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

If you have sold or transferred all your shares in Simcere Pharmaceutical Group Limited (the “Company”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or 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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Sincere Pharmaceutical Group Limited

先聲藥業集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 2096)

**(I) PROPOSED GRANTING OF GENERAL MANDATES TO ISSUE AND
TO REPURCHASE SHARES;
(II) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;
(III) PROPOSED DECLARATION AND PAYMENT OF FINAL DIVIDEND;
(IV) PROPOSED AMENDMENTS TO THE 2021 RSU SCHEME
AND
(V) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM to be held at No. 699-18, Xuanwu Road, Xuanwu District, Nanjing, Jiangsu, PRC on Thursday, June 15, 2023 at 9:00 a.m. is set out on pages 43 to 49 of this circular.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours (i.e. 9:00 a.m. on Tuesday, June 13, 2023) before the time appointed for holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM and any adjournment thereof (as the case may be) should you so wish.

May 25, 2023

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This circular is prepared in both English and Chinese.

In the event of inconsistency, the English text of this circular will prevail.

DEFINITIONS

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

“2021 RSU Scheme”	the restricted share unit scheme of the Company approved by the Board on May 20, 2021 (after trading hours) for adoption, in its present form and proposed to be further amended from and restated on the Amendment Date
“Actual Selling Price”	has the meaning ascribed to it under paragraph 8 of the Appendix III to this circular
“Administrator”	the Board or a committee duly appointed by the Board for the purpose of administering the 2021 RSU Scheme
“Adoption Date”	May 20, 2021, being the date on which the 2021 RSU Scheme was adopted by the Company
“AGM”	the annual general meeting of the Company to be held at No. 699-18, Xuanwu Road, Xuanwu District, Nanjing, Jiangsu, PRC on Thursday, June 15, 2023 at 9:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the AGM set out on pages 43 to 49 of this circular or any adjournment thereof (as the case may be)
“Amendment Date”	June 15, 2023, being the date on which the amendments to the 2021 RSU Scheme are conditionally approved by the Shareholders at the AGM by way of ordinary resolution
“Articles”	the articles of association of the Company as adopted by a special resolution passed on October 8, 2020 with effect on October 12, 2020, as amended from time to time
“Award(s)”	an award of RSU(s) granted by the Administrator to an Eligible Participant as the Administrator may determine in accordance with the terms of the 2021 RSU Scheme
“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
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time

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“Company”	Simcere Pharmaceutical Group Limited (先聲藥業集團有限公司), a company incorporated in Hong Kong on November 30, 2015 with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 2096)
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	any Employee Participant(s) who the Administrator considers, in its sole discretion, has the eligibility ascribed under the 2021 RSU Scheme
“Employee Participant(s)”	any director or employee of the Company or any of its subsidiaries (including any person who is granted RSUs under the 2021 RSU Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries)
“Final Dividend”	the proposed final dividend of RMB0.16 per Share as recommended by the Board
“General Mandate”	a general and unconditional mandate to be granted to the Directors to allot, issue and deal with Shares with a total number not exceeding 20% of the total number of the Shares in issue as at the date of passing of the relevant resolution granting such mandate
“Grant Date”	the date (which shall be a Business Day) on which the grant is made to an Eligible Participant, being the date of the Grant Letter
“Grant Letter”	an offer of grant of Award to each of the Selected Participant(s) made by the Administrator by way of a letter in writing
“Grantee(s)”	any Eligible Participant who accepts a grant or is deemed to have accepted a grant in accordance with the terms of the 2021 RSU Scheme, or (where the context so permits) any person who is entitled to any Award in consequence of the death of the original Grantee
“Group”	the Company and its subsidiaries, each a “Group Company”
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

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“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Individual Limit”	the number of Shares which issued and to be issued in respect of all options and awards to be granted to an Eligible Participant under the 2021 RSU Scheme and any other share options schemes and/or share award schemes involving issuance of new Shares adopted and to be adopted by the Company from time to time, which in aggregate, in the 12-month period up to and including the date of such grant, must not exceed 1% of the issued Shares of the Company as of the Grant Date
“Latest Practicable Date”	May 19, 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Committee”	shall have the meaning ascribed to it under the Listing Rules
“Listing Date”	October 27, 2020, the date on which the issued Shares were initially listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“P&H Holdings”	P&H Holdings Group Ltd., a company incorporated under the laws of the BVI on December 5, 2018 and one of the Company’s Ultimate Controlling Shareholders
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, Macao Special Administrative Region and Taiwan
“Proposed Amendment(s)”	certain amendment(s) to be made to the 2021 RSU Scheme which shall have the meaning ascribed to it under the sub-section headed “5. PROPOSED AMENDMENTS TO THE 2021 RSU SCHEME” in the Letter from the Board to this circular
“Purchase Price”	the consideration, if any, payable by a Grantee for acceptance of an Award, which shall be determined at the sole and absolute discretion of the Administrator
“Register of Members”	the register of members of the Company

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“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“Repurchase Mandate”	a general and unconditional mandate to be granted to the Directors to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the total number of Shares in issue as at the date of passing the relevant resolution granting such mandate
“Right Wealth”	Right Wealth Holdings Limited, a company incorporated under the laws of the BVI on December 13, 2011 and one of the Company’s Ultimate Controlling Shareholders
“RMB”	Renminbi, the lawful currency of the PRC
“RSU(s)”	restricted share units may be granted under the 2021 RSU Scheme, each of which represents one underlying Share, and represent a conditional right granted to any Selected Participants pursuant to the 2021 RSU Scheme to obtain the corresponding economic value of the underlying Shares, less any tax, stamp duty and other charges applicable, as determined by the Administrator in its absolute discretion
“Scheme Mandate Limit”	the total number of Shares which may be issued in respect of all options and awards to be granted under the 2021 RSU Scheme and any other share options schemes and/or share award schemes involving issuance of new Shares adopted and to be adopted by the Company from time to time, which must not exceed 10% of the issued shares of the Company as at the Amendment Date
“Selected Participant(s)”	any Eligible Participant(s) selected by the Administrator in accordance with the terms of the 2021 RSU Scheme
“SFO”	the Securities and Futures Ordinance of Hong Kong, (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“SIG”	Simcere Investments Group Limited, formerly known as Excel Good Group Limited (先益集團有限公司), an exempted company with limited liability incorporated under the laws of Cayman Islands on January 19, 2018 and one of the Company’s Ultimate Controlling Shareholders
“Share(s)”	the ordinary share(s) of the Company

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“Shareholder(s)”	the holder(s) of the Share(s)
“Share Schemes”	means share options schemes and/or share award schemes involving issuance of new Shares adopted and to be adopted by the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong, as amended from time to time
“Trustee(s)”	means the trustee corporation or trustee corporations (which is/are independent of and not connected with the Company) appointed by the Company for the administration of the 2021 RSU Scheme or any additional or replacement trustee(s)
“Ultimate Controlling Shareholders”	SIG, P&H Holdings, Right Wealth, Mr. Ren Jinsheng, Mr. Ren Yong, Ms. Li Shimeng, Mr. Ren Weidong, Ms. Ren Zhen and Ms. Peng Suqin
“Vesting Date”	the date(s), as determined from time to time by the Administrator in accordance with the 2021 RSU Scheme and the Grant Letter(s) for the RSUs to be vested in the relevant Eligible Participants
“%”	per cent

In this circular, the terms “close associate”, “core connected person”, “controlling shareholder”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

LETTER FROM THE BOARD



Simcere Pharmaceutical Group Limited

先聲藥業集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 2096)

Executive Directors:

Mr. REN Jinsheng (*Chairman*)

Mr. TANG Renhong

Mr. WAN Yushan

Ms. WANG Xi

Registered office:

43/F, AIA Tower

183 Electric Road

North Point

Hong Kong

Independent non-executive Directors:

Mr. SONG Ruilin

Mr. WANG Jianguo

Mr. WANG Xinhua

Mr. SUNG Ka Woon

Headquarters in the PRC:

No. 699-18, Xuanwu Road

Xuanwu District, Nanjing

Jiangsu

PRC

May 25, 2023

To the Shareholders

Dear Sir or Madam,

**(I) PROPOSED GRANTING OF GENERAL MANDATES TO ISSUE AND
TO REPURCHASE SHARES;
(II) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;
(III) PROPOSED DECLARATION AND PAYMENT OF FINAL DIVIDEND;
(IV) PROPOSED AMENDMENTS TO THE 2021 RSU SCHEME
AND
(V) NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to give you with information in respect of the resolutions to be proposed at the AGM including, among other matters, (i) granting of the General Mandate and the Repurchase Mandate to the Directors; (ii) re-election of the retiring Directors; (iii) proposed declaration and payment of the Final Dividend for the year ended December 31, 2022; (iv) proposed amendments to the 2021 RSU Scheme; and (v) to give you notice of the AGM at which resolutions will be proposed for the Shareholders to consider and, if thought fit, approve the aforesaid matter.

A notice convening the AGM is set out on pages 43 to 49 of this circular.

LETTER FROM THE BOARD

2. PROPOSED GRANTING OF GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES

At the annual general meeting held on June 24, 2022, the Directors were granted by the then Shareholders (i) a general unconditional mandate to allot, issue and deal with Shares not exceeding 20% of the aggregate number of Shares in issue as at June 24, 2022; (ii) a general unconditional mandate to repurchase Shares up to 10% of the aggregate number of Shares in issue as at June 24, 2022; and (iii) to extend the general mandate of (i) above to include Shares repurchased pursuant to the general mandate of (ii) above. Such general mandates will expire at the conclusion of the forthcoming AGM.

At the AGM, separate ordinary resolutions will be proposed:

- (a) to grant the General Mandate to the Directors to exercise the powers of the Company to allot, issue and deal with Shares with a total number of Shares not exceeding 20% of the total number of Shares in issue as at the date of passing the resolution. The General Mandate will end on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by the Articles or any applicable law, or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company. Based on 2,664,045,618 Shares in issue as at the Latest Practicable Date and assuming no further Shares will be issued or repurchased prior to the date of the AGM, the Directors will be authorised to issue up to 532,809,123 Shares under the General Mandate;
- (b) to grant the Repurchase Mandate to the Directors to exercise all powers of the Company to repurchase issued Shares subject to the criteria set out in this circular. Under such Repurchase Mandate, the maximum number of Shares that the Company may be repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution. As at the Latest Practicable Date, the number of Shares in issue was 2,664,045,618 Shares. Subject to the passing of the proposed ordinary resolution approving the grant of the Repurchase Mandate and assuming no further Shares will be issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 266,404,561 Shares. The Repurchase Mandate will end on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by the Articles or any applicable law, or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company; and
- (c) subject to the passing of the aforesaid ordinary resolutions granting the General Mandate and the Repurchase Mandate, to extend the number of Shares to be issued and allotted under the General Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

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In accordance with the Listing Rules, an explanatory statement is set out in Appendix I to this circular to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolution granting the Repurchase Mandate at the AGM.

3. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of eight Directors, namely Mr. REN Jinsheng, Mr. TANG Renhong, Mr. WAN Yushan and Ms. WANG Xi as executive Directors, and Mr. SONG Ruilin, Mr. WANG Jianguo, Mr. WANG Xinhua and Mr. SUNG Ka Woon as independent non-executive Directors.

In accordance with Article 111 of the Articles, Mr. TANG Renhong, Mr. WAN Yushan and Mr. WANG Xinhua will retire by rotation at the AGM and, being eligible, offer themselves for re-election.

The biographical details of the above named Directors who are subject to re-election at the AGM are set out in Appendix II to this circular in accordance with the relevant requirements of the Listing Rules.

The re-election of each of the Directors is subject to a separate resolution as set out in the notice of the AGM in this circular.

In reviewing the structure of the Board, the Board considers the Board diversity from a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, length of service and industry and regional experience. All Board appointments will be based on meritocracy, and candidates will be considered against criteria including talents, skills and experience as may be necessary for the operation of the Board as a whole, with a view to maintaining a sound balance of the Board's composition.

In recommending Mr. WANG Xinhua to stand for re-election as an independent non-executive Director, the Board has considered the following background and attributes of the nominee concerned:

Mr. WANG Xinhua has almost 45 years of experience in accounting and financial management. Mr. WANG joined the Group in November 2019. He has been an independent non-executive director of China Tobacco International (HK) Company Limited (中煙國際(香港)有限公司) (stock code: 6055.HK) since December 2018, an independent director of China Petroleum Engineering Corporation (中國石油集團工程股份有限公司) (stock code: 600339.SH) since September 2017. He also graduated from Northeastern University (東北大學) in July 1996 after completing his undergraduate course in management engineering through long distance learning. He was certified as a senior accountant at professor level (教授級高級會計師) by Sinopec Group (中國石化集團) in January 2004.

LETTER FROM THE BOARD

The Board considered that, in view of their diverse and different educational background and professional knowledge and experience as mentioned above and as set out in Appendix II to this circular, Mr. WANG Xinhua will bring valuable perspectives, knowledge, skills and experiences to the Board for its efficient and effective operation and his appointment will contribute to the diversification of skills of the Board with independent views appropriate to the requirements of the Company's business as well as for its growth and development.

Mr. WANG Xinhua has provided his annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board had reviewed the independence of Mr. WANG Xinhua. The Board is of the view that Mr. WANG Xinhua meets the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent for re-election.

4. PROPOSED DECLARATION AND PAYMENT OF FINAL DIVIDEND

At the meeting of the Board held on March 31, 2023, the Board recommended the payment of a final dividend of RMB0.16 per Share for the year ended December 31, 2022. The Final Dividend is denominated and declared in RMB and payable in HK dollars to Shareholders. The actual amount declared in HK dollars is converted based on the average central parity rate of Renminbi against HK dollars as promulgated by the People's Bank of China for the five business days preceding the date of the AGM.

As at the Latest Practicable Date, there were a total of 2,664,045,618 Shares in issue. Based on the number of issued Shares as at the Latest Practicable Date, the Final Dividend, if declared and paid, will amount to approximately RMB426,247,299.

Subject to the approval of this proposal at the AGM, the Final Dividend will be payable to the Shareholders whose names appear on the Register of Members as at the close of business on Monday, June 26, 2023. The Final Dividend is expected to be distributed to the Shareholders on or before Wednesday, July 12, 2023.

5. PROPOSED AMENDMENTS TO THE 2021 RSU SCHEME

The 2021 RSU Scheme

The Company adopted the 2021 RSU Scheme on May 20, 2021, details of which were set out in the announcement of the Company dated May 20, 2021. The purposes of the 2021 RSU Scheme are to (i) incentivize the Eligible Participants for their contribution to the Group; and (ii) attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company, with a view to achieving the objectives of increasing the value of the Company and aligning the interests of the Selected Participants directly to the Shareholders through ownership of Shares. Apart from the 2021 RSU Scheme, the Group did not maintain any other share option scheme or share award scheme as at the Latest Practicable Date.

The Chapter 17 of the Listing Rules has been amended to govern both share option schemes and share award schemes involving the grant of new shares or options over new shares of the listed issuer with effect from January 1, 2023. In light of the above, the Board

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has resolved, on March 31, 2023, to propose certain amendments to be made to the 2021 RSU Scheme for approval by the Shareholders at the AGM, so as to (i) bring the 2021 RSU Scheme in line with the Listing Rules and (ii) make certain housekeeping amendments to the 2021 RSU Scheme for the purpose of clarifying existing practice and making consequential amendments. The Proposed Amendments shall apply to the RSUs to be granted under the 2021 RSU Scheme with effect from the date of the Shareholders' approval at the AGM.

Proposed Amendments

The key changes entailed by the Proposed Amendments are set out below:

- (a) to adopt the Scheme Mandate Limit and to specify that Awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit;
- (b) to require Shareholders' approval for refreshment of the Scheme Mandate limit;
- (c) to require approval by the independent non-executive Directors for any grant of Awards to a Director, the chief executive of the Company or a substantial Shareholder, or their respective associates;
- (d) to bring the requirement for 1% Individual Limit;
- (e) to require approval by the Shareholders for grant of Awards to an independent non-executive Director or a substantial Shareholder or any of their respective associates, if such Grant will result in the number of the Shares issued and to be issued in respect of all options and awards granted to such person under the 2021 RSU Scheme and any other Share Schemes in the 12-month period up to and including the Grant Date of the relevant Award exceeding 0.1% of the total number of Shares in issue as at the Grant Date;
- (f) to require approval by the Shareholders for grant of Awards to a Director (other than an independent non-executive Director) or the chief executive of the Company or any of their respective associates, if such Grant will result in the number of the Shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the scheme) to such person under the 2021 RSU Scheme and any other Share Schemes in the 12-month period up to and including the Grant Date of the relevant Award exceeding 0.1% of the total number of Shares in issue as at the Grant Date;
- (g) to adopt a minimum vesting period of 12 months save where the grant of Awards to certain Eligible Participants are subject to a shorter vesting period under specific circumstances;
- (h) to adopt the clawback mechanisms for the Company to recover or withhold any Awards granted;

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- (i) to include the criteria for performance targets as from time to time determined by the Administrator, including target levels and performance related measures and the method for assessing how they are satisfied;
- (j) to specify that the grant of Awards under the 2021 RSU Scheme shall only be satisfied by new Shares;
- (k) to revise the basis for the determination of the Purchase Price and to specify that the Purchase Price could be nil;
- (l) to revise the requirement regarding the restriction on the time of grant of Awards to bring it in line with Rule 17.05 of Chapter 17 of the Listing Rules and to include additional requirement that the Company is prohibited from grant of Awards where such grant would render the Company the subject of a mandatory offer under the Takeovers Codes from time to time;
- (m) to include the necessary carve-outs on the transferability of the Awards under the 2021 RSU Scheme;
- (n) to bring the requirement for Shareholders' approval for any alterations to the provisions of the 2021 RSU Scheme relating to the matters set out in Rule 17.03 of the Listing Rules; and
- (o) to include other amendments for housekeeping purposes and to better align the wording with that of the Listing Rules.

Details of the Proposed Amendments are set out in Appendix III to this circular.

Conditions for adoption of the Proposed Amendments

The adoption of the Proposed Amendments is conditional upon the fulfillment of the following conditions:

- (a) the passing of an ordinary resolution by the Shareholders at the AGM approving (i) the Proposed Amendments; and (ii) the proposed adoption of the Scheme Mandate Limit; and
- (b) the Stock Exchange granting approval of (subject to such conditions as the Stock Exchange may impose) the listing of, and permission to deal in, any Shares which may fall to be allotted and issued in respect of any Award to be granted under the 2021 RSU Scheme.

Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be allotted and issued in respect of any Awards that may be granted under the 2021 RSU Scheme.

LETTER FROM THE BOARD

Basis of the Proposed Amendments

(A) Proposed Adoption of the Scheme Mandate Limit

Over the years of development, the Company has become a pharmaceutical company focused on innovative pharmaceutical business with capabilities in R&D, production and professional marketing. Since 2021, the Group's revenue from the innovative pharmaceuticals has accounted for a majority of proportion of its total revenue and the Group expects to continue to increase the revenue from innovative pharmaceuticals dramatically in the next few years. As such, the Company deeply recognizes that talents are key to its future success and sustainable growth under the increasing market demand for innovative pharmaceuticals in China and expects to retain more skilled and experienced personnel in the field of R&D of innovative pharmaceuticals in order to drive its rapid growth and realize its business goals in a short period. In addition, the adoption of such Scheme Mandate Limit is in line with the requirements under the Chapter 17 of the Listing Rules and will introduce more flexibility for the Company to provide equity incentives to reward and attract persons who may have exceptional expertise in the field of R&D or who may be able to provide valuable expertise to the Group to achieve the Group's aim. As such, the Board has resolved to propose the adoption of the Scheme Mandate Limit and is of the view that such Scheme Mandate Limit aligns with the purpose of the 2021 RSU Scheme.

Pursuant to the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all options and awards to be granted under the Scheme and any other Share Schemes must not exceed 10% of the total number of Shares in issue as at the Amendment Date.

Based on 2,664,045,618 Shares in issue as at the Latest Practicable Date and assuming that there is no change in the number of issued Shares during the period from the Latest Practicable Date to the Amendment Date, the maximum number of Shares that may be issued in respect of all options and awards to be granted under the 2021 RSU Scheme and any other Share Schemes is 266,404,561 Shares, representing approximately 10% of the total number of Shares in issue as at the Amendment Date.

(B) Eligibility

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

LETTER FROM THE BOARD

The Administrator's determination of the eligibility of the Eligible Participants based on his/her contribution to the development and growth of the Group and grant of Awards to such Eligible Participants would not only align the interest of the Group with the Grantees but also provide incentive and reward for (i) their participation and involvement in promoting the business of the Group, and (ii) their joint and collaborative efforts in co-creating value for the Group's business. The Board believes that through the grant of Awards, such Eligible Participants will share a common goal with the Group in terms of the long-term growth and development of the Group and therefore aligns with the purpose of the 2021 RSU Scheme.

(C) Purchase Price

According to the amended rules of the 2021 RSU scheme, the Purchase Price (if any) for acceptance of the Award under the 2021 RSU Scheme shall be determined at the sole and absolute discretion of the Administrator after taking into consideration (i) the purpose of the Award, (ii) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Grant Date, (iii) the average closing price of the Shares for the five Business Days prior to the Grant Date and/or (iv) any other matter which the Administrator considers relevant. The Board believes that reserving the discretion to determine the Purchase Price, if any, on an individual basis will allow the Company to control the costs incurred from the grant of Awards under the 2021 RSU Scheme and balance the purpose of the Award with the interests of Shareholders, thus aligns with the purpose of the 2021 RSU Scheme.

(D) Vesting Period

The amended rules of the 2021 RSU scheme stipulate that the vesting period for Awards under the 2021 RSU Scheme shall not be less than 12 months, unless the Administrator determines, in its sole discretion, that the Award granted to an Eligible Participant may be subject to a vesting period of less than 12 months in the circumstances where (i) Awards are subject to performance-based vesting conditions in lieu of time-based vesting criteria to stimulate the Eligible Participants to achieve the relevant performance targets in a shorter period; or (ii) Awards are granted in batches during a year for administrative and compliance reasons, which include Awards that should have been granted earlier but have to wait for a subsequent batch due to administrative arrangements of the Company or due to changes in the requirements of the laws, regulations and rules which the Eligible Participants and the Group are subject to, in which case, the vesting period may be shorter to reflect the time from which the Awards would have been granted.

Taking into account the fact that (a) performance-based vesting conditions are more effective in providing further incentives to Eligible Participants to strike for better service quality and (b) it is not uncommon in the market for Awards to be granted in batches over a year at different stages depending on the Company's incentive plan, the Board is of the view that such arrangements are in line with the industry norm. Given the arrangements on having a vesting period of less than 12 months for the Awards to be granted to Eligible Participants in specific circumstances as disclosed above (i) can provide further incentives to such Eligible Participants to strike for better service quality by directly linking their performance with the vesting condition and therefore contribute to the continuous growth of the Group, and (ii) will make the total remuneration package of the Group more attractive and hence place the Group in a more advantageous position to recruit and retain talents to continuously serve the Group, the Board is further of the view that such arrangements are appropriate and align with the purposes of the 2021 RSU Scheme.

LETTER FROM THE BOARD

(E) Clawback mechanism

The amended rules of the 2021 RSU scheme also include a clawback mechanism that in the occurrence of (i) the cessation of a Grantee to be an Eligible Participant by reason of termination of the Grantee's employment or service by any Group Company as a result of the Grantee having been charged, penalised or convicted or an offence involving the Grantee's integrity or honesty, (ii) any material violation of a Grantee to obligations of confidentiality or non-competition to the Group, or material breach by such Grantee of an internal policy or code of any Group Company or the terms of the 2021 RSU Scheme, or (iii) any conduct of a Grantee that is involved in a material misstatement in the Group's financial statements, the Administrator may make a determination at its absolute discretion that: (A) any Awards granted but not yet vested shall immediately lapse, and (B) with respect to any Shares delivered, or Actual Selling Price paid, to the Grantee pursuant to any Awards granted under the 2021 RSU Scheme, the Grantee shall be required to transfer back to the Company or its nominee or the Trustee (a) the equivalent number of Shares, (b) an amount in cash equal to the market value of such Shares or the Actual Selling Price, or (c) a combination of (a) and (b). The above clawback mechanism enables the Company to clawback Awards granted to certain Grantees, under which circumstances the Company considers it is not in the Company or the Shareholders' best interests to incentivize such Grantees with proprietary interests of the Company under the 2021 RSU Scheme. As such, the Board believes that such clawback mechanism is appropriate and reasonable and aligns with the purpose of the 2021 RSU Scheme.

(F) Performance targets

According to the amended rules of the 2021 RSU scheme, the Administrator may in its absolute discretion as it thinks fit, set performance targets for the Grantees on a case-by-case basis to ensure the Award vested would be beneficial to the Group, with general factors to be taken into account include but not limited to (i) at the Company level, the period-to-period growth and development of the Group, the key performance indicators of which will tentatively tie to the phased profit and research and development costs after taking into account the period-to-period macroeconomic condition and the market and industry condition, as well as the overall strategic planning of the Group (i.e. the business focus of the Group of the upcoming financial year) and (ii) at the individual level, his/her personal position, the results of individual performance assessments carried out by the Company's human resources committee in accordance with each department's function and target and other factors relevant to the Grantee. The Administrator will carefully assess whether the performance targets are satisfied before serving the vesting notice. The Board believes that it is in the best interests of the Company to set certain generic and tailor-made performance targets for Eligible Participants to promote the overall business growth of the Group as well as to retain the flexibility to impose appropriate conditions in light of the particular circumstances of each grant.

LETTER FROM THE BOARD

Details of the Outstanding RSUs granted under the 2021 RSU Scheme as of the Latest Practicable Date

Name or category of Grantee(s)	Number of outstanding RSUs held by the Grantees as of the Latest Practicable Date	Approximate percentage of total number of Shares in issue as of the Latest Practicable Date ⁽¹⁾
Directors		
Mr. TANG Renhong	3,650,000	0.1370%
Mr. WAN Yushan	2,200,000	0.0826%
Ms. WANG Xi	328,000	0.0123%
Other Grantees		
Employees	32,103,999	1.2051%
Total⁽²⁾	38,281,999	1.4370%

Notes:

- (1) The calculation is based on the total number of 2,664,045,618 issued Shares of the Company as of the Latest Practicable Date.
- (2) As of the Latest Practicable Date, 44,106,749 underlying Shares were held by the Trustees for the benefit of the Grantees under the 2021 RSU Scheme, including (i) 38,281,999 Shares underlying the outstanding RSUs held by the Grantees and (ii) 5,824,750 Shares (the “**Remaining Shares**”) relating to the RSUs previously granted but have lapsed in accordance with the rules of the 2021 RSU Scheme.

For any future grant of RSUs under the 2021 RSU Scheme, the Company will first utilize the 5,824,750 Remaining Shares held by the Trustees in accordance with the requirements under Chapter 17 of the Listing Rules applicable to share schemes involving issuance of new shares. For the purpose of calculation of the Scheme Mandate Limit, the Remaining Shares shall be counted towards the Scheme Mandate Limit.

Others

The Company will comply with the applicable requirements under Chapter 17 of the Listing Rules in respect of the operation of the 2021 RSU Scheme. The Company has appointed FUTU TRUSTEE LIMITED and Tricor Trust (Hong Kong) Limited as the Trustees for the purpose of administration of the 2021 RSU Scheme. None of the Directors is or will be a Trustee of the 2021 RSU Scheme or has a direct or indirect interest in the Trustee (if any) of the 2021 RSU Scheme.

Pursuant to the note to Rule 17.03(2) of the Listing Rules currently in effect, the Board has sought legal advice on the prospectus requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) in relation to the 2021 RSU Scheme proposed to be amended and will comply with the relevant requirements when granting RSUs to the Eligible Participants.

A summary of the principal amended terms of the 2021 RSU Scheme is set out in the Appendix III to this circular. A copy of the amended rules of the 2021 RSU Scheme will be published on the websites of Stock Exchange (www.hkexnews.hk) and the Company (<http://www.simcere.com>) for display from the date of this circular up to the date of the AGM and the same will be available for inspection at the AGM.

LETTER FROM THE BOARD

6. CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Monday, June 12, 2023 to Thursday, June 15, 2023 (both days inclusive), for the purpose of determining the entitlement to attend and vote at the AGM scheduled to be held on Thursday, June 15, 2023. The record date will be Thursday, June 15, 2023. In order to be eligible to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, June 9, 2023.

The Register of Members will be closed from Wednesday, June 21, 2023 to Monday, June 26, 2023 (both days inclusive), for the purpose of determining the entitlement to the Final Dividend for the year ended December 31, 2022. The record date will be Monday, June 26, 2023. In order to qualify for the Final Dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, June 20, 2023.

7. ANNUAL GENERAL MEETING

Set out on pages 43 to 49 of this circular is a notice convening the AGM at which, inter alia, ordinary resolutions will be proposed to Shareholders to consider and approve, among other matters, (i) general mandates to issue shares and to repurchase shares; (ii) the re-election of the retiring Directors; (iii) declaration and payment of the Final Dividend for the year ended December 31, 2022; and (iv) proposed amendments to the 2021 RSU Scheme.

Enclosed with this circular is a proxy form for use at the AGM. Whether or not you are able to attend the meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours (i.e. 9:00 a.m. on Tuesday, June 13, 2023) before the time appointed for holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM and any adjournment thereof (as the case may be) should you so wish. In the event that a Shareholder having lodged a proxy form attends and votes the AGM, his/her/its proxy form will be deemed to have been revoked.

All the resolutions set out in the notice of the AGM would be decided by poll in accordance with the Listing Rules and the Articles. The chairman will explain the detailed procedures for conducting a poll at the commencement of the AGM.

On a poll, every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy will have one vote for every fully paid Share held. A Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy who is entitled to more than one vote need not use all his/her/its votes or cast all his/her/its votes in the same way.

LETTER FROM THE BOARD

To the best of the Directors' knowledge and information having made all reasonable enquiries, no Shareholder has a material interest in the resolutions to be proposed at the AGM, and accordingly, no Shareholder is required to abstain from voting in respect of the resolutions to be proposed at the AGM.

After the conclusion of the AGM, the poll results will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.simcere.com) in the manner prescribed under Rule 13.39(5)(5A) of the Listing Rules.

8. RECOMMENDATION

The Directors consider that (i) the granting of the General Mandate and the Repurchase Mandate to the Directors to issue and to repurchase Shares; (ii) the re-election of the retiring Directors; (iii) the declaration and payment of the Final Dividend; and (iv) the proposed amendments to the 2021 RSU Scheme are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders to vote in favor of all the resolutions proposed at the AGM.

9. RESPONSIBILITY STATEMENT

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

10. GENERAL

Your attention is drawn to the additional information set out in the appendices to this circular.

11. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully
By order of the Board
Simcere Pharmaceutical Group Limited
Mr. Ren Jinsheng
Chairman and Chief Executive Officer

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, there was a total of 2,664,045,618 Shares in issue. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased or cancelled after the Latest Practicable Date and up to the date of passing such resolution at the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 266,404,561 Shares, representing 10% of the total issued Shares as at the date of the passing of the relevant resolution at the AGM.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and Shareholders for the Directors to receive the general authority from the Shareholders to repurchase Shares in the market. Repurchases of Shares will only be made when the Directors believe that such repurchases will be in the interest of the Company and the Shareholders. Such repurchases may, depending on market conditions, funding arrangements and other circumstances at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share.

As compared with the financial position of the Company as at December 31, 2022 (as disclosed in its latest audited financial statements for the year ended December 31, 2022), the Directors consider that there might be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period. In the circumstances, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would have a material adverse impact on the working capital or gearing ratio of the Company.

3. FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles, the Listing Rules and the applicable laws of Hong Kong.

Any payment for the repurchase of Shares will be drawn from the profits or share premium of the Company or from the proceeds of a fresh issue of shares made for the purpose of the repurchase or out of capital and, in the case of any premium payable on the purchase, out of the profits of the Company or from sums standing to the credit of the share premium account of the Company.

4. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their close associates (as defined under the Listing Rules), has any present intention to sell any Shares to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

No core connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to repurchase pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Articles and applicable laws of Hong Kong.

6. EFFECT OF TAKEOVERS CODE

A repurchase of Shares by the Company may result in an increase in the proportionate interests of a Shareholder in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best of the knowledge and belief of the Company and as recorded in the register required to be kept by the Company under Section 336 of the SFO, as at the Latest Practicable Date, the Ultimate Controlling Shareholders, namely SIG, P&H Holdings, Right Wealth, Mr. Ren Jinsheng, Mr. Ren Yong, Ms. Li Shimeng, Mr. Ren Weidong, Ms. Ren Zhen and Ms. Peng Suqin, directly and indirectly through Simcere Pharmaceutical Holding Limited, Artking Global Limited, Fortune Fountain Investment Limited, Simcere Holding Limited and Excel Investments Group Limited, collectively held 1,842,745,913 Shares, representing approximately 69.17% of the total number of Shares in issue as at the Latest Practicable Date.

In the event that the Directors exercise in full the power to repurchase the Shares pursuant to the Repurchase Mandate which is proposed to be granted, the interest of the Ultimate Controlling Shareholders would be increased to approximately 76.86% of the then total number of Shares in issue. The Directors are not aware of such an increase would give rise to an obligation to make a mandatory offer under the Takeovers Code if the Repurchase Mandate was to be exercised in full.

Assuming that there is no further issue of Shares between the Latest Practicable Date and the date of buy-back, any repurchase of Shares which results in the number of Shares held by the public being reduced to less than prescribed percentage of the Shares then in issue could only be implemented with the approval of the Stock Exchange to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances. The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, result in the aggregate number of Shares held by the public shareholders falling below the minimum percentage permitted by the Stock Exchange.

7. SHARE PURCHASE MADE BY THE COMPANY

The Company has not purchased any of the Shares (whether on the Stock Exchange or otherwise) during the period from the six months immediately preceding the Latest Practicable Date.

8. SHARE PRICES

During each of the previous twelve months to the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2022		
April	10.76	7.53
May	10.68	7.42
June	9.91	8.47
July	10.48	8.30
August	9.17	7.70
September	8.68	6.56
October	10.18	6.61
November	13.60	8.72
December	12.14	8.93
2023		
January	14.70	10.06
February	12.10	9.88
March	10.42	7.93
April	10.42	7.76
May (up to the Latest Practicable Date)	9.58	8.22

The biographical details of the Directors proposed to be re-elected at the AGM are set out below:

EXECUTIVE DIRECTOR

(1) Mr. TANG Renhong (唐任宏)

Position and Experience

Mr. TANG Renhong (唐任宏), aged 43, is an executive Director, the chairman of the board of directors and the chief executive officer of Simcere Zaiming Pharmaceutical Co., Ltd. (先聲再明醫藥有限公司), a subsidiary of the Company (“**Simcere Zaiming**”). He is primarily responsible for the overall leading of the business affairs of Simcere Zaiming, which is responsible for the research and development, production and marketing of oncology pharmaceuticals of the Group.

Mr. Tang has nearly 13 years of experience in pharmaceutical research and development and management of pharmaceutical companies. Mr. Tang joined the Group acting as the vice president in May 2019. He was officially appointed as an executive Director and the vice president of the Company on November 19, 2019 and further appointed as the senior vice president, the executive vice president and the co-chief executive officer (the “**Co-CEO**”) of the Company on June 1, 2020, March 31, 2021 and May 25, 2022, respectively. Mr. Tang resigned as the Co-CEO of the Company with effect from December 31, 2022 and was appointed as the chairman of the board of directors and the chief executive officer of Simcere Zaiming with effect from January 1, 2023. Prior to that, he served as the vice general manager of Shanghai Shengdi Pharmaceutical Co., Ltd. (上海盛迪醫藥有限公司) from September 2017 to May 2019. From September 2013 to August 2017, Mr. Tang worked as the associate director of China Innovation Center of AstraZeneca Investment (China) Co., Ltd. (阿斯利康投資(中國)有限公司). Before that, he worked at the Novo Nordisk Research Centre China (諾和諾德中國研究發展中心) from June 2009 to September 2013 with the last position there being the head of department. At the beginning of his career, he was a postdoctoral researcher at the University of California, San Francisco from April 2007 to May 2009.

Mr. Tang obtained a bachelor’s degree in biotechnology from Shanghai Jiao Tong University (上海交通大學) in July 2002. He also obtained a Ph.D. in molecular cell biology from Nanyang Technological University in April 2007.

Save as disclosed above, Mr. Tang (i) has not held any directorship in any public listed companies in the past three years; and (ii) does not hold any other positions within our Group.

Length of service

Mr. Tang has entered into a service contract with the Company on October 8, 2020. The service contract is for an initial term of three years commencing from the Listing Date or until the third annual general meeting convened after the Listing Date, whichever is earlier. The service contract may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations.

Relationships

Mr. Tang does not have any relationship with any Directors, senior management of the Company, substantial Shareholders or controlling Shareholders.

Interests in Shares

As at the Latest Practicable Date and pursuant to Part XV of the SFO, Mr. Tang was interested in (i) 3,000,000 RSUs granted to him on November 1, 2021 under the 2021 RSU Scheme which entitled him to receive the aggregate of 3,000,000 Shares subject to vesting; and (ii) 1,650,000 RSUs granted to him on November 9, 2022 under the 2021 RSU Scheme which entitled him to receive the aggregate of 1,650,000 Shares subject to vesting. As at the Latest Practicable Date, 1,000,000 shares underlying the RSUs granted to him were vested.

Director's emoluments

Mr. Tang is entitled to receive emoluments of RMB3,600,000 per annum as determined by the Board with reference to his duties and responsibilities and the prevailing market conditions.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

Mr. Tang has confirmed that there is no other matter that needs to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

(2) **Mr. WAN Yushan (萬玉山)***Position and Experience*

Mr. WAN Yushan (萬玉山), aged 52, is an executive Director, the chief financial officer and one of the joint company secretaries of the Company. He is primarily responsible for the financial, legal and compliance management, formulating financial strategies and in charge of the process and information business of the Group.

Mr. Wan has over 20 years of experience with the Group where he has accumulated knowledge and skills required in the financial management of the Group. Mr. Wan joined the Group in May 2000 and has assumed various positions successively since then, including the financial controller, general manager of financial department, vice president and chief financial officer. On November 19, 2019, Mr. Wan was officially appointed as an executive Director and the chief financial officer of the Company. He has also been the director of several subsidiaries of the Company including Hainan Simcere Pharmaceutical Co., Ltd. since July 2011 and Simcere Pharmaceutical Co., Ltd. since July 2017.

Mr. Wan obtained a bachelor's degree in biochemistry from Nanjing University (南京大學) in June 1992 and a master's degree in management (majoring in accounting) from Nanjing University in June 1999. Mr. Wan was admitted as a non-practicing member of Jiangsu Institute Certified Public Accountants (江蘇省註冊會計師協會) in November 2009.

Save as disclosed above, Mr. Wan (i) has not held any directorship in any public listed companies in the past three years; and (ii) does not hold any other positions within our Group.

Length of service

Mr. Wan has entered into a service contract with the Company on October 8, 2020. The service contract is for an initial term of three years commencing from the Listing Date or until the third annual general meeting convened after the Listing Date, whichever is earlier. The service contract may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations.

Relationships

Mr. Wan does not have any relationship with any Directors, senior management of the Company, substantial Shareholders or controlling Shareholders.

Interests in Shares

As at the Latest Practicable Date and pursuant to Part XV of the SFO, Mr. Wan was interested in (i) 2,025,000 RSUs granted to him on November 1, 2021 under the 2021 RSU Scheme which entitled him to receive the aggregate of 2,025,000 Shares subject to vesting; (ii) 850,000 RSUs granted to him on November 9, 2022 under the 2021 RSU Scheme which entitled him to receive the aggregate of 850,000 Shares subject to vesting and (iii) 130,000 Shares directly. As at the Latest Practicable Date, 675,000 shares underlying the RSUs granted to him were vested.

Director's emoluments

Mr. Wan is entitled to receive emoluments of RMB1,722,000 per annum as determined by the Board with reference to his duties and responsibilities and the prevailing market conditions.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

Mr. Wan has confirmed that there is no other matter that needs to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. WANG Xinhua (王新華)*Position and Experience*

Mr. WANG Xinhua (王新華), aged 67, is an independent non-executive Director of the Company. He is primarily responsible for supervising and providing independent advice on the operation and management of the Group.

Mr. Wang has almost 45 years of experience in accounting and financial management. Mr. Wang joined the Group in November 2019. He has been an independent non-executive director of China Tobacco International (HK) Company Limited (中煙國際(香港)有限公司) (stock code: 6055.HK) since December 2018 and an independent director of China Petroleum Engineering Corporation (中國石油集團工程股份有限公司) (stock code: 600339.SH) since September 2017. In addition, Mr. Wang served as an independent director of Xinjiang Zhongtai Chemical Co., Ltd. (新疆中泰化學股份有限公司) (stock code: 002092.SZ) from January 2017 to December 2022, Guizhou Yibai Pharmaceutical Co., Ltd. (貴州益佰製藥股份有限公司) (stock code: 600594.SH) from September 2016 to September 2019 and Guizhou Jiulian Industrial Explosive Material Development Co., Ltd. (貴州久聯民爆器材發展股份有限公司) (stock code: 002037.SZ) (now renamed as Poly Union Chemical Holding Group Co., Ltd. (保利聯合化工控股集團股份有限公司)) from March 2016 to December 2019. Prior to that, Mr. Wang served as the chief financial officer of China Petroleum & Chemical Corporation (中國石油化工股份有限公司) (stock code: 386.HK and 600028.SH) from May 2009 to December 2015. From November 2004 to April 2009, he served as a director of the financial planning department of China Petrochemical Corporation (中國石化集團公司).

Mr. Wang graduated from Northeastern University (東北大學) in July 1996 after completing his undergraduate course in management engineering through long distance learning. He was certified as a senior accountant at professor level (教授級高級會計師) by Sinopec Group (中國石化集團) in January 2004.

Save as disclosed above, Mr. Wang (i) has not held any directorship in any public listed companies in the past three years; and (ii) does not hold any other positions within our Group.

Length of service

Mr. Wang has entered into a letter of appointment with the Company on October 8, 2020. The letter of appointment is for an initial term of three years commencing from the Listing Date or until the third annual general meeting convened after the Listing Date, whichever is earlier. The letter of appointment may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations.

Relationships

Mr. Wang does not have any relationship with any Directors, senior management of the Company, substantial Shareholders or controlling Shareholders.

Interests in Shares

As at the Latest Practicable Date, Mr. Wang does not or is not deemed to have any interest or short position (within the meaning of Part XV of the SFO) in any Shares, underlying Shares or debentures of the Company.

Director's emoluments

Mr. Wang is entitled to receive emoluments of RMB360,000 per annum as determined by the Board according to the letter of appointment with reference to his duties and responsibilities and the prevailing market conditions.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

Mr. Wang has confirmed that there is no other matter that needs to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

The following is a summary of the principal amended terms of the 2021 RSU Scheme. It does not form part of, nor is it intended to be part of the rules of the 2021 RSU Scheme. The Directors reserve the right at any time prior to the AGM to make such amendments to the 2021 RSU Scheme as they may consider necessary or appropriate provided that such amendments do not conflict with any materials aspects with the summary in this Appendix.

1. PURPOSE

The purpose of the 2021 RSU Scheme is (a) to incentivize the Eligible Participants for their contribution to the Group; and (b) to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company, with a view to achieving the objectives of increasing the value of the Company and aligning the interests of the Selected Participants directly to the Shareholders through ownership of Shares.

2. ELIGIBILITY

The Eligible Participants include directors and employees of the Company or any of its subsidiaries (including persons who is granted RSUs under the 2021 RSU Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries), who the Administrator considers, in its sole discretion, has the below eligibility.

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

3. EFFECTIVENESS AND DURATION

Without prejudicing the subsisting rights of any Selected Participant and subject to any early termination as may be determined by the Administrator, the 2021 RSU Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date, after which no further Awards will be granted, but the provisions of the 2021 RSU Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to any Awards granted prior to such expiry and the administration of the Trust Fund held by the Trustee pursuant to the Trust Deed.

4. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (i) Subject to following sub-paragraphs (iv) and (v), the total number of Shares which may be issued in respect of all options and awards to be granted under the 2021 RSU Scheme and any other Share Schemes (the “**Relevant Scheme(s)**”) must not exceed 266,404,561 Shares, representing 10% of the total number of Shares in issue as at the Amendment Date (the “**Scheme Mandate Limit**”).
- (ii) Subject to paragraph 11 to this Appendix III, for the purposes of calculating the Scheme Mandate Limit, options and awards that have already lapsed in accordance with the terms of the Relevant Scheme(s) shall not be regarded as utilised.

- (iii) If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved by the Shareholders in general meeting, the maximum number of Shares that may be issued in respect of all options and awards to be granted under all Relevant Scheme(s) under the Scheme Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.
- (iv) The Scheme Mandate Limit may be refreshed by the Shareholders in general meeting after three years from the date of Shareholders' approval for the last refreshment (or the Amendment Date), provided that:
 - (a) the total number of Shares which may be issued in respect of all options and awards to be granted under all Relevant Scheme(s) under the Scheme Mandate Limit as refreshed shall not exceed 10% of the total number of Shares in issue as at the date of approval of the refreshing of the Scheme Mandate Limit by the Shareholders; and
 - (b) a circular regarding the proposed refreshing of the Scheme Mandate Limit has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules.

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

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

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

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

5. GRANT OF AWARDS

On and subject to the terms of the 2021 RSU Scheme and the terms and conditions that the Administrator imposes, the Administrator shall be entitled at any time during the term of the 2021 RSU Scheme to make a Grant to any Eligible Participant, as the Administrator may in its absolute discretion determine.

The Administrator may in its absolute discretion specify such conditions, restrictions or limitations as it thinks fit when making a Grant to an Eligible Participant (including, without limitation, as to the performance targets, clawback mechanism and the vesting period attached to the Award), provided such terms and conditions shall not be inconsistent with any other terms and conditions of the 2021 RSU Scheme. The terms and conditions of an Award may be determined at the sole and absolute discretion of the Administrator and may differ among Selected Participants.

The Purchase Price (if any) for acceptance of the Award under the 2021 RSU Scheme shall be determined at the sole and absolute discretion of the Administrator after taking into consideration (i) the purpose of the Award, (ii) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Grant Date, (iii) the average closing price of the Shares for the five Business Days prior to the Grant Date and/or (iv) any other matter which the Administrator considers relevant. Such consideration (if any) shall be paid to the Company or the Trustee at the sole and absolute discretion of the Administrator. For the avoidance of doubt, the Administrator may determine the Purchase Price to be nil.

Subject to limitations and conditions of the 2021 RSU Scheme, an offer of grant of Award to each of the Selected Participants will be made by the Administrator by way of the Grant Letter, in such form as the Administrator may from time to time determine for acceptance by the Selected Participants, each of which shall set out the terms as stipulated in the 2021 RSU Scheme, and in particular, shall specify:

- (i) a date, being a date not later than twenty (20) Business Days after (i) the Grant Date, or (ii) the date on which the conditions (if any) for the Grant are satisfied, whichever is earlier, by which the Selected Participant must accept the Grant or be deemed to have declined it;
- (ii) the vesting period, which shall not be less than 12 months, unless the Administrator determines, in its sole discretion, that the Awards granted to an Eligible Participant may be subject to a vesting period of less than 12 months in the following circumstances:
 - (a) awards are subject to performance-based vesting conditions provided, in lieu of time-based vesting criteria to stimulate the Eligible Participants to achieve the relevant performance targets in a shorter period; or
 - (b) awards are granted in batches during a year for administrative and compliance reasons, in which case, the vesting period may be shorter to reflect the time from which the Awards would have been granted.
- (iii) the clawback mechanism as the Administrator may determine from time to time, including but not limited to in the occurrence of:
 - (a) the cessation of a Grantee to be an Eligible Participant by reason of termination of the Grantee's employment by any Group Company as a result of the Grantee having been charged, penalised or convicted an offence that has materially adverse effect to the reputation or interests of any Group Company;
 - (b) any material violation of a Grantee to obligations of confidentiality or non-competition to the Group, or material breach by such Grantee of an internal policy or code of any Group Company or the terms of the 2021 RSU Scheme; or
 - (c) any conduct of a Grantee that is involved in a material misstatement in the Group's financial statements.

upon which, the Administrator may make a determination at its absolute discretion that: (A) any Awards granted but not yet vested shall immediately lapse and shall be dealt with in accordance with the terms and conditions of the 2021 RSU Scheme, and (B) with respect to any Shares delivered, or Actual Selling Price paid, to the Grantee pursuant to any Awards granted under the 2021 RSU Scheme, the Grantee shall be required to transfer back to the Company or its nominee or the Trustee (a) the equivalent number of Shares, (b) an amount in cash equal to the market value of such Shares or the Actual Selling Price, or (c) a combination of (a) and (b); and

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

The grant of Awards shall be satisfied by new Shares to be allotted and issued to the Trustee by the Company under the Scheme Mandate Limit to be granted by the Shareholders at the AGM.

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

- (i) Subject to the following sub-paragraph (ii), no Award shall be granted to any Eligible Participant (the “**Relevant Eligible Participant**”) if, at the time of the Grant, the number of Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the scheme) to such person under the 2021 RSU Scheme and any other Share Schemes in the 12-month period up to and including the Grant Date of the relevant Award would exceed 1% of the total number of Shares in issue as at the Grant Date (“**Individual Limit**”), unless:
 - (a) such Grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by the Shareholders in general meeting, at which the Relevant Eligible Participant and his/her close associates (or his/her associates if the Relevant Eligible Participant is a connected person) abstained from voting;
 - (b) a circular containing the details of the Grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules; and
 - (c) the number and terms of such Award are fixed before the general meeting of the Company at which the same are approved.

- (ii) Where an Award is to be granted to any Director, the chief executive or any substantial shareholder of the Company (or any of their respective associates), the grant shall not be valid unless it has been approved by the independent non-executive Directors, excluding any independent non-executive Director who is the proposed Grantee of the Award.
- (iii) Where an Award is to be granted to an independent non-executive Director or a substantial shareholder of the Company (or any of their respective associates), and the Grant will result in the number of Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the scheme) to such person under the 2021 RSU Scheme and any other Share Schemes in the 12-month period up to and including the Grant Date of the relevant Award exceeding 0.1% of the total number of Shares in issue as at the Grant Date, such Grant shall not be valid unless:
 - (a) the Grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by the Shareholders in general meeting, at which the proposed Grantee, his/her associates and all core connected persons of the Company abstained from voting in favour of the relevant resolution granting the approval;
 - (b) a circular containing the details of the Grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including but not limited to, the views of the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of the Award) as to whether the terms of the Grant are fair and reasonable and whether such Grant is in the interests of the Company and Shareholders as a whole, and their recommendation to the independent Shareholders as to voting); and
 - (c) the number and terms of such Award are fixed before the general meeting of the Company at which the same are approved.
- (iv) Where an Award is to be granted to a Director (other than an independent non-executive Director) or the chief executive of the Company or any of their respective associates, and the Grant will result in the number of the Shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the scheme) to such person under the 2021 RSU Scheme and any other Share Schemes in the 12-month period up to and including the Grant Date of the relevant Award exceeding 0.1% of the total number of Shares in issue as at the Grant Date, such Grant shall not be valid unless:

- (a) the Grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by the Shareholders in general meeting, at which the proposed Grantee, his/her associates and all core connected persons of the Company abstained from voting in favour of the relevant resolution granting the approval;
 - (b) a circular containing the details of the Grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including but not limited to, the views of the independent non-executive Directors as to whether the terms of the Grant are fair and reasonable and whether such Grant is in the interests of the Company and Shareholders as a whole, and their recommendation to the independent Shareholders as to voting); and
 - (c) the number and terms of such Award are fixed before the general meeting of the Company at which the same are approved.
- (v) Where any change is to be made to the terms of any Award granted to a Director, the chief executive or a substantial shareholder of the Company (or any of their respective associates) and:
- (a) such Grant has been approved in accordance with the above sub-paragraph (iii) or (iv); or
 - (b) (where the grant was not subject to the above sub-paragraph (iii) or (iv)) as a result of such proposed change, the Grant would come to be subject to the above sub-paragraph (iii) or (iv), such change shall not be valid unless;
 - (c) the change has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by the Shareholders in general meeting, at which such Grantee, his/her associates and all core connected persons of the Company abstained from voting in favour of the relevant resolution granting the approval; and
 - (d) a circular regarding the change has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including but not limited to, the views of the independent non-executive Directors (excluding the independent non-executive Director who is the Grantee of the Award) as to whether the change is fair and reasonable and whether such change is in the interests of the Company and Shareholders as a whole, and their recommendation to the independent Shareholders as to voting).

- (vi) In the cases referred to in the above sub-paragraphs (i) to (iv), where an Award has not been approved by the Shareholders in general meeting or by the independent non-executive Directors (as the case may be), the Purchase Price (if applicable) paid by the Eligible Participant relating to such Award shall be refunded (without interest) by the Company.

7. RESTRICTIONS ON THE TIME OF GRANT OF AWARDS

No Grant shall be made to any Eligible Participant and no payment will be made to the Trustee and no instruction to acquire Shares will be given to the Trustee under the 2021 RSU Scheme:

- (i) after information that must be disclosed under Rule 13.09 of the Listing Rules or inside information which must be disclosed under Part XIVA of the SFO has come to the knowledge of the Company until (and including) the trading day after it has announced the information;
- (ii) during the period commencing one month immediately preceding the earlier of:
 - (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcements. Such period will cover any period of delay in the publication of a results announcement;
- (iii) during a specified period, where a Grant is prohibited under the Listing Rules, the SFO or other applicable laws from time to time or where such Grant would render the Company the subject of a mandatory offer under the Codes on Takeovers and Mergers and Share Buy-backs from time to time;
- (iv) in any other circumstances where dealings in Shares by a Grantee (including Directors of the Company) are prohibited under the Listing Rules, the SFO or any other applicable law or regulation;
- (v) where the requisite approval for such Grant from any applicable regulatory authorities has not been granted;
- (vi) where the securities laws or regulations require that a prospectus or other offering documents be issued in respect of the Grant or in respect of the 2021 RSU Scheme, unless the Administrator determines otherwise;

(vii) where the Grant would result in a breach of any applicable laws, rules or regulations by any Group Company or any of its directors; or

(viii) where the Grant would result in a breach of the Scheme Mandate Limit.

8. VESTING OF RSUS

Subject to the terms of the 2021 RSU Scheme and the specific terms and conditions applicable to each Award, the RSUs granted in an Award shall be subject to a vesting schedule (if any) and to the satisfaction of performance milestones or targets and/or other conditions to be determined by the Administrator (if any) in its sole and absolute discretion. If such conditions are not satisfied or waived, the Award shall automatically lapse on the date on which any such condition is not satisfied, as determined by the Administrator in its sole and absolute discretion. The Administrator (or, as the case may be, the Remuneration and Appraisal Committee) will conduct assessment at the end of a performance period by comparing the Group's overall performance and the individual performance of the Grantees with the pre-agreed performance targets to determine whether the targets and the extents to which have been met.

Within a reasonable time after the fulfilment or waiver (by the Administrator in its sole and absolute discretion) of the vesting schedule and vesting conditions (if any) applicable to a Grantee or a Grant, a notice in writing (the "**Vesting Notice**") will be sent to the Grantee by the Administrator, or by the relevant Trustee under the authorization and instruction by the Administrator, confirming, inter alia, (a) the extent to which the vesting schedule and vesting conditions (if any) have been fulfilled or waived; (b) the number of Shares underlying the Awards (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of these Shares) or the amount of cash the Grantee will receive; (c) where the Grantee will receive the Shares underlying the Awards, the lock-up arrangements or other restrictions for such Shares (if applicable). The Grantee is required to return to the Company, after receiving the Vesting Notice, the reply slip (the "**Reply Slip**") attached to the Vesting Notice to confirm that he/she has complied with all the terms and conditions set out in the 2021 RSU Scheme and the Grant Letter, together with the evidence showing the payment of full amount of the Purchase Price (if any). In the event that the Grantee fails to return to the Company the required documents within forty (40) Business Days or such other date as stated in the Vesting Notice after receiving the Vesting Notice, the vested RSUs will lapse.

Subject to the execution of documents by the Grantee as set out in the 2021 RSU Scheme, the RSUs which have vested shall be satisfied at the Administrator's sole and absolute discretion within fifty (50) Business Days from the Vesting Date of such RSUs, either by:

- (i) subject to terms and conditions of the 2021 RSU Scheme, the Administrator directing and procuring the Trustee to transfer the Shares underlying the Awards (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of these Shares) to the Grantee and/or a vehicle controlled by him/her (such as a trust or a private company) from the Trust Fund; and/or

- (ii) the Administrator directing and procuring the Trustee to pay to the Grantee and/or a vehicle controlled by him/her (such as a trust or a private company) in cash an amount which is equivalent to the market value of the Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of these Shares) above by making on-market sales of such Shares and after deduction or withholding of any tax, fees, levies, stamp duty and other charges applicable to the entitlement of the Grantee (the “**Actual Selling Price**”) and the sales of any Shares to fund such payment and in relation thereto.

9. RIGHTS ATTACHED TO AWARDS AND SHARES UNDERLYING THE AWARDS

Neither the Grantees nor the Trustee may exercise any of the voting rights in respect of any RSUs that have not yet vested. No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an Award pursuant to the 2021 RSU Scheme, unless and until such Shares underlying the Awards are actually transferred to the Grantee and/or a vehicle controlled by him/her (such as a trust or a private company) upon the vesting of the RSUs. Unless otherwise specified by the Administrator in its sole and absolute discretion in the Grant Letter pursuant to terms and conditions in the 2021 RSU Scheme, the Grantees do not have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any RSUs prior to the vesting of the RSUs.

Any Shares underlying the Awards to be transferred to a Grantee or a vehicle controlled by him/her (such as a trust or a private company) upon the vesting of the RSUs granted pursuant to the 2021 RSU Scheme shall be subject to all the provisions of the amended and restated articles of association of the Company and shall rank *pari passu* in all respects with the existing fully-paid Shares in issue on the date of transfer, or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members, and accordingly shall entitle the holder of such Shares to participate in all dividends or other distributions paid or made on or after the date of transfer or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members and to exercise all voting rights in respect of such Shares.

The Trustee shall not exercise any voting rights in respect of any Shares held, whether directly or indirectly, by the Trustee for the purpose of the 2021 RSU Scheme, and will therefore abstain from voting on any Shareholders’ general meeting of the Company, unless otherwise required by law to vote in accordance with the beneficial owner’s direction and such a direction is given.

10. RIGHTS ON GENERAL OFFER

If a general offer to acquire the Shares (whether by takeover offer, merger, or otherwise in a like manner) is made to all of the Shareholders (or Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and the general offer to acquire the Shares is approved and the offer becomes or is declared unconditional in all respects, a Grantee's RSUs will vest immediately even if the vesting period has not yet commenced, provided that none of the events set out in sub-paragraph (ii) of paragraph 14 has occurred prior to vesting under this paragraph.

11. RIGHTS ON COMPROMISE OR ARRANGEMENT

If a compromise or arrangement between the Company and its Shareholders or creditors is proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies and a notice is given by the Company to its Shareholders to convene a general meeting to consider and if thought fit approve such compromise or arrangement and such Shareholders' approval is obtained, a Grantee's RSUs will vest immediately even if the vesting period has not yet commenced, provided that none of the events set out in sub-paragraph (ii) of paragraph 14 has occurred prior to vesting under this paragraph.

12. RIGHTS ON WINDING-UP

If an effective resolution is passed during the effective period of the 2021 RSU Scheme for the voluntary winding-up of the Company (other than for the purposes of a reconstruction, amalgamation or scheme of arrangement), all outstanding RSUs shall be treated as having vested immediately. No Shares will be transferred, and no cash alternative will be paid, to the Grantee, but the Grantee will be entitled to receive out of the assets available in liquidation on an equal basis with the Company's Shareholders such sum as they would have received in respect of the RSUs, provided that none of the events set out in sub-paragraph (ii) of paragraph 14 has occurred prior to vesting under this paragraph.

13. TRANSFERABILITY

An Award shall be personal to the Grantee and shall not be assignable nor transferable. Before vesting of the RSUs, no Grantee shall in any way sell, transfer, charge, mortgage, encumber, hedge or create any interest (whether legal or beneficial) in favour of any third party over or in relation to any unvested RSUs or any property held by the Trustee on trust for the Grantees or enter or purport to enter into any agreement to do so, unless a waiver is granted by the Stock Exchange to allow a transfer to a vehicle (such as a trust or a private company) for the benefit of the Grantee and any his/her family members (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of the 2021 RSU Scheme and comply with other requirements of Chapter 17 of the Listing Rules.

14. LAPSE OF AWARDS

- (i) Subject to the terms and conditions of the 2021 RSU Scheme, any unvested RSUs shall automatically lapse upon the earliest of: (a) the date of the termination of a Grantee's employment with any Group Company; (b) the date on which the Grantee ceases to be an Eligible Participant as provided in the 2021 RSU Scheme; (c) the date on which the Grantee commits a breach of non-transferability of the Awards as provided in the 2021 RSU Scheme; or (d) the date on which the Administrator reasonably believes it is no longer possible for any outstanding conditions to vesting (including the performance targets) to be satisfied.
- (ii) For the purpose of (b) in sub-paragraph (i) of this paragraph, a Grantee shall cease to be an Eligible Participant if: (a) the Grantee's employment or service with any Group Company been terminated by any Group Company for cause; (b) the Grantee has been summarily dismissed by the Company or any subsidiary in so far as such Grantee is an Employee Participant; (c) the Grantee has become bankrupt or failed to pay his/her debts within a reasonable time after they become due or has made any arrangement or composition with his/her creditors generally; (d) the Grantee has been convicted for any criminal offence involving his/her integrity or honesty; (e) the Grantee has been charged, convicted or held liable for any offence under the relevant securities laws in Hong Kong or any other applicable laws or regulations in force from time to time; (f) the Grantee fails, during the course of his/her employment, to devote the whole of his/her time and attention to the business of the Group or to use his/her best endeavours to develop the business and interests of the Group; (g) the Grantee is concerned during the course of his/her employment with the Group (without the prior written consent of the Company) with any (competitive or other) business other than that of the Group; (h) the Grantee is in breach of his/her contract of employment with or any other obligation to the Group (including without limitation certain restrictive covenants); or (i) the subsidiary of the Company by which such Grantee is employed or contracted with (as the case may be) ceases to be a subsidiary of the Company.

For the purpose of this sub-paragraph (ii) and all other relevant provisions hereunder (if any) relating to termination for cause, "cause" shall mean: (i) dishonesty or serious misconduct, whether or not in connection with his/her employment; (ii) willful disobedience or non-compliance with the terms of his/her employment contract with the Company or any subsidiary or any lawful orders or instructions given by the Company or any subsidiary as the case may be; (iii) incompetence or negligence in the performance of his/her duties; or (iv) doing anything in the conclusive opinion of the Company or any subsidiary adversely affects his/her ability to perform his/her duties properly or bring the Company or the Group into disrepute.

- (iii) For the purpose of sub-paragraph (i) of this paragraph, a Grantee shall be regarded as remaining as an Eligible Participant notwithstanding that he/she ceases to hold a position of employment or office with the Company or a subsidiary, if at the same time he/she takes up a different position of employment and/or office with another subsidiary of the Company as the case may be.

- (iv) Notwithstanding anything contained in sub-paragraph (i)-(iii) of this paragraph, in the event of a Grantee ceasing to be an Eligible Participant by reason of retirement or death, such Grantee shall still be entitled to receive the Shares underlying those RSUs which are referable to the date of cessation, subject to the fulfilment of the vesting conditions as set out in the Grant Letter by such Grantee at any time prior and up to the date of cessation.
- (v) Where any unvested RSUs of a Grantee lapse in accordance with the rules of the 2021 RSU Scheme, the Administrator shall direct the Trustee to refund to the Grantee the Purchase Price (if any) in correspondence to such unvested RSUs paid by the Grantee pursuant to the 2021 RSU Scheme and the terms and conditions as set out in the Grant Letter. To the extent the Trust Fund does not have sufficient cash to pay and settle such refund, the Trustee shall notify the Company/the Administrator of such shortfall and the Company shall pay to the Trustee the shortfall amount within sixty (60) Business Days upon its receipt of such notice from the Trustee.
- (vi) Notwithstanding any other provisions of the 2021 RSU Scheme (but subject to any applicable laws or regulations), in each case, the Administrator may in its sole and absolute discretion decide that any RSUs shall not lapse or shall be subject to such conditions or limitations as the Administrator may decide.

15. CANCELLATION OF RSUS

The Board may at its discretion cancel any Award that has not vested or lapsed, provided that: (i) the Company or any of its subsidiaries pay to the Grantee an amount equal to the fair value of the RSUs at the date of the cancellation as determined by the Administrator, after consultation with the Auditors or an independent financial adviser appointed by the Administrator; (ii) the Company or any of its subsidiaries provides to the Grantee a replacement award (or a grant or option under any other Share Schemes) of equivalent value to the RSUs to be cancelled; or (iii) the Administrator makes any arrangement as the Administrator and Grantee may mutually agree in order to compensate him/her for the cancellation of the Awards.

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

16. REORGANIZATION OF CAPITAL STRUCTURE

In the event of any alteration in the capital structure of the Company whilst any Award remains outstanding, such as capitalization issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company, the Administrator may make equitable adjustments that it considers appropriate, at its sole and absolute discretion, including (i) the maximum number of Shares subject to the 2021 RSU Scheme; (ii) the number of the RSUs already granted but not vested; and/or (iii) the Purchase Price (if any), provided that:

- (i) no such adjustments shall be made in respect of an issue of securities by the Company as consideration in a transaction;
- (ii) any such adjustments must be made so that each Grantee is given the same proportion of the share capital of the Company, rounded to the nearest whole Share, as that to which he/she was previously entitled;
- (iii) where applicable, no such adjustments shall be made which would result in the Purchase Price for a Share being less than its nominal value (if any), provided that in such circumstances the Purchase Price shall be reduced to the nominal value;
- (iv) any such adjustments, save those made on a capitalization issue, shall be confirmed by an independent financial adviser or the Auditors in writing to the Directors as satisfying the requirements of the above sub-paragraph (ii), the requirements of the relevant provisions of the Listing Rules and the supplementary guidance on Rule 17.03(13) of the Listing Rules set out in the letter issued by the Stock Exchange on September 5, 2005 (the “**Supplementary Guidance**”) and any further guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time, and that in the opinion of the Auditors or an independent financial adviser that the adjustments made by the Administrator are fair and reasonable;
- (v) any such adjustments to be made pursuant to a subdivision or consolidation of share capital shall be made on the basis that the aggregate Purchase Price (if any) payable by a Grantee for the acceptance of the RSUs granted to him shall remain as nearly as possible the same (but shall not be greater than) as it was before such event; and
- (vi) any adjustments to be made will comply with the Listing Rules, the Supplementary Guidance and any further guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.

Based on the above principles and conditions, the adjustment formulas of the number of outstanding RSUs and the Purchase Price (if any) shall be as follows:

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

$$\text{New number of RSUs} = \text{Existing number of outstanding RSUs} \times F$$

$$\text{New Purchase Price} = \text{Existing Purchase Price} \times \frac{1}{F}$$

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

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

Where:

1. CUM represents the closing price of the Shares as shown in the daily quotation sheet of the Stock Exchange on the last day of trading before going ex-entitlement;
2. M represents entitlement per existing Share; and
3. R represents the subscription price of the capitalization issue or rights issue.

- (ii) in the case of subdivision, consolidation or reduction of share capital of the Company:

$$\text{New number of RSUs} = \text{Existing number of outstanding RSUs} \times F$$

$$\text{New Purchase Price} = \text{Existing Purchase Price} \times \frac{1}{F}$$

Where, F represents subdivision, consolidation or reduction factor.

17. ALTERATION OF THE 2021 RSU SCHEME

The 2021 RSU Scheme may be altered in any respect by resolution of the Administrator, except that any alterations to the terms and conditions of the 2021 RSU Scheme that are of a material nature or any alterations to the specific terms of the 2021 RSU Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Grantees or proposed Grantees must be approved by the Shareholders in general meeting (with the Grantees and their associates abstaining from voting). The Administrator's determination as to whether any proposed alteration to the terms and conditions of the 2021 RSU Scheme is material shall be conclusive.

Any change to the authority of the Administrator to alter the terms of the 2021 RSU Scheme shall not be valid unless approved by Shareholders in general meeting.

Any change to the terms of Awards granted to a Grantee must be approved by the Administrator, the Remuneration and Appraisal Committee, the independent non-executive Directors of the Company and/or the Shareholders (as the case may be) if the initial grant of such Awards under the 2021 RSU Scheme was approved by the Administrator, the Remuneration and Appraisal Committee, the independent non-executive Directors of the Company and/or the Shareholders (as the case may be) except where the alterations take effect automatically under the existing terms of the 2021 RSU Scheme.

The amended terms of the 2021 RSU Scheme or the Awards must comply with the relevant requirements of Chapter 17 of the Listing Rules.

The Company must provide to all Grantees all details relating to changes in the terms of the 2021 RSU Scheme during the life of the 2021 RSU Scheme immediately upon such changes taking effect.

18. TERMINATION

Notwithstanding anything contained to the contrary in the 2021 RSU Scheme and without prejudice to any subsisting rights of any Grantee hereunder, the 2021 RSU Scheme may be terminated at any time prior to the expiry of its term by a resolution of the Board. For the avoidance of doubt, no further Awards shall be granted after the 2021 RSU Scheme is terminated but in all other respects the provisions of the 2021 RSU Scheme shall remain in full force and effect. All Awards granted prior to such termination and not vested on the date of termination shall remain valid.

The Administrator shall notify the Trustee of such termination. Upon receipt of the notification of termination from the Administrator in writing, the Trustee shall within 7 Business Days of receiving such notice of termination, or such longer time as the Trustee and the Administrator may agree from time to time, (i) vest in the Grantees all Shares underlying the RSUs, which are not vested as at the date of termination and have not previously lapsed, by transferring the same held by and in the Trust Fund of the Trust to the relevant Grantees; and (ii) the Trustee shall act in accordance with the instruction of the Administrator in terms of how the Trust Fund held by the Trustee on trust and other interests or benefits in relation to the outstanding Shares underlying the Awards shall be dealt with.

NOTICE OF ANNUAL GENERAL MEETING



Sincere Pharmaceutical Group Limited

先聲藥業集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 2096)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “**AGM**”) of Sincere Pharmaceutical Group Limited (the “**Company**”) will be held at No. 699-18, Xuanwu Road, Xuanwu District, Nanjing, Jiangsu, PRC on Thursday, June 15, 2023 at 9:00 a.m. for the following purposes:

AS ORDINARY BUSINESS

To consider and if thought fit, pass the following resolutions (with or without modification) as ordinary resolutions of the Company:

1. To receive, consider and adopt the audited consolidated financial statements of the Company and the reports of the directors of the Company (the “**Director(s)**”) and auditors of the Company (the “**Auditors**”) for the year ended December 31, 2022.
2.
 - (a) To declare a final dividend of RMB0.16 per share of the Company (the “**Final Dividend**”) for the year ended December 31, 2022.
 - (b) Any Director be and is hereby authorised to take such action, do such things and execute such further documents as the Director may at his/her absolute discretion consider necessary or desirable for the purpose of or in connection with the implementation of the payment of the Final Dividend.
3.
 - (a) To re-elect the following retiring Directors:
 - i. Mr. TANG Renhong as an executive Director;
 - ii. Mr. WAN Yushan as an executive Director; and
 - iii. Mr. WANG Xinhua as an independent non-executive Director.
 - (b) To authorise the board of the Directors (the “**Board**”) to fix the remuneration of the Directors.
4. To re-appoint KPMG as the Auditors and authorise the Board to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

5. To consider and if thought fit, pass the following resolution (with or without modification) as ordinary resolution of the Company:

“That:

- (a) subject to paragraph (c) 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 of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of the Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;
- (c) the total number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors during the Relevant Period pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) the grant or exercise of any option under the option scheme of the Company or any other option, scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed the aggregate of 20% of the total number of shares of the Company in issue as at the date of passing this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares of the Company that may be issued under the mandate in paragraph (a) above as a percentage of the total number of issued shares of the Company at the date immediately before and after such consolidation and subdivision shall be the same, and the said approval shall be limited accordingly;

NOTICE OF ANNUAL GENERAL MEETING

- (d) for the purpose of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares of the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares of the Company whose names appear on the register of members on a fixed record date in proportion to their holdings of shares (subject to such exclusion 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 the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”

6. To consider and if thought fit, pass the following resolution (with or without modification) as ordinary resolution of the Company:

“That:

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase issued shares of the Company, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the **“Listing Rules”**) as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period (as hereinafter defined) to procure the Company to repurchase its shares at a price determined by the Directors;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the total number of shares of the Company which are authorised to be bought back by the Directors pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of the shares of the Company in issue as at the date of passing this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares of the Company that may be bought back under the mandate in paragraph (a) above as a percentage of the total number of issued shares of the Company at the date immediately before and after such consolidation and subdivision shall be the same, and the said approval shall be limited accordingly; and

- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

- 7. To consider and if thought fit, pass the following resolution (with or without modification) as ordinary resolution of the Company:

“That conditional upon the passing of resolutions nos. 5 and 6 above, the general mandate to the Directors pursuant to resolution no. 5 be and is hereby extended by the addition thereto of the total number of shares of the Company repurchased by the Company under the authority granted pursuant to the resolution no. 6, provided that such number of added shares shall not exceed 10% of the total number of the shares of the Company in issue as at the date of passing this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

8. To consider and if thought fit, pass the following resolution (with or without modification) as ordinary resolution of the Company:

“That:

- (a) 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, shares of the Company to be allotted and issued in respect of awards which may be granted under the restricted share unit scheme of the Company approved by the Board on May 20, 2021 for adoption, (the **“2021 RSU Scheme”**), the proposed amendments to the 2021 RSU Scheme, a copy of which is tabled at the AGM and marked “A” and initialed by the chairman of the AGM for identification purpose, be and are hereby approved and adopted; and the Board and the committee duly appointed by the Board for the purpose of administering the 2021 RSU Scheme be and are hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2021 RSU Scheme, including without limitation to:
 - (i) to modify and/or amend the 2021 RSU Scheme from time to time provided that such modification and/or amendment is effected in accordance with the terms of the 2021 RSU Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Listing Rules;
 - (ii) to allot and issue from time to time such number of shares of the Company in the share capital of the Company as may be required to be allotted and issued in respect of the awards under the 2021 RSU Scheme and subject to the Listing Rules;
 - (iii) to make application at appropriate time or times to the Stock Exchange for listing of, and permission to deal in, any shares of the Company which may hereafter from time to time be allotted and issued in respect of the awards under the 2021 RSU Scheme; and
 - (iv) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the 2021 RSU Scheme;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the total number of shares of the Company which may be issued in respect of all options and awards to be granted under the 2021 RSU Scheme and any other share options schemes and/or share award schemes involving issuance of new Shares adopted and to be adopted by the Company from time to time must not in aggregate exceed 10% of the total number of shares of the Company in issue as at the date of passing of this resolution.”

By order of the Board
Simcere Pharmaceutical Group Limited
Mr. Ren Jinsheng
Chairman and Chief Executive Officer

Hong Kong, May 25, 2023

Registered office:
43/F, AIA Tower
183 Electric Road
North Point
Hong Kong

Headquarters in the PRC:
No. 699-18, Xuanwu Road
Xuanwu District, Nanjing
Jiangsu
PRC

Notes:

1. The resolution at the AGM (except those related to the procedural or administrative matters, which should be taken by a show of hands as the chairman of the AGM may decide, in good faith) will be taken by a poll pursuant to the Listing Rules and the results of the poll will be published on the websites of Stock Exchange (www.hkexnews.hk) and the Company (www.simcere.com) in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company.
3. In order to be valid, a form of proxy must be deposited at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof) not less than 48 hours (i.e. 9:00 a.m. on Tuesday, June 13, 2023) before the time appointed for the holding of the above meeting or not less than 48 hours before the time appointed for the holding of any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending and voting in person if he is subsequently able to be present and in such event the form of proxy shall be deemed revoked.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney or other person duly authorized.
5. The form of proxy must be signed by the appointor or by his attorney authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorized to sign the same.
6. Where there are joint registered holders of any share of the Company, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such Share shall alone be entitled to vote in respect thereof.

NOTICE OF ANNUAL GENERAL MEETING

7. For the purposes of holding the AGM, the register of members of the Company will be closed from Monday, June 12, 2023 to Thursday, June 15, 2023 (both days inclusive), for the purpose of determining the entitlement to attend and vote at the AGM scheduled to be held on Thursday, June 15, 2023. In order to be eligible to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, June 9, 2023.
8. For the purpose of determining the entitlement to the Final Dividend for the year ended December 31, 2022, the register of members of the Company will be closed from Wednesday, June 21, 2023 to Monday, June 26, 2023 (both days inclusive). In order to qualify for the Final Dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, June 20, 2023.
9. References to time and dates of this notice are to Hong Kong time and dates.

As at the date of this notice, the Board comprises Mr. REN Jinsheng as the Chairman and executive Director, Mr. TANG Renhong, Mr. WAN Yushan and Ms. WANG Xi as the executive Directors; and Mr. SONG Ruilin, Mr. WANG Jianguo, Mr. WANG Xinhua and Mr. SUNG Ka Woon as the independent non-executive Directors.