of his employment with any member of the Group on any one or more of the following grounds:

- (1) that the Grantee has been guilty of serious misconduct;
- (2) that the Grantee has been convicted of any criminal offence involving the person's integrity or honesty or in relation to any member of the Group (if so determined by the Board);
- (3) that the Grantee has become insolvent, bankrupt or has made arrangements or compositions with the Grantee's creditors generally; or
- (4) on any other ground as determined by the Board that would warrant the termination of the Grantee's employment at common law or pursuant to any applicable laws or under the Grantee's service contract with any member of the Group,

before exercising the Option in full, the Grantee's Option (to the extent not already exercised) shall lapse and shall not be exercisable on the date of cessation, or such longer period as the Board may determine.

In the event that the Grantee, by reason of the Grantee's employment with any member of the Group, ceases to be an Eligible Participant by reason of retirement as an employee in accordance with the Grantee's contract of employment (all evidenced to the satisfaction of the Board), or the termination of the Grantee's employment with the Company provided that none of the events which would be a ground for termination of the Grantee's employment or directorship set out in the paragraph above arises, before exercising the Option in full, the Grantee may exercise the Option (to the extent not already exercised) in whole or in part within ninety (90) days following the date of such cessation, or such longer period as the Board may determine and such Option to the extent not so exercised shall lapse and determine at the end of the abovementioned period.

**14. RIGHTS ON DEATH**

In the event that the Grantee ceases to be an Eligible Participant by reason of the person's death before exercising the Option in full (and if the Grantee is an Employee Participant, provided that none of the events which would be a ground for termination of the person's employment or directorship under section 13 arises), the Grantee's personal representative may exercise the Option (to the extent not already exercised) in whole or in part in within ninety (90) days following the date of death, or such longer period as the Board may determine and such Option to the extent not so exercised shall lapse and determine at the end of the abovementioned period.

**15. RIGHTS ON INJURY, DISABILITY, ILL-HEALTH**

In the event that the Grantee, by reason of the Grantee's employment with any member of the Group, ceases to be an Eligible Participant by reason of injury, disability, ill-health before exercising the Option in full, the Grantee may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the terms of the Share Option Scheme within ninety (90) days following the date of such cessation, or such longer period as the Board may determine and such Option to the extent not so exercised shall lapse and determine at the end of the abovementioned period.

**16. RIGHTS ON BREACH OF CONTRACT**

In the event that the Grantee who is a Service Provider ceases to be an Eligible Participant by reason of any one or more of the following grounds:

- (1) that there has been a breach of contract entered into between the Grantee and any member of the Group;
- (2) that the Grantee's engagement or appointment has been terminated in the sole and absolute opinion of the Board;
- (3) that the Board, in its sole and absolute opinion, believes that the Grantee has become a competitor of any member of the Group;
- (4) that the Grantee has become bankrupt or insolvent or made any arrangement or composition with his creditors generally;
- (5) that the Grantee has committed any serious misconduct; or
- (6) that the Grantee has been convicted of any criminal offence (other than an offence which, in the sole and absolute opinion of the Board, does not bring the Grantee or any member the Group into disrepute),

the Option (to the extent not already exercised) shall lapse and shall not be exercisable on the date of the Board's determination.

**17. RIGHTS ON CESSATION FOR OTHER REASONS**

In the event that the Grantee ceases to be an Eligible Participant for any reason other than the reasons specified in section 13 to section 16 above, the Grantee's Option (to the extent not already exercised) shall lapse and shall not be exercisable on the date of cessation provided that in each case, the Board may, in its absolute discretion, decide that such Option or any part thereof shall not so lapse or determine such conditions or limitations to which the exercise of such Option will be subject to.

**18. RIGHTS ON A GENERAL OFFER**

If a general or partial offer, whether by way of take-over offer, share repurchase offer, or scheme of arrangement or otherwise in like manner is made to all the Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert (as defined in the Takeovers Code) with the offeror, the Company shall use its reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders.

If such general or partial offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders, the Grantee shall, notwithstanding any other terms on which his Option were granted, be entitled to exercise the Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company at any time within thirty (30) days after the date on which such general or partial offer becomes or is declared unconditional, or within thirty (30) days after the record date for entitlements under the scheme of arrangement, as the case may be.

**19. RIGHTS ON WINDING UP**

In the event that a notice is given by the Company to the Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as it despatches such notice to each Shareholder give notice thereof to all the Grantees (containing an extract of the provisions of this paragraph) and thereupon, each Grantee or his personal representative shall be entitled to exercise all or any of his Options (to the extent not already exercised) by giving notice in writing to the Company in accordance with the terms of the Share Option Scheme.

Such notice shall be received by the Company no later than five (5) Business Days prior to the proposed general meeting, accompanied by a payment for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given.

Upon receipt, the Company shall as soon as possible and, in any event, no later than 3:00 p.m. on the Business Day (Hong Kong time) immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Grantee or his personal representative credited as fully paid and register the Grantee or his personal representative (as the case may be) as holder thereof.

**20. RIGHTS ON RECONSTRUCTION, COMPROMISE OR ARRANGEMENT**

In the event that a compromise or arrangement between the Company and the Shareholders or its creditors is being proposed for the purpose of or in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all the Grantees on the same date as it gives notice of the meeting to the Shareholders or its creditors to summon a meeting to consider such a scheme or arrangement and the Options (to the extent not already exercised) shall become exercisable in whole or in part on such date until the earlier of (i) sixty (60) days after that date or (ii) at any time not later than five (5) Business Days prior to the date of the meeting directed to be convened by the court for the purposes of considering such a scheme or arrangement (the “**Suspension Date**”).

Any Grantee or his personal representative may by notice in writing to the Company in accordance with the terms of the Share Option Scheme, accompanied by a payment of the full amount of the aggregate subscription price for the Shares in respect of which the notice is given, exercise the relevant Options.

Upon receipt, the Company shall as soon as possible and, in any event, no later than 3:00 p.m. on the Business Day (Hong Kong time) immediately prior to the date of the proposed meeting referred to above, allot and issue such number of Shares to the Grantee or his personal representative which falls to be issued on such exercise of Option credited as fully paid and register the Grantee or his personal representative (as the case may be) as holder thereof.

With effect from the Suspension Date, the rights of all the Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all the Options shall, to the extent that they have not been exercised, lapse and shall be terminated.

**21. CANCELLATION OF OPTIONS**

Any Option granted may not be cancelled except with the written consent of the relevant Grantee and the prior approval of the Board. Where the Company cancels Options and makes a new grant to the same Grantee, such new grant may only be made under the Share Option Scheme with the available limit approved by the Shareholders as set out in section 7 above. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

**22. EFFECT OF ALTERATIONS TO SHARE CAPITAL**

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or whilst the Share Option Scheme remains in effect, and such event arises from a capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction while any Option remains exercisable), then, in any such case (other than in the case of capitalisation issue) the Company shall instruct the auditors or independent financial adviser to certify in writing:

- (1) the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to:
- (2) the number or nominal amount of Shares to which the Share Option Scheme or any Options relates (insofar as it is/they are unexercised); and/or
- (3) the subscription prices of any unexercised Options,

and an adjustment as so certified by the auditors or the independent financial adviser shall be made, provided that:

- (a) any such adjustment shall be made on the basis that the aggregate subscription price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event;
- (b) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;
- (c) any such adjustment shall be made on the basis that a Grantee shall be given the same proportion of the issued share capital of the Company, rounded to the nearest whole Share, for which such Grantee would have been entitled to subscribe had the person exercised all the Options held by him immediately prior to such event (as interpreted in accordance with FAQ No. 072-2020 or any further or updated guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time);
- (d) the issue of securities of the Company for cash or as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and
- (e) in respect of any such adjustments, the auditors or the independent financial adviser must confirm to the Board in writing that the adjustments satisfy the requirements set out above, the requirements of Rule 17.03(13) of the Listing Rules, FAQ 072-2020, any relevant provisions of the Listing Rules and any guidance/interpretation of the Listing Rules issued by the Stock Exchange and the note thereto from time to time.

Subject to the above principles and certification procedures, the default method of adjustment is set out below.

- (1) In the case of a capitalisation issue or rights issue, the Company would calculate the adjusted number of Options and adjusted exercise price by applying the formula prescribed (and as updated from time to time) by the Stock Exchange in section A(a) and A(b), respectively, of the “APPENDIX TO SUPPLEMENTARY GUIDANCE ON MAIN BOARD LISTING RULE 17.03(13)” (the “**Supplemental Guidance**”) to FAQ No. 072-2020 published by the Stock Exchange, set out below.

New number of Options = Existing Options x F

New Exercise Price = Existing exercise price x  $\frac{1}{F}$

Where

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

CUM = Closing price as shown in the daily quotation sheet of the Stock Exchange on the last day of trading before going ex-entitlement

$$\text{TEEP (Theoretical ex-entitlement price)} = \frac{\text{CUM} + [M \times R]}{1 + M}$$

M = Entitlement per existing Share

R = Subscription price

- (2) In the case of a consolidation, subdivision or reduction of share capital, the Company would calculate the adjusted number of Options and exercise price by applying the formula prescribed (and as updated from time to time) by the Stock Exchange in section B of the Supplemental Guidance, set out below.

New number of Options = Existing Options x F

New exercise price = Existing exercise price x  $\frac{1}{F}$

Where F = Subdivision or consolidation or reduction factor

Any dispute arising in connection with the number of Shares of an Option and any of the matters referred to this section shall be referred to the decision of the Company’s auditors or the independent financial advisers of the Company who shall act as experts and not as arbitrators and whose decision, in the absence of manifest error, shall be final, conclusive and binding on all persons who may be affected thereby.

**23. RANKING OF SHARES**

Shares allotted and issued upon the exercise of an Option will be subject to all the provisions of the Articles and will rank *pari passu* in all respects with the other existing Shares in issue on the date of allotment and issue of the relevant Shares.

**24. DURATION OF THE SHARE OPTION SCHEME**

The Share Option Scheme shall be valid and effective until the Termination Date, after which period no further Options will be granted but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted on or prior to the Termination Date or otherwise as may be required in accordance with the provisions of the Share Option Scheme.

**25. ALTERATIONS TO THE TERMS OF THE SHARE OPTION SCHEME**

The Share Option Scheme may be altered in any respect by a resolution of the Board provided that:

- (1) any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any alteration in relation to any matter contained in Rule 17.03 of the Listing Rules to the advantage of the Eligible Participants must be approved by the Shareholders in a general meeting of the Company;
- (2) any change to the terms of Options granted to a Grantee must be approved by the Board, the remuneration committee, the independent non-executive Directors and/or the shareholders of the Company (as the case may be) if the initial grant of the Options was approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders (as the case may be) (except any changes which take effect automatically under the terms of the Share Option Scheme );
- (3) any change to the authority of the Directors or the administrator of the Share Option Scheme to alter the terms of the Share Option Scheme must be approved by the Shareholders in a general meeting of the Company;
- (4) the amended terms of the Share Option Scheme or the Options shall remain in compliance with Chapter 17 of the Listing Rules; and
- (5) no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the Shareholders under the memorandum of association of the Company and the articles being for a variation of the rights attached to Shares.

**26. CONDITIONS OF THE SHARE OPTION SCHEME**

The Share Option Scheme is conditional upon:

- (1) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal, in the Shares which may fall to be allotted and issued by the Company upon the exercise of the Options that may be granted under the Share Option Scheme; and
- (2) the passing of the necessary ordinary resolution(s) at a general meeting of the Company approving the adoption of the Share Option Scheme.

**27. LAPSE OF OPTIONS**

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (a) the expiry of the Option Period;
- (b) the date on which the Grantee commits a breach of section 12;
- (c) the expiry of the relevant period or the occurrence of the relevant event referred to in section 13 to section 20; and
- (d) the date of the commencement of the winding-up of the Company.

**28. TERMINATION**

The Company by an ordinary resolution in a general meeting of the Company may at any time terminate the operation of the Share Option Scheme. In such event, no further Options will be offered but in all other respects, the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme and the Options granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

**29. MISCELLANEOUS**

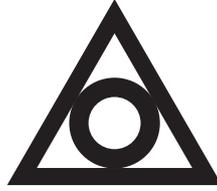
The terms of the Share Option Scheme (and any other schemes adopted by the Company from time to time) shall be in accordance with the requirements set out in Chapter 17 of the Listing Rules.

The Company will comply with the relevant statutory requirements and the Listing Rules from time to time on a continuing basis in respect of the Share Option Scheme and any other schemes of the Company.

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## NOTICE OF ANNUAL GENERAL MEETING

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### SINO BIOPHARMACEUTICAL LIMITED

### 中國生物製藥有限公司

*(Incorporated in the Cayman Islands with limited liability)*

*Website: www.sinobiopharm.com*

**(Stock code: 1177)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Sino Biopharmaceutical Limited (the “**Company**”) will be held with a combination of an in-room meeting at Drawing Room, Mezzanine Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong and an online virtual meeting via e-Meeting System at 11:00 a.m. on Thursday, 15 June 2023 for the following purposes:

Words and expressions that are not expressly defined in this notice shall have the same meaning as those defined in the circular of the Company dated 28 April 2023.

1. To receive and adopt the audited consolidated financial statements of the Company, the report of directors of the Company (“**Directors**”) and the report of independent auditors of the Company (“**Auditors**”) for the year ended 31 December 2022;
2. To approve the payment of a final dividend for the year ended 31 December 2022;
3. To re-elect Ms. Cheng Cheung Ling as an executive director of the Company;
4. To re-elect Ms. Lu Hong as an independent non-executive director of the Company;
5. To re-elect Mr. Zhang Lu Fu as an independent non-executive director of the Company;
6. To re-elect Dr. Li Kwok Tung Donald as an independent non-executive director of the Company;
7. To authorise the board of Directors to fix the remuneration of the Directors;
8. To re-appoint Ernst & Young as Auditors for the year ending 31 December 2023 and to authorise the board of Directors to fix their remuneration; and
9. As special business, to consider and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions:

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## NOTICE OF ANNUAL GENERAL MEETING

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### ORDINARY RESOLUTIONS

(A) **“THAT:**

- (1) subject to paragraph (3) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company (“**Shares**”) and to make or grant offers, agreements, options and other securities, including warrants to subscribe for Shares, which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (2) the approval in paragraph (1) above shall be in addition to any other authorization given to the Directors and shall authorize the Directors during the Relevant Period to make or grant offers, agreements, options and other securities, including warrants to subscribe for Shares, which would or might require the Company to allot, issue or deal with additional Shares at any time during or after the end of the Relevant Period;
- (3) the number of Shares to be issued by the Company which may be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise), issued or otherwise dealt with by the Directors pursuant to the approval in paragraph (1) above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or on the exercise of the subscription or conversion rights attaching to any securities which may be issued by the Company from time to time and which have previously been approved by shareholders of the Company or on the exercise of the options granted under the share option scheme of the Company or in lieu of the whole or part of a dividend on Shares, shall not exceed 20 per cent. of the total number of issued Shares as at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (4) for the purpose of this resolution:

**“Relevant Period”** means the period from the time of 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 any applicable law or the articles of association of the Company to be held; and
- (iii) the time of the passing of an ordinary resolution of the Company in a general meeting revoking or varying the authority set out in this resolution, and

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## NOTICE OF ANNUAL GENERAL MEETING

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“**Rights Issue**” means an offer of Shares open for a period fixed by the Directors to holders of Shares whose names on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (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, or requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

(B) “**THAT:**

- (1) subject to paragraph (2) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and which is recognized by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (2) the total number of Shares authorized to be bought back by the Company pursuant to the approval in paragraph (1) above during the Relevant Period shall not exceed 10 per cent. of the total number of Shares in issue as at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (3) for the purpose of this resolution:

“**Relevant Period**” means the period from the time of 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 any applicable laws or the articles of association of the Company to be held; and
- (iii) the time of the passing of an ordinary resolution of the Company in a general meeting revoking or varying the authority set out in this resolution.”

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## NOTICE OF ANNUAL GENERAL MEETING

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(C) “**THAT**, conditional upon the resolutions set out as Resolution (A) and Resolution (B) in paragraph 9 of the notice convening this meeting being duly passed, the general mandate granted to the Directors and for the time being in force to exercise the powers of the Company to allot, issue and deal with additional Shares pursuant to the resolution set out as Resolution (A) in paragraph 9 of the notice convening this meeting be and is hereby extended by the addition to the number of Shares which may be so allotted, issued and dealt with of a number representing the total number of issued Shares bought back by the Company under the authority granted pursuant to the resolution set out as Resolution (B) in paragraph 9 of the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent. of the total number of Shares in issue at the date of passing of the said resolution.”

(D) “**THAT:**

- (1) the Share Option Scheme (a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose) be and is hereby approved and adopted subject to and conditional upon the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Shares to be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme;
- (2) the Scheme Mandate Limit be and is hereby approved; and
- (3) the Directors be and are hereby authorised to, subject to the applicable laws, rules and regulations:
  - (i) grant options to subscribe for the Shares in accordance with the rules of the Share Option Scheme;
  - (ii) allot, issue, and deal with from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options under the Share Option Scheme;
  - (iii) administer the Share Option Scheme; and
  - (iv) do all such acts and to enter into all such transactions, arrangements and agreements as the Directors in their sole discretion consider to be necessary or expedient in order to give full effect to the Share Option Scheme.”

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## NOTICE OF ANNUAL GENERAL MEETING

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- (E) “**THAT** conditional upon the approval of ordinary resolution numbered (D) above, the Service Provider Sublimit be and is hereby approved.”

By order of the Board  
Sino Biopharmaceutical Limited  
**Chan Oi Nin Derek**  
Company Secretary

Hong Kong, 28 April 2023

*As at the date of this notice, the board of Directors comprises seven executive Directors, namely Ms. Tse, Theresa Y Y, Mr. Tse Ping, Ms. Cheng Cheung Ling, Mr. Tse, Eric S Y, Mr. Tse Hsin, Mr. Tian Zhoushan and Ms. Li Mingqin and five independent non-executive Directors, namely Mr. Lu Zhengfei, Mr. Li Dakui, Ms. Lu Hong, Mr. Zhang Lu Fu and Dr. Li Kwok Tung Donald.*

*Notes:*

1. The above meeting or any adjournment thereof (the “AGM”) will be conducted in a hybrid manner with the combination of a physical meeting and a virtual meeting online. Shareholders will have the option of joining the AGM either (a) through the physical meeting at Drawing Room, Mezzanine Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong; or (b) through the Internet via e-Meeting System using their computer, tablet device or smartphone. Shareholders and proxies participating in the AGM using the e-Meeting System will also be counted towards the quorum.

Registered Shareholders will be able to attend the AGM, vote and submit questions online via the designated URL (<https://spot-emeeting.tricor.hk/#/370>) by using the username and password provided on the notification letter sent by the Company.

Non-registered holders whose Shares are held in the Central Clearing and Settlement System through banks, brokers, custodians or Hong Kong Securities Clearing Company Limited (“HKSCC”) may also be able to attend the AGM, vote and submit questions online. In this regard, they should consult directly with their banks, brokers or custodians (as the case may be) for the necessary arrangements and the personalised username and password will be sent to them by email upon receipt of request through their respective banks, brokers, custodians or HKSCC.

2. Any member entitled to attend and vote at the above meeting is entitled to appoint another person as his or her proxy to attend and vote instead of him or her. A proxy needs not be a member of the Company.
3. To be valid, a form of proxy 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 branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting.
4. The register of members of the Company will be closed for the following periods:
  - (a) For the purpose of determining shareholders of the Company who are entitled to attend and vote at the above meeting, the register of members of the Company will be closed from Monday, 12 June 2023 to Thursday, 15 June 2023 (both dates inclusive) during which period no transfer of Shares will be registered. In order to qualify for the attendance and voting at the above meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 9 June 2023 for registration.

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) For the purpose of determining shareholders of the Company who are qualified for the final dividend as mentioned in Resolution 2 above, the register of members of the Company will be closed from Friday, 23 June 2023 to Wednesday, 28 June 2023 (both days inclusive) during which period no transfer of Shares will be registered. In order to qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, 21 June 2023 for registration.