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If you have sold or transferred all your shares in Giant Biogene Holding Co., Ltd, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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GIANT BIOGENE HOLDING CO., LTD

巨子生物控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2367)

**PROPOSED ADOPTION OF THE 2023 SHARE OPTION SCHEME
PROPOSED ADOPTION OF THE 2023 SHARE AWARD SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM of Giant Biogene Holding Co., Ltd to be held at No. 1855, Shanglin Yuan 7th Road, Chang'an District, Xi'an, Shaanxi Province, PRC on Thursday, August 17, 2023 at 1:30 p.m. is set out in this circular.

Whether or not you are able to attend the EGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish, and in such event, the form of proxy that you have completed and returned will be deemed to be revoked.

This circular together with the a form of proxy for use at the EGM is also enclosed, and published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (<http://www.xajuzi.com>).

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

July 31, 2023

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	6
1. Introduction	6
2. Proposed Adoption of the 2023 Share Option Scheme	9
3. Proposed Adoption of the 2023 Share Award Scheme	10
4. EGM and Proxy Arrangement	11
5. Responsibility Statement	12
6. Recommendation	12
Appendix I – Summary of the Principal Terms of the 2023 Share Option Scheme	13
Appendix II – Summary of the Principal Terms of the 2023 Share Award Scheme	36
Notice of Extraordinary General Meeting	60

DEFINITIONS

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

“2023 Share Award Scheme”	the share award scheme of the Company proposed to be adopted at the EGM, a summary of the principal terms of which is set out in Appendix II to this circular
“2023 Share Option Scheme”	the share option scheme of the Company proposed to be adopted at the EGM, a summary of the principal terms of which is set out in Appendix I to this circular
“Administrator”	any person, company or legal entity designated by the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) from time to time for the purposes of holding the Shares to be issued and allotted and arranging administrative matters in connection with the 2023 Share Option Scheme and the 2023 Share Award Scheme
“Adoption Date”	the date on which the 2023 Share Option Scheme and the 2023 Share Award Scheme are approved and adopted in accordance with the resolutions of the Shareholders to be considered, and if thought fit, passed at the EGM on August 17, 2023, or any adjournment thereof
“Articles” or “Articles of Association”	the articles of association of the Company currently in force
“Award”	an award to subscribe for Shares pursuant to the terms of the 2023 Share Award Scheme and “Awards” shall be construed accordingly
“Awarded Share(s)”	in respect of a Grantee, such number of Shares as granted by the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) pursuant to the terms and conditions of the 2023 Share Award Scheme
“Board”	the board of Directors
“business day”	any day on which the Stock Exchange is open for the business of dealing in securities and on which banks are generally open for business in the PRC

DEFINITIONS

“Cayman Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“CEO”	the chief executive officer of the Company
“chief executive”	has the meaning ascribed to it under the Listing Rules
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	Giant Biogene Holding Co., Ltd (巨子生物控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 02367)
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at No. 1855, Shanglin Yuan 7th Road, Chang’an District, Xi’an, Shaanxi Province, PRC on Thursday, August 17, 2023 at 1:30 p.m., or any adjournment thereof
“Exercise Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option, as described under the rules of the 2023 Share Option Scheme
“Grantee”	any Participant who accepts the Share Option Offer or Share Award Offer of the grant of any Option or Award in accordance with the terms of the 2023 Share Option Scheme and/or the 2023 Share Award Scheme or (where the context so permits) a person entitled to any such Option or Award in consequence of the death of the original Grantee or the legal personal representative(s) of such person
“Grant Notice”	a notice sent by the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) to the Grantees in relation to the terms of the grant of the Awards and/or Options
“Group”	the Company and its subsidiaries from time to time

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	July 25, 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified from time to time)
“Option(s)”	the option to subscribe for the Shares pursuant to the terms of the 2023 Share Option Scheme
“Option Exercise Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the 2023 Share Option Scheme
“Option Period”	a period to be determined and notified by the CEO or any other authorised agent(s) as deemed appropriate at the sole discretion of the Board in its absolute discretion to each Grantee as being the period during which an Option may be exercised, and in any event, such period shall expire at the close of business on the business day immediately preceding the tenth anniversary of the date of the grant of the options
“Participant(s)”	including: (i) Employee Participant(s): director (excluding the independent non-executive director) or employee (whether full time or part time) of any member of the Group (including any person who is granted Option(s) as an inducement to enter into employment contract with any member of the Group);

DEFINITIONS

- (ii) Related Entity Participant(s): director, supervisor or employee of the following: a “holding company” of the Company (as defined in the SFO); a “subsidiary” of a holding company of the Company (as defined in the SFO) other than the Group; or an “associate” of the Company (as defined in the Listing Rules); and
- (iii) Service Provider Participant(s): persons (including entities) providing services to the Group on a continuing basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group as determined by the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) pursuant to criteria as further detailed in the Appendix I and Appendix II to this circular

“PRC”	the People’s Republic of China, but for the purposes of this circular only (unless otherwise indicated) excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Remuneration Committee”	the remuneration committee of the Board
“Returned Shares”	such Awarded Shares which are forfeited and/or not vested in accordance with the terms of the Scheme, or such Shares being deemed to be Returned Shares in accordance with the terms of the Scheme
“Scheme Mandate Limit”	the total number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Option Scheme, the 2023 Share Award Scheme and any other schemes of the Company
“Scheme Period”	subject to the fulfillment of the conditions for the effectiveness of the 2023 Share Option Scheme and the 2023 Share Award Scheme and any termination of the 2023 Share Option Scheme and 2023 Share Award Scheme, each in accordance with its rules, the period commencing on the Adoption Date and expiring at the closing of business on the business day immediately precedent the tenth anniversary thereof

DEFINITIONS

“Service Provider Sublimit”	being a sublimit under the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all options and awards to be granted to the Service Provider Participants under the 2023 Share Option Scheme, the 2023 Share Award Scheme and any other schemes of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented and/or otherwise modified from time to time
“Share(s)”	the ordinary share(s) in the issued share capital of the Company with a par value of US\$0.00001 each or if there has been a subsequent subdivision, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Share Award Offer”	an offer of the grant of Award made by the Board in accordance with the rules of the 2023 Share Award Scheme
“Share Award Offer Date”	the date on which an Award is offered to a Participant
“Share Option Offer”	an offer of the grant of Option made by the Board in accordance with the terms of the 2023 Share Option Scheme
“Share Option Offer Date”	the date on which an Option is offered to a Participant
“Shareholder(s)”	holder(s) of Share(s)
“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 of Hong Kong, as amended from time to time
“%”	per cent



GIANT BIOGENE HOLDING CO., LTD

巨子生物控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2367)

Executive Directors:

Mr. Yan Jianya

(Chairman and chief executive officer)

Ms. Ye Juan

Ms. Fang Juan

Registered Office:

PO Box 309, Uglan House

Grand Cayman

KY1-1104

Cayman Islands

Non-executive Director:

Mr. Chen Jinhao

Head Office and Principal Place of

Business in China:

No. 1855, Shanglin Yuan 7th Road

Chang'an District, Xi'an

Shaanxi Province, PRC

Independent Non-executive Directors:

Mr. Huang Jin

Mr. Shan Wenhua

Ms. Wong Sze Wing

Principal Place of Business in Hong Kong:

5/F, Manulife Place

348 Kwun Tong Road,

Kowloon, Hong Kong

July 31, 2023

To the Shareholders

Dear Sir/Madam,

**PROPOSED ADOPTION OF THE 2023 SHARE OPTION SCHEME
PROPOSED ADOPTION OF THE 2023 SHARE AWARD SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

This circular is to provide you with information in respect of the resolutions to be proposed at the EGM. The purposes of the 2023 Share Option Scheme and the 2023 Share Award Scheme are (i) to retain or otherwise maintain on-going relations with Participants; (ii) to give Participants an opportunity to have a personal stake in the Company and help motivate Participants to optimise their future contributions to the Group; and (iii) to attract suitable personnel for further growth and development of the Group.

LETTER FROM THE BOARD

The Directors are of the view that both the 2023 Share Option Scheme and the 2023 Share Award Scheme can provide incentive and motivation to the Participants, as both schemes allow the Participants to have equity stakes in the Company, which is expected to effectively align the interests of the Company and the Participants in the long term. However, the 2023 Share Option Scheme and the 2023 Share Award Scheme are also different in nature, and they complement each other in terms of equity incentive, added motivation and increased flexibility. In particular, a Grantee under the 2023 Share Option Scheme is required to pay an exercise price to subscribe for the Shares which exercise price must not be less than the closing price of the Shares at the date of grant of options in accordance with the Listing Rules. On the other hand, a Grantee under the 2023 Share Award Scheme may or may not be required to pay a purchase price for the Awarded Shares, and where a purchase price is required, such purchase price is not subject to the same restriction as exercise price of options under the Listing Rules. Hence, award holders under the 2023 Share Award Scheme may incur less costs and require less funds than option holders under the 2023 Share Option Scheme. In addition, since the values of the Options would be reduced if the market prices of the Shares decline, the significance of options as a favoured and an accepted means to provide incentives to the option holders under the 2023 Share Option Scheme will also diminish accordingly. On the other hand, the Award Shares may be less affected by Share price movements. As such, the adoption of the 2023 Share Option Scheme and the 2023 Share Award Scheme in parallel will provide the Company with different tools which are more flexible and effective in rewarding the eligible Participants and driving their contributions to the Group.

As at the Latest Practicable Date, the Company has not yet appointed the Administrator for the 2023 Share Option Scheme and the 2023 Share Award Scheme. The Company will ensure that the Administrator to be appointed is independent from the Company and its connected person.

The Scheme Mandate Limit and Service Provider Sublimit

As at the Latest Practicable Date, the Company has 995,000,000 Shares in issue. Assuming there is no change in the number of issued Shares during the period from the Latest Practicable Date to the Adoption Date, the maximum number of Shares issuable pursuant to the 2023 Share Option Scheme and the 2023 Share Award Scheme in aggregate will be 99,500,000 Shares, being 10% of the total number of Shares in issue; and as at the Latest Practicable Date, the aggregate maximum number of Shares issuable to Service Provider Participants pursuant to the 2023 Share Option Scheme and the 2023 Share Award Scheme in aggregate will be 19,900,000 Shares, being 2% of the total number of Shares in issue.

The Pre-IPO RSU Scheme

The Company adopted the existing pre-IPO RSU employee incentive scheme ("**Pre-IPO RSU Scheme**") (which is a type of share award scheme) on December 8, 2021. The maximum number of Shares underlying all the Restricted Share Units ("**RSU**") to be granted under the Pre-IPO RSU Scheme in aggregate shall not exceed 19,000,000 Shares, representing approximately 1.91% of the total issued share capital of the Company as at the Latest Practicable Date. As at the Latest Practicable

LETTER FROM THE BOARD

Date, all the RSUs with a total of 19,000,000 underlying Shares had been granted. As the RSUs under the Pre-IPO RSU Scheme have all been granted prior to the listing of the Shares on the Stock Exchange, the Company proposed to adopt the 2023 Share Award Scheme. Details of granted RSUs are set out as below (including RSUs granted to Directors, senior managers and connected persons of the Company):

Participants of the Pre-IPO RSU Scheme	Relationship with the Company	Number of underlying Shares granted as at the Latest Practicable Date	Number of underlying Shares exercised as at the Latest Practicable Date	Number of Shares granted but not exercised as at the Latest Practicable Date	Percentage of number of Shares granted but not exercised/ total issue Shares as at the Latest Practicable Date ¹
Mr. Yan Jianya	Chairman of the Board, executive Director and chief executive officer	10,459,502	–	10,459,502	1.05%
Ms. Ye Juan	Executive Director and senior vice president	681,000	–	681,000	0.07%
Ms. Fang Juan	Executive Director and senior vice president	855,333	–	855,333	0.09%
Ms. Yan Yajuan	Senior vice president	737,500	–	737,500	0.07%
Ms. Zhang Huijuan	Chief financial officer	800,000	–	800,000	0.08%
Mr. Duan Zhiguang	Senior vice president	510,000	–	510,000	0.05%
Subtotal	/	14,043,335	–	14,043,335	1.41%
Employees except for the Directors, senior management or the five highest paid employees of the Group	/	4,956,665	–	4,956,665	0.50%
Total	/	19,000,000	–	19,000,000	1.91%

Note:

- The percentage figures have been subject to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

LETTER FROM THE BOARD

The RSUs under the Pre-IPO RSU Scheme and the Awards under the 2023 Share Award Scheme are similar in nature as they could both be purchased by eligible participants of the relevant schemes at a price which is not subject to the same restriction as exercise price of options. The Options under the 2023 Share Option Scheme, on the other hand, have exercise price closely related to the market price of the Shares as required by Chapter 17 the Listing Rules.

As a result of the differences above, in most cases the purchase price for the RSUs under the Pre-IPO RSU Scheme and the Awards under the 2023 Share Award Scheme are lower than the market price of the Shares; thus, the Company is expected to receive less funds from the Pre-IPO RSU Scheme and the 2023 Share Award Scheme compared to the 2023 Share Option Scheme, and record a higher cost for share-based payments at the time of adoption of the Pre-IPO RSU Scheme and the 2023 Share Award Scheme compared to the 2023 Share Option Scheme.

2. PROPOSED ADOPTION OF THE 2023 SHARE OPTION SCHEME

The Board has resolved to propose the adoption of the 2023 Share Option Scheme for the approval by the Shareholders. In approving the adoption of the 2023 Share Option Scheme, the Board has considered the factors including the need for the Group to attract, motivate and retain talents, and that share options are different in nature compared with share awards and RSUs in terms of fund raising and accounting treatment. The Company will issue new Shares as underlying shares for the purpose of the 2023 Share Option Scheme.

Operation of the 2023 Share Option Scheme is conditional upon:

- (a) the passing of the ordinary resolution by the Shareholders at the EGM to approve and adopt the 2023 Share Option Scheme and to authorize the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) to grant Options to the Participants and to allot, issue and deal with the Shares which fall to be issued by the Company pursuant to the exercise of the Options granted under the 2023 Share Option Scheme; and
- (b) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of Options under the 2023 Share Option Scheme.

Application will be made to the Stock Exchange for the approval of the listing of, and the permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the 2023 Share Option Scheme.

Summary of the principal terms of the 2023 Share Option Scheme

A summary of the principal terms of the 2023 Share Option Scheme is set out in Appendix I to this circular. This serves as a summary of the terms of the 2023 Share Option Scheme but does not constitute the full terms of the same.

LETTER FROM THE BOARD

The Option Exercise Price granted under the 2023 Share Option Scheme shall be a price solely determined by the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) subject to a minimum amount set out in the terms of the 2023 Share Option Scheme, and the Board may specify in the Grant Notice the performance targets that need to be achieved by a Participant and the clawback mechanism for the Company to recover or withhold any Options granted to any Participants. The vesting period of Options granted under the 2023 Share Option Scheme shall be determined by the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) subject to the terms of the 2023 Share Option Scheme.

Further announcement(s) will be made by the Company when granting the Options to the Participants in the future in accordance with the applicable Listing Rules requirements.

Document on display

A copy of the scheme document of the 2023 Share Option Scheme will be published on the websites of the Stock Exchange and the Company for display for a period of not less than 14 days before the date of the EGM and the scheme document of the 2023 Share Option Scheme will be made available for inspection at the EGM.

Listing Rules Implications

The 2023 Share Option Scheme will constitute a share option scheme under Chapter 17 of the Listing Rules. The terms of the 2023 Share Option Scheme are in accordance with the relevant requirements under Chapter 17 of the Listing Rules.

3. PROPOSED ADOPTION OF THE 2023 SHARE AWARD SCHEME

The Board has resolved to propose the adoption of the 2023 Share Award Scheme for the approval by the Shareholders. In approving the adoption of the 2023 Share Award Scheme, the Board has considered the factors including the need for the Group to attract, motivate and retain talents, that the RSUs under the existing Pre-IPO RSU Scheme adopted by the Company have all been granted, and that share awards are different in nature compared with share options under the 2023 Share Option Scheme in terms of fund raising and accounting treatment. The Company will issue new Shares as underlying shares for the purpose of the 2023 Share Award Scheme.

Operation of the 2023 Share Award Scheme is conditional upon:

- (a) the passing of the ordinary resolution by the Shareholders at the EGM to approve and adopt the 2023 Share Award Scheme and to authorize the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) to grant Awards to the Participants and to allot, issue and deal with the Shares which fall to be issued by the Company in respect of the Awards granted under the 2023 Share Award Scheme; and

LETTER FROM THE BOARD

- (b) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be issued in respect of the Awards under the 2023 Share Award Scheme.

Application will be made to the Stock Exchange for the approval of the listing of, and the permission to deal in, the Shares to be issued with respect to the Awards granted under the 2023 Share Award Scheme.

Summary of the principal terms of the 2023 Share Award Scheme

A summary of the principal terms of the 2023 Share Award Scheme is set out in Appendix II to this circular. This serves as a summary of the terms of the 2023 Share Award Scheme but does not constitute the full terms of the same.

Document on display

A copy of the scheme document of the 2023 Share Award Scheme will be published on the websites of Stock Exchange and the Company for display for a period of not less than 14 days before the date of the EGM and the scheme document of the 2023 Share Award Scheme will be made available for inspection at the EGM.

Listing Rules Implications

The 2023 Share Award Scheme will constitute a share award scheme under Chapter 17 of the Listing Rules. The terms of the 2023 Share Award Scheme are in accordance with the relevant requirements under Chapter 17 of the Listing Rules.

4. EGM AND PROXY ARRANGEMENT

The notice of the EGM is set out on pages 60 to 64 of this circular. As at the Latest Practicable Date, to the best of the knowledge of the Directors and having made all reasonable enquiries, no Shareholder has any material interest in any of the proposed resolutions. As such, no Shareholder is required to abstain from voting on the resolutions in relation thereto.

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

LETTER FROM THE BOARD

For the purpose of determining the identity of the holders of Shares entitled to attend and vote at the EGM, the register of members of the Company will be closed from Monday, August 14, 2023 to Thursday, August 17, 2023, both dates inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of Shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, August 11, 2023 (Hong Kong time), being the last registration date.

A Form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.xajuzi.com>). To be valid, the forms of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarized copy of that power of attorney or authority, at the Company's Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the EGM or any adjournment thereof. Completion and delivery of the forms of proxy will not preclude you from attending and voting at the EGM if you so wish.

5. 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.

6. RECOMMENDATION

The Directors (including independent non-executive Directors) are of the opinion that the resolutions to be proposed at the EGM are in the interests of the Company and the Shareholders as a whole and so recommend the Shareholders to vote in favour of such resolutions.

Yours faithfully,
By order of the Board
Giant Biogene Holding Co., Ltd
YAN Jianya
Chairman of the Board

The following is a summary of the principal terms of the 2023 Share Option Scheme to be adopted at the EGM. It does not form part of, nor is it intended to be part of the 2023 Share Option Scheme. The Directors reserve the right at any time prior to the EGM to make such amendments to the 2023 Share Option Scheme as they may consider necessary or appropriate provided that such amendments do not conflict with any material aspects with the summary in this Appendix.

1. PURPOSE

The purpose of the 2023 Share Option Scheme is to provide an opportunity for the Participants to have a personal stake in the Company, to recognize, motivate and provide incentives to the Participants, to attract and retain the best available personnel, to provide additional incentives to the Participants, to promote the success of the business of the Group, and for such other purposes as the Board may approve from time to time.

2. BASIS OF ELIGIBILITY OF THE PARTICIPANTS

The Board may, at its absolute discretion, invite any Participant to take up an Option to subscribe for Shares.

The basis of eligibility of any Participant to the grant of any Option shall be determined by the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) from time to time in accordance with the following criteria:

- (a) For Employee Participants: (i) his/her skills, knowledge, experience, expertise and other relevant personal qualities; (ii) his/her performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard; (iii) his/her contribution made or expected to be made to the growth of the Group and the positive impacts which he/she may bring to the Group's business and development; (iv) his/her educational and professional qualifications, and knowledge in the industry; and (v) whether granting Options to him/her is an appropriate incentive to motivate him/her to continue to contribute towards the betterment of the Group;
- (b) For Related Entity Participants: (i) the degree of involvement in and/or cooperation with the Group; (ii) the length of collaborative relationship the Related Entity Participants have established with the Group; (iii) the amount of support, assistance, guidance, advice, efforts and contributions the Related Entity Participants have given or are likely to give towards the success of the Group; and (iv) their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group; and

(c) For Service Provider Participants:

	Category	Eligibility criteria for Service Provider Participants
(i)	Contractors, agents, consultants and advisers	Contractors, agents, consultants and advisers operating in the industries of professional skin treatment product, e-commerce, internet content and media, logistic services, administrative services and other business industries in which the Group operates from time to time, which are engaged by the Group on a regular or recurring basis to support its business operation. Therefore, it would be beneficial to the Group to grant such service providers with proprietary ownership in the Company so as to encourage the service providers to contribute to its future development.
(ii)	Suppliers	Suppliers engaged by the Group who supply goods to the Group on a regular or recurring basis (for example, suppliers of raw materials for the production of the Company's products), with which the Group would consider important to maintain a close business relationship on an ongoing basis. Therefore, it would be beneficial to the Group to grant such suppliers with proprietary ownership in the Company so as to encourage the suppliers to contribute to its future development.

Category	Eligibility criteria for Service Provider Participants
(iii) Business partners	Business partners including distributors cooperating with the Group on a regular or recurring basis with services in connection with distribution of the Company's products, market expansion, product development and promotion, e-commerce, internet content and media and other business industries with which the Group would consider important to maintain a close business relationship on an ongoing basis. Therefore, it would be beneficial to the Group to grant such business partners with proprietary ownership in the Company so as to encourage the business partners to contribute to its future development.

For avoidance of doubt, (i) placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, or (ii) professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity shall not be service providers for the purpose of the 2023 Share Option Scheme or any share schemes of the Company.

Additional criteria for selecting the Service Provider Participants

Where a service provider qualifies for one of the above service provider types and meets the initial eligibility criteria to fall within the above categories, the below will be considered:

Whether a potential service provider will be eligible to qualify as a Service Provider Participant will be determined by the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) based on qualitative and quantitative performance indicators to be on a case-by-case basis in accordance with the above eligibility criteria.

Whether a service provider provides services to the Group on a continuing basis: In assessing whether a service provider provides services to the Group on a continuing basis, the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) will take into account factors such as: (i) length and type of services provided or will be provided to the Group, recurrence and regularity of such services; (ii) how the selection metrics benchmark against comparable metrics used to determine other eligible Participants who have been granted awards and/or options under the other share scheme of the Company; (iii) the Group's objectives in engaging the service provider and how granting awards and/or options to the service provider would align with the purpose of the 2023

Share Option Scheme or benefit the Group; and (iv) remuneration packages of comparable listed peers with respect to similar service providers, if any, based on available industry information.

The view of the Board and the independent Non-executive Directors on the eligibility and selection criteria of the Participants

Each of the Board and the independent non-executive Directors of the Company are of the view that apart from the contributions from employees, the success of the Group might also come from the efforts and contributions from non-employees such as Related Entity Participants and Service Provider Participants who have contributed to the Group or may contribute to the Group in the future. The Related Entity Participants will have a sufficiently close relationship with the Group and would likely be in a position to influence the Group's business, reputation, operations and performance. The Service Provider Participants are those service providers that the Company considers to be particularly important to the success of the Group's business and future development by contributing to the Group's operations and business structure/model. Each of the Board and the independent non-executive Directors of the Company believe that the grant of options to Related Entity Participants and Service Provider Participants would strengthen their loyalty to the Group and provide incentives for (i) a higher degree of their participation and involvement in promoting the business of the Group; (ii) maintaining a stable and long-term relationship with the Group, and (iii) enabling the Group to preserve its cash resources, and instead, use share incentives to attract persons of talent outside of the Group, whilst also aligning their interests with that of the Group and Shareholders through them owning a proprietary interest in the Company and becoming future Shareholders.

The Company mainly operates in the research and development, manufacturing and sales of professional skincare products, and the success of the Company relies on, among others, the timely provision of high quality raw materials from the suppliers, the efforts of the distributors and/or agents to promote the products of the Company and expand its market shares, the innovative and insightful advice from the consultants and the contributions from other type of service providers. Considering (i) the features of the Company's business model and the needs of the Company set out above, (ii) the scope of participants set by other consumer goods issuers of the Stock Exchange, each of the Board and the independent non-executive Directors of the Company are of the view that the proposed categories of the Related Entity Participants and the Service Providers Participants are in line with the Company's business needs and the industry norm, and the criteria for the selection of the Participants also align with the purpose of the 2023 Share Option Scheme.

Based on the above, each of the Board and the independent non-executive Directors are of the view that the inclusion of the related entity participants and service providers in the 2023 Share Option Scheme is in line with the purpose of the 2023 Share Option Scheme, is fair and reasonable and in the long term interests of the Company and the Shareholders as a whole because this gives the Company the

flexibility to grant options and awards (instead of cash reward or other settlement) to the related entity participants and service providers when necessary.

3. CONDITIONS

The 2023 Share Option Scheme shall take effect upon: (1) the passing of the necessary resolution(s) approving the adoption of the 2023 Share Option Scheme and to authorize the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) to grant Options to the Participants and to allot, issue and deal with the Shares which fall to be issued by the Company pursuant to the exercise of the Options granted under the 2023 Share Option Scheme by the Shareholders at a general meeting; and (2) the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in any Shares to be issued pursuant to the exercise of Options under the 2023 Share Option Scheme.

4. DURATION AND ADMINISTRATION

Subject to the fulfilment of the conditions in paragraph 3 and the termination provisions in paragraph 17, the 2023 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Options will be granted but the provisions of the 2023 Share Option Scheme shall remain in full force and effect in all other respects to the extent necessary to give effect to the exercise of Options granted prior thereto or otherwise as may be required in accordance with the provisions of the 2023 Share Option Scheme, the Options which are granted during the life of the 2023 Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

The 2023 Share Option Scheme shall be subject to the administration of the Board who may delegate all or part of such administration to the CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board. Unless otherwise indicated, if the Board delegates its authority to administer the 2023 Share Option Scheme to the CEO or other authorized agent(s) by the Board, the CEO or such other authorized agent(s) shall enjoy the same absolute discretion as the Board may have under the 2023 Share Option Scheme. Save as otherwise provided in the 2023 Share Option Scheme, for any matters concerning the interpretation or application of this 2023 Share Option Scheme, the decision of the Board or persons to whom the Board has delegated relevant powers shall be final and binding on all parties.

5. GRANT OF OPTIONS

5.1 Subject to the requirements of the Listing Rules and the terms of the 2023 Share Option Scheme, the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) shall be entitled at any time and from time to time within the Scheme Period to make a Share Option Offer to any Participant as the Board (or CEO, a committee or

any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) may in its absolute discretion select and subject to such conditions (including any disposal restrictions on the Shares issued upon exercise of the Option within certain period of time or performance targets that must be achieved before an Option can be exercised) as the Board may in its absolute discretion think fit, to subscribe during the Option Period for such number of Shares as the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) may (subject to paragraphs 9, 10 and 11) determine at the Option Exercise Price pursuant to paragraph 6.

While the performance targets will be imposed on a case-by-case basis to ensure the options vested would be beneficial to the Group, general factors to be taken into account include but not limited to (i) annual results and performance of the Group; (ii) for Employee Participants, the key performance indicators of respective department(s) and/or business unit(s) that the grantee belongs to, and for Related Entity Participants and Service Provider Participants, their contribution to the financial and operating results of the Company; and (iii) individual position, annual appraisal result and other factors relevant to the grantee. However, for the avoidance of doubt, the rules of each of the 2023 Share Option Scheme does not specify any performance targets.

While the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) has absolute discretion to decide whether to impose performance targets on the grant of Options to the Service Provider Participants, when selecting the Service Provider Participants, the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) will take into account the length and type of services provided or will be provided to the Group, recurrence and regularity of such services, and the Group's objectives in engaging the service provider and how granting Options to the service provider would benefit the Group. By such criteria, the Company is of view that it could select the service providers that are material to its business and development, and granting Options to such service providers will be beneficial to the interests of the Company.

The Directors (and the Remuneration Committee in respect of grants of options to the Directors and/or senior management) are of the view that it is not practicable to expressly set out a generic set of performance targets in the rules of the 2023 Share Option Scheme, as each selected Participant will play different roles and contribute in different ways to the Group. The Board or the Remuneration Committee shall have regard to the purpose of the 2023 Share Option Scheme in making such determinations, and ensure that appropriate specific performance targets will be set under particular circumstances of the relevant selected Participant(s).

- 5.2 A Share Option Offer shall be made to a Participant on a business day (which, for the purpose of this paragraph, shall be a day on which the Stock Exchange is open for the business of dealing in securities and on which banks are generally open for business in the PRC) in writing in such form as the Board may from time to time determine, requiring the Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the 2023 Share Option Scheme and shall remain open for acceptance by the Participant concerned for the period as stipulated in the rules of the 2023 Share Option Scheme from the Share Option Offer Date (inclusive of the Share Option Offer Date) provided that no such Share Option Offer shall be open for acceptance after the Scheme Period.
- 5.3 A Share Option Offer shall be deemed to have been accepted by the Grantee and the Option to which the Share Option Offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the Grant Notice comprising acceptance of the Share Option Offer duly signed by the Grantee is received by the Company within the period as stipulated above unless waived by the Board. No amount shall be payable by the Grantee for the acceptance of the Share Option Offer at the time of such acceptance.
- 5.4 Any Share Option Offer must be accepted in its entirety and can under no circumstances be accepted of less than the number of Shares for which it is offered. To the extent that the Share Option Offer of the grant of an Option is not accepted within the period as stipulated in the rules of the 2023 Share Option Scheme in the manner indicated in paragraph 5.3, it will be deemed to have been irrevocably rejected by the Participant and the Share Option Offer shall lapse and become null and void.
- 5.5 No Option may be granted to a Participant where dealings by such Participant are prohibited under the Listing Rules, the SFO or any other applicable laws or regulations or where the requisite approval from any applicable regulatory authorities has not been granted.
- 5.6 No Share Option Offer shall be made, no instructions to subscribe for any Shares shall be given to the Administrator and no payment shall be made to the Administrator:
- (a) after inside information (having the meaning defined in the SFO, Chapter 571 of the laws of Hong Kong) has come to the Company's knowledge until (and including) the trading day after the Company has announced the information in accordance with the Listing Rules; or

- (b) during the period commencing one month immediately preceding the earlier of
 - (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approving 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 announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement. No option may be granted during any period of delay in publishing a results announcement.

For as long as the Shares are listed on the Stock Exchange, where any Option is proposed to be granted to the Directors the 2023 Share Option Scheme, it shall not be granted on any day on which the financial results of the Company are published and during the period of:

- (i). sixty (60) days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii). thirty (30) days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

6. OPTION EXERCISE PRICE

Subject to any adjustments made pursuant to paragraph 12 hereof, the Option Exercise Price shall be a price to be solely determined by the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) in its absolute discretion and notified to a Participant, but in any case the Option Exercise Price shall be at least the higher of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Share Option Offer Date;
- (b) a price being the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the Share Option Offer Date, and
- (c) the par value per Share on the date of grant, provided that in the event of fractional prices, the Exercise Price per Share shall be rounded upwards to the nearest whole cent.

The Directors are of the view that the Option Exercise Price is appropriate given that it is in line with the requirement of the Listing Rules while providing the Company with sufficient flexibility to determine Option Exercise Price that can provide sufficient incentive to the Participants to achieve the purpose of the 2023 Share Option Scheme.

7. EXERCISE OF OPTIONS

7.1 An Option shall be personal to the Grantee and shall not be transferrable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of or enter into any agreement with any third party over or in relation to any Option, subject to the Stock Exchange granting a waiver, on a case-by-case basis, to allow a transfer to vehicle that would continue to meet the purpose of the 2023 Share Option Scheme and comply with the requirements under Chapter 17 of the Listing Rules. Any breach of the foregoing by a Grantee shall entitle the Company to cancel, revoke or terminate any Option granted to such Grantee to the extent not already exercised.

7.2 An Option may be exercised in whole or in part in the manner as set out in this paragraph 7.2 and 7.6 by the Grantee giving notice in writing to the Company in such form as the Board (or the CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) may from time to time determine stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised (which except where the number of Shares in respect of which the Option remains unexercised is less than one board lot or where the Option is exercised in full, must be for a board

lot for dealings in the Shares on the Stock Exchange or an integral multiple thereof). Each such notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price of the Shares in respect of which the notice is given together with the reasonable administration fee specified by the Company from time to time. In the event that the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) does not receive the notice and / or the remittance from the Grantee before the date as stipulated in the rules of the 2023 Share Option Scheme prior to the Vesting Date, the Options which would have otherwise vested in such Grantee shall automatically be forfeited and lapsed.

- 7.3 Upon the exercise of an Option, within the period as stipulated in the rules of the 2023 Share Option Scheme and as soon as reasonably practicable after receipt of the exercise notice and the remittance from the Grantee and, where appropriate, receipt of the required confirmation or approvals, the Company shall issue and allot the relevant Shares to the Grantee (or any other person so permitted pursuant to the 2023 Share Option Scheme) credited as fully paid with effect from (but excluding) the relevant exercise date and issue to the Grantee (or any other person so permitted pursuant to the 2023 Share Option Scheme) share certificate(s) in respect of the Shares so allotted.
- 7.4 Save as circumstances described in paragraph 7.5 below, the minimum vesting period for an Option is 12 months before the Option can be exercised
- 7.5 A shorter vesting period may be granted to a Participant at the discretion of the Board (or the CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) as deemed appropriate at the sole discretion of the Board if:
- (a) grants of “make-whole” Options to new joiners to replace the share awards they forfeited when leaving the previous employer;
 - (b) grants to a Participant whose employment is terminated due to death or disability or occurrence of any out of control event, which includes scenarios as illustrated in paragraph 12.1 below and would serve as compassionate arrangements for relevant Participants in line with market practice;
 - (c) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted;

- (d) grants with a mixed or accelerated vesting schedule such as where the Option may vest evenly over a period of 12 months under circumstances including but not limited to paragraph 7.6, which gives the Company more flexibility in providing incentives to the Participants and is in line with market practice; or
- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria, in which the Company wishes the Participants to achieve their performance targets as soon as possible by offering immediate vesting upon fulfilment of the performance targets, and the Participants could be incentivized to the largest extent.

The Directors (and the Remuneration Committee in respect of grants of options to the Directors and/or senior management) are of the view that the vesting period for options granted to Participants may be less than 12 months under specific circumstances as set out above is appropriate because (i) such arrangement is in line with the requirements under the Listing Rules and market practice, (ii) such arrangement gives the Company flexibility to provide a competitive remuneration package to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified, (iii) the Company should be allowed discretion to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances. Such arrangement could motivate and provide incentives to the Participants and to attract and retain the best available personnel for the Company, which is in line with the purpose of the 2023 Share Option Scheme.

- 7.6 Subject to other provisions of the 2023 Share Option Scheme, an Option may be exercised by the Grantee at any time during the Option Period provided that:
- (a) in the event of a general offer (whether by way of a general offer, partial offer, takeover offer or scheme of arrangement or otherwise in like manner, voluntary or otherwise) for the Shares or any class of Shares being made to all the Shareholders (or all such holders other than the offeror and/or any persons controlled by the offeror and/or any person acting in concert with the offeror) the Company shall use its best endeavours to procure that an appropriate offer is extended to all the Grantees (on comparable terms, *mutatis mutandis*, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders). If such offer for the Shares or any class of Shares becoming or being declared unconditional, the vesting conditions of the Options granted shall be deemed as satisfied and the Grantee (or, as the case may be, his legal personal representative(s)) shall be entitled to

exercise the Option in full (to the extent not already lapsed or exercised) at any time within 1 month after the date on which the offer becomes or is declared unconditional;

- (b) in the event of a compromise or arrangement between the Company and the Shareholders or its creditors being proposed in connection with a scheme for the reconstruction of the Company or its amalgamation any other company or companies pursuant to the Cayman Companies Law, the Company shall give notice thereof to all the Grantees (or, as the case may be, their legal personal representatives) on the same day as it gives notice of the meeting to the Shareholders or its creditors to consider such a compromise or arrangement and the Options (to the extent not already lapsed or exercised) shall become exercisable in whole or in part on such date not later than the date as stipulated in the rules of the 2023 Share Option Scheme prior to the date of the general meeting directed to be convened for the purposes of considering such compromise or arrangement, or the date of the general meeting of the Company to be convened for the purposes of considering the amalgamation or the merger, as applicable (the "**Suspension Date**"), by giving notice in writing to the Company in accordance with paragraph 7.2, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as practicable and, in any event, no later than the business day immediately prior to the date of the proposed general meeting, allot and issue the relevant Shares to the Grantee credited as fully paid;
- (c) if there occurs an event of acquisition of control or change of control (as defined in the Takeovers Code) of the Company, whether by way of offer, merger, scheme of arrangement or otherwise, and regardless whether a whitewash waiver or any other applicable waiver is granted by regulatory authorities, unless otherwise directed by the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board), the vesting conditions of the Options granted shall be deemed as satisfied and all the Options granted shall immediately vest in the respective Participant on the date when such change of control event becomes or is declared unconditional and such date shall be deemed to be the date of vesting;
- (d) in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee (or, in the case may be, his legal personal representative(s)) shall be entitled to exercise all or any of his/her/its Options (to the extent not already lapsed or exercised) at

any time not later than the date as stipulated in the rules of the 2023 Share Option Scheme prior to the proposed general meeting of the Company by giving notice in writing to the Company in accordance with paragraph 7.2, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

- 7.7 The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders to participate in all dividends or other distributions paid or made with respect to a record date falling after the date of allotment.
- 7.8 The outstanding Options granted may not be exercised if all or part of the exercise of the Options will result in the holding of the total issued Shares by the public falling below 25% (or such other percentage stipulated under the Listing Rules) as required under Rule 8.08 of the Listing Rules.
- 7.9 In the event the Grantee has been suspended from his duties or performance of the relevant contract of employment, directorship, appointment or engagement by the relevant member of the Group, no Option can be exercised until such suspension has been lifted.

8. LAPSE OF OPTIONS

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

- (a) the expiry of the Option Period;
- (b) subject to paragraph 7.2, the date after the last day on which the Grantee should return the notice and/or other relevant information to the Company as determined by the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board);
- (c) the expiry of any of the periods or the occurrence of the relevant event referred to in paragraph 7.6(a), (b), (c) and (d);
- (d) subject to paragraph 7.6(d), the date of the commencement of the winding-up of the Company;

- (e) subject to paragraph 12, for Employee Participants, the date on which the Grantee ceases to be an employee or an director (as the case may be) of the Group, and for Related Entity Participants and Service Provider Participants, the date on which the Grantee ceases to be an employee of the relevant related entity or service provider;
- (f) the occurrence of any act of bankruptcy, insolvency or entering into of any arrangements or compositions with his/her/its creditors generally by the Grantee, or conviction of the Grantee of any criminal offence involving his/her/its integrity or honesty;
- (g) the date on which the Board exercises the Company's right to cancel, revoke or terminate the Option on the ground that the Grantee commits a breach of paragraph 7.1 in respect of that or any other Option;
- (h) subject to the compromise, the arrangement or the amalgamation as referred to in paragraph 7.6(b) becoming effective, the date on which such compromise, arrangement, or amalgamation becomes effective; or
- (i) for Related Entity Participants and Service Provider Participants, the date on which the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) shall at their absolute discretion determine that: (a) the Grantee has committed any breach of any contract entered into between the Grantee, his associate and / or the relevant related entity and/or the service provider on the one part and any member of the Group on the other part; (b) the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with its creditors generally; or (c) the Grantee and/or the relevant related entity and the service provider which the Grantee served could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relations with the Group or by any other reason whatsoever.

9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (a) Subject to paragraph 9(c) and (d), the maximum number of Shares issuable pursuant to the 2023 Share Option Scheme and the 2023 Share Award Scheme in aggregate will be 99,500,000 Shares, being 10% of the total number of Shares in issue. When aggregated with the maximum number of Shares which may be issued in respect of any options or awards to be granted under any other share scheme of the Company shall not exceed 10% of the Shares in issue on the Adoption Date.
- (b) The Company may seek approval of the Shareholders in general meeting for refreshing the Scheme Mandate Limit and the Service Provider Sublimit after three years from the date of shareholders' approval for the adoption of the 2023 Share Option Scheme or the last refreshment, such that the total number of Shares which may be issued upon exercise of all Options to be granted under the 2023 Share Option Scheme and any grants made under any other schemes of the Company as "refreshed" shall not exceed up to 10% of the total number of Shares in issue as at the date of the approval of the Shareholders on the refreshment of the Scheme Mandate Limit and the Service Provider Sublimit provided that Options previously granted under the 2023 Share Option Scheme or any grants made under any other schemes (including options outstanding and lapsed in accordance with the terms of the 2023 Share Option Scheme or any other schemes of the Company or exercised) will not be counted for the purpose of calculating the limit as "refreshed". For the purpose of seeking the approval of Shareholders under this paragraph 9(c), a circular must be sent to the Shareholders containing the number of Options that were already granted under the existing scheme mandate limit and service provider sublimit, and the reason for the refreshment.

Any refreshment of Scheme Mandate Limit or the Service Provider Sublimit to be made within any three-year period shall be submitted to shareholders' approval subject to the following conditions:

- (i). 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
- (ii). 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.

- (c) The Company may seek separate approval by the Shareholders in general meeting for granting options beyond the Scheme Mandate Limit provided the options beyond the Scheme Mandate Limit are granted only to Participants specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to the Shareholders containing the name of each of the specified persons who may be granted such Options, the number and terms of such Options to be granted and the purpose of granting such Options to the specified persons with an explanation as to how the terms of the Options will serve such purpose and all other information required under the Listing Rules. The number and terms of options to be granted to such persons must be fixed before shareholders' approval. The date of meeting of the Board proposing such grant should be taken as the Share Option Offer Date for the purpose of calculating the Exercise Price under paragraph 6.
- (d) The Company may grant Options beyond any of the limits as set out in paragraph 9(a), (b), (c) and (d) above to such extent as may be permitted under the Listing Rules from time to time.

10. MAXIMUM NUMBER OF SHARES AVAILABLE FOR THE SUBSCRIPTION OF SERVICE PROVIDER PARTICIPANTS

The Service Provider Sublimit, being a sublimit under the Scheme Mandate Limit, is the total number of Shares which may be issued in respect of all options and awards to be granted to the service providers under the 2023 Share Option Scheme and the 2023 Share Award Scheme. The aggregate maximum number of Shares issuable to Service Provider Participants pursuant to the 2023 Share Option Scheme and the 2023 Share Award Scheme in aggregate will be 19,900,000 Shares, being 2% of the total number of Shares in issue.

The Service Provider Sublimit was determined after considering the service provider sublimit set by other listed companies on the Stock Exchange, the potential dilution effect that may arise from grants to service providers, and the fact that the Company expects that options and awards will mostly be granted to Employee Participants but would like to retain the flexibility to grant options to service providers for the reasons mentioned and hence limit such grants to a relatively small portion of the Scheme Mandate Limit, which is 2% of the issued Shares as at the Adoption Date.

The Directors (including the independent non-executive Directors) are of the view that the Service Provider Sublimit under is appropriate and reasonable considering the nature of the industry and the Group's business needs, and such a limit provides the Group with flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward and collaborate with persons who are not employees or officers of the Group, but who may have exceptional expertise in their field or who may be able to provide valuable expertise

and services to the Group, which is in line with the purposes of the 2023 Share Option Scheme. The Company mainly operates in the research and development, manufacturing and sales of professional skincare products, and the success of the Company relies on, among others, the timely provision of high quality raw materials from the suppliers, the efforts of the distributors and / or agents to promote the products of the Company and expand its market shares, the innovative and insightful advice from the consultants and the contributions from other type of service providers. Considering (i) the features of the Company's business model and the needs of the Company set out above, (ii) service provider sublimit set by other listed companies on the Stock Exchange, (iii) the potential dilution effect that may arise from grants to service providers, and (iv) the fact that the Company expects that the Options and the Awards will mostly be granted to Employee Participants but would like to retain the flexibility to grant such incentive to service providers, the Company determines the Service Provider Participants Sublimit, which are in line with the market practice of the companies listed on the Stock Exchange, and is estimated to have limited dilutive effect on the existing Shareholders of the Company.

11. MAXIMUM ENTITLEMENT OF SHARES FOR EACH PARTICIPANT

- 11.1 Where any grant of Options to a Participant would result in the total 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 2023 Share Option Scheme or any other schemes of the Company) under the 2023 Share Option Scheme and any other schemes of the Company in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such Participant and his/her close associates (or associates if the Participant is a connected person) abstaining from voting. The number and terms (including the Exercise Price) of Options to be granted to such Participant must be fixed before the approval of the Shareholders. In such event, the Company must send a circular to the Shareholders containing the identity of such Participant, the number and terms of the Options to be granted (and the awards and options previously granted to such Participant in the 12-month period), the purpose of granting Options to the Participant and an explanation as to how the terms of the Options serve such purpose. The date of meeting of the Board proposing such further grant should be taken as the Share Option Offer Date for the purpose of calculating the Exercise Price under paragraph 6.
- 11.2 The maximum number of Shares referred to in paragraph 9(a) and 9(b) will be adjusted, in such manner as the auditors shall certify in writing or the independent financial adviser shall confirm in writing (as the case may be) to the Board to be fair and reasonable in accordance with paragraph 13, in the event of any alteration in the capital structure of the Company by way of capitalisation of profits or reserves, rights issue, open offer, consolidation, subdivision or reduction of the share capital of the Company, provided that no

such certification or confirmation is required in case of adjustment made on a capitalisation issue. If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all options and awards to be granted under all of the schemes of the Company under the scheme mandate limits 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.

- 11.3 Notwithstanding the aforesaid, each grant of Options to a director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors. Where any grant of Options to a substantial shareholder of the Company or any of its respective associates would result in the total 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 2023 Share Option Scheme or any other schemes of the Company) under the 2023 Share Option Scheme and any other schemes of the Company to such person in any 12-month period up to and including such Share Option Offer Date representing in aggregate over 0.1% of the Shares in issue, such further grant of Options must be approved by the Shareholders at a general meeting of the Company in compliance with Rules 13.40, 13.41 and 13.42 of the Listing Rules and with such person, his/her associates and all core connected persons of the Company abstaining from voting in favour at the relevant general meeting. The Company shall send a circular to the Shareholders containing (i) details of the number and terms of the Options to be granted to such person, which must be fixed before the shareholders' meeting; (ii) 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 its shareholders as a whole, and their recommendation to the independent shareholders as to voting; (iii) information relating to any Directors who are trustees of the 2023 Share Option Scheme or have a direct or indirect interest in the trustees, and (iv) the information required under Rule 2.17 of the Listing Rules. The date of meeting of the Board proposing such further grant should be taken as the Share Option Offer Date for the purpose of calculating the Exercise Price under paragraph 6.

Any change in the terms of an option granted to a substantial shareholder of the Company or any of its respective associates is also required to be approved by Shareholders in compliance with Rules 13.40, 13.41 and 13.42 of the Listing Rules and with such person, his/her associates and all core connected persons of the Company abstaining from voting in favour at the relevant general meeting, if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of the 2023 Share Option Scheme).

12. RIGHTS UNDER SPECIAL CIRCUMSTANCES

- 12.1 If the grantee of an option is a Participant and ceases to be a Participant by reason of his death, ill-health or retirement in accordance with his contract of employment with the Group (for the Employees Participants) or with the relevant related entity or the service provider (for the Related Entity Participants and Service Provider Participants) before exercising the option in full, his personal representative(s), or, as appropriate, the grantee may exercise the option (to the extent not already exercised) in whole or in part within a period of 12 months following the date of cessation which date shall be taken to be the last day on which the grantee was physically at work with the Group, the relevant related entity or the service provider where applicable whether salary is paid in lieu of notice or not or such longer period as the Directors may determine.
- 12.2 If the grantee of an option is a Participant and ceases to be a Participant by reason of his resignation based on bona fide consultation with the Company (for the Employees Participants) or with the relevant related entity or the service provider (for the Related Entity Participants and Service Provider Participants) before exercising the option in full, the option (to the extent not already exercised) will lapse on the date of resignation and will not be exercisable unless the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) otherwise determines in which event the grantee may exercise the option (to the extent not already exercised) in whole or in part within such period as the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) may determine following the date of such resignation, which will be taken to be the last day on which the grantee was physically at work with the Group, the relevant related entity or the service provider where applicable whether salary is paid in lieu of notice or not.
- 12.3 If the grantee of an option is a Participant and ceases to be a Participant by reason that he has been guilty of serious misconduct or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Board does not bring the grantee or the Group into disrepute) or on any other ground on which an employer would be entitled to terminate his or her employment summarily, his option will lapse automatically and will not be exercisable on or after the date of ceasing to be a Participant.

- 12.4 If the grantee of an option is a Participant and ceases to be a Participant for any reason other than death, ill-health or retirement in accordance with his contract of employment or for serious misconduct or other grounds referred to in paragraphs 12.2 and 12.3 above before exercising his option in full, the option (to the extent not already exercised) will lapse on the date of cessation and will not be exercisable unless the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) otherwise determines in which event the grantee may exercise the option (to the extent not already exercised) in whole or in part within such period as the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) may determine following the date of such cessation, which will be taken to be the last day on which the grantee was physically at work with the Group whether salary is paid in lieu of notice or not.
- 12.5 If the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) shall at their absolute discretion determine that (i)(1) for Employee Participants, the Grantee of any option or his associate has committed any breach of any contract entered into between the Grantee or his associate on the one part and the Group, or for the Related Entity Participants and the Service Provider Participants, the Grantee has committed any breach of any contract entered into between the Grantee, his associate and/or the relevant related entity and/or the service provider on the one part and any member of the Group on the other part; or (2) that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; and (ii) the option granted to the Grantee under the 2023 Share Option Scheme shall lapse as a result of any event specified in items (1) or (2) in (i) above, his option will lapse automatically and will not be exercisable on or after the date on which the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) has so determined.

13. ALTERATION OF SHARE CAPITAL STRUCTURE

13.1 In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which any member of the Group is party), such corresponding adjustments (if any) shall be made in:

- (a) the number of Shares subject to the Option so far as unexercised; and/or
- (b) the Exercise Prices of any unexercised Option.

as the auditors shall certify in writing or the independent financial adviser shall confirm in writing (as the case may be) to the Board to be in their opinion fair and reasonable and in compliance with the relevant provisions of the Listing Rules (or any guideline or supplementary guideline as may be issued by the Stock Exchange from time to time), provided that (i) any such alteration shall give a Grantee the same proportion of the issued share capital (rounded to the nearest whole Share) of the Company as (but in any event shall not be greater than) that to which he/she/it was previously entitled and any such adjustments shall be made on the basis that the aggregate Exercise Price payable by a Grantee on the full exercise of any Option shall remain the same (but shall not be greater than, except upon any consolidation of the Shares) it was before such event, (ii) no adjustment shall be made to the effect of which would be to enable a Share to be issued at less than its par value and (iii) the issue of Shares or other securities of the Group as consideration in a transaction may not be regarded as a circumstance requiring adjustment.

13.2 The capacity of the auditors or the independent financial adviser (as the case may be) in this paragraph 13 is that of experts and not of arbitrators and their certification or confirmation shall, in the absence of manifest error, be final, conclusive and binding on the Company and the Grantees. The costs of the auditors or the independent financial adviser (as the case maybe) shall be borne by the Company.

13.3 Upon any adjustment pursuant to paragraph 13.1, the Company shall notify the Grantees in writing the adjustments that have been made. If there has been any alteration in the capital structure of the Company, and if the Company has not yet informed the Grantees of any necessary adjustments to be made to their Options in accordance with the certificate of the auditors or the confirmation of the independent financial adviser (as the case may be), the Company shall, upon receipt of a notice from a Grantee in accordance with paragraph 7.2, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the aforesaid certificate or confirmation obtained by the Company for such purpose or, if no

such certificate or confirmation has yet been obtained, inform the Grantee of such fact and instruct the auditors or the independent financial adviser as soon as practicable thereafter to issue a certificate or provide a written confirmation in that regard in accordance with paragraph 13.1.

14. MALUS AND CLAWBACK

The Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) may, at its absolute discretion, determine such malus and/or clawback provisions to be applied to an Option or an Offer, upon the occurrence of the applicable malus and/or clawback event(s) (i.e. serious misconduct, a material misstatement in the Company's financial statements and fraud). If the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) exercises its discretion under this provision, it will give the relevant Grantee written notice of such determination and the Board's interpretation of and determination pursuant to this provision shall be final, conclusive and binding.

The Directors (and the Remuneration Committee in respect of grants of options to the Directors and/or senior management) are of the view that the clawback mechanism in each of the 2023 Share Option Scheme provides a choice for the Company to clawback the equity incentives granted to selected participants culpable of misconduct and is in line with the purpose of the 2023 Share Option Scheme and the interests of Shareholders.

15. DISPUTES

Any dispute arising in connection with the 2023 Share Option Scheme (whether as to the number of Shares subject to an Option, the amount of the Exercise Price or otherwise) shall be referred to the decision of the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) in its absolute discretion and whose decision shall be final, conclusive and binding.

16. ALTERATION OF THE 2023 SHARE OPTION SCHEME

16.1 The 2023 Share Option Scheme may be altered in any respect by resolutions of the Board except that the provisions of the 2023 Share Option Scheme as to:

- (a) the definitions of "Participant" and "Grantee" and "Option Period";
- (b) the provisions as described in paragraphs 1 to 14, and this paragraph 16 (i.e. the authority of the Board to alter the terms of the 2023 Share Option Scheme); and
- (c) terms and conditions of the 2023 Share Option Scheme which are of a material nature,

shall not be altered to the advantage of Grantees or prospective Grantees except with the prior sanction of the Shareholders by a resolution in general

meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction such majority of the Grantees.

16.2 Any change to the terms of Options granted to a Grantee must be approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be) if the initial grant of the Options was approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the 2023 Share Option Scheme.

16.3 Notwithstanding anything to the contrary contained in paragraph 16.1 and 16.2, the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) may at any time alter or modify the 2023 Share Option Scheme in any way to the extent necessary to cause the 2023 Share Option Scheme to comply with any statutory provisions or the regulations of any regulatory or other relevant authority. Any amendment to any terms of the 2023 Share Option Scheme or the options granted shall comply with the relevant requirements of Chapter 17 of the Listing Rules.

17. CANCELLATION OF THE OPTIONS GRANTED

Any cancellation of options granted but not exercised must be subject to the prior notice to the relevant grantee. Where the Company cancels Options and new Options are to be issued to the same Participant, the issue of such new Options may only be made under the 2023 Share Option Scheme with available unissued Options (to the extent not yet granted and excluding the cancelled Options) within the limit approved by the Shareholders as mentioned in paragraph 9.

18. TERMINATION OF THE 2023 SHARE OPTION SCHEME

The Company by resolution in general meeting or the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) may at any time terminate the operation of the 2023 Share Option Scheme and in such event no further Options will be offered but Options granted prior to such termination shall continue to be valid and exercisable in accordance with provisions of this Scheme.

The following is a summary of the principal terms of the 2023 Share Award Scheme to be adopted at the EGM. It does not form part of, nor is it intended to be part of the terms of the 2023 Share Award Scheme. The Directors reserve the right at any time prior to the EGM to make such amendments to the 2023 Share Award Scheme as they may consider necessary or appropriate provided that such amendments do not conflict with any material aspects with the summary in this Appendix.

1. PURPOSE

The purpose of the 2023 Share Award Scheme is to provide an opportunity for the Participant to have a personal stake in the Company, to recognize, motivate and provide incentives to the Participants, to attract and retain the best available personnel, to provide additional incentives to the Participants, to promote the success of the business of the Group, and for such other purposes as the Board may approve from time to time.

2. BASIS OF ELIGIBILITY OF THE PARTICIPANTS

The Board may, at its absolute discretion, invite any Participant to take up an Award.

The basis of eligibility of any Participant to the grant of any Award shall be determined by the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) from time to time in accordance with the following criteria:

- (a) For Employee Participants: (i) his/her skills, knowledge, experience, expertise and other relevant personal qualities; (ii) his/her performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard; (iii) his/her contribution made or expected to be made to the growth of the Group and the positive impacts which he/she may bring to the Group's business and development; (iv) his/her educational and professional qualifications, and knowledge in the industry; and (v) whether granting Awards to him/her is an appropriate incentive to motivate him/her to continue to contribute towards the betterment of the Group;
- (b) For Related Entity Participants: (i) the degree of involvement in and/or cooperation with the Group, (ii) the length of collaborative relationship the Related Entity Participants have established with the Group, (iii) the amount of support, assistance, guidance, advice, efforts and contributions the Related Entity Participants have given or are likely to give towards the success of the Group, and (iv) their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group; and

(c) For Service Provider Participants:

	Category	Eligibility criteria for Service Provider Participant
(i)	Contractors, agents, consultants and advisers	Contractors, agents, consultants and advisers operating in the industries of professional skin treatment product, e-commerce, internet content and media, logistic services, administrative services and other business industries in which the Group operates from time to time, which are engaged by the Group on a regular or recurring basis to support its business operation. Therefore, it would be beneficial to the Group to grant such service providers with proprietary ownership in the Company so as to encourage the service providers to contribute to its future development.
(ii)	Suppliers	Suppliers engaged by the Group who supply goods to the Group on a regular or recurring basis (for example, suppliers of raw materials for the production of the Company's products), with which the Group would consider important to maintain a close business relationship on an ongoing basis. Therefore, it would be beneficial to the Group to grant such suppliers with proprietary ownership in the Company so as to encourage the suppliers to contribute to its future development.

Category	Eligibility criteria for Service Provider Participant
(iii) Business partners	Business partners including distributors cooperating with the Group on a regular or recurring basis with services in connection with distribution of the Company's products, market expansion, product development and promotion, e-commerce, internet content and media and other business industries with which the Group would consider important to maintain a close business relationship on an ongoing basis. Therefore, it would be beneficial to the Group to grant such service providers with proprietary ownership in the Company so as to encourage the business partners to contribute to its future development.

For avoidance of doubt, (i) placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, or (ii) professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity shall not be service providers for the purpose of the 2023 Share Award Scheme or any share schemes of the Company.

Additional criteria for selecting the Service Provider Participants

Where a service provider qualifies for one of the above service provider types and meets the initial eligibility criteria to fall within the above categories, the below will be considered:

Whether a potential service provider will be eligible to qualify as a Service Provider Participant will be determined by the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) based on qualitative and quantitative performance indicators to be on a case-by-case basis in accordance with the above eligibility criteria.

Whether a service provider provides services to the Group on a continuing basis: In assessing whether a service provider provides services to the Group on a continuing basis, the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) will take into account factors such as: (i) length and type of services provided or will be provided to the Group, recurrence and regularity of such services; (ii) how the selection metrics benchmark against comparable metrics used to determine other eligible Participants who have been granted awards and/or options under the other share scheme of the Company; (iii) the Group's objectives in engaging the service provider and how granting awards and/or options to the service provider would align with the purpose of the 2023

Share Award Scheme or benefit the Group; and (iv) remuneration packages of comparable listed peers with respect to similar service providers, if any, based on available industry information.

The view of The Board and the independent non-executive Directors on the eligibility and selection criteria of the Participants

Each of the Board and the independent non-executive Directors of the Company are of the view that apart from the contributions from employees, the success of the Group might also come from the efforts and contributions from non-employees such as Related Entity Participants and Service Provider Participants who have contributed to the Group or may contribute to the Group in the future. The Related Entity Participants will have a sufficiently close relationship with the Group and would likely be in a position to influence the Group's business, reputation, operations and performance. The Service Provider Participants are those service providers that the Company considers to be particularly important to the success of the Group's business and future development by contributing to the Group's operations and business structure/model. Each of the Board and the independent non-executive Directors of the Company believe that the grant of awards to Related Entity Participants and Service Provider Participants would strengthen their loyalty to the Group and provide incentives for (i) a higher degree of their participation and involvement in promoting the business of the Group; (ii) maintaining a stable and long-term relationship with the Group; (iii) enabling the Group to preserve its cash resources, and instead, use share incentives to attract persons of talent outside of the Group, whilst also aligning their interests with that of the Group and Shareholders through them owning a proprietary interest in the Company and becoming future Shareholders.

The Company mainly operates in the research and development, manufacturing and sales of professional skincare products, and the success of the Company relies on, among others, the timely provision of high quality raw materials from the suppliers, the efforts of the distributors and/or agents to promote the products of the Company and expand its market shares, the innovative and insightful advice from the consultants and the contributions from other type of service providers. Considering (i) the features of the Company's business model and the needs of the Company set out above, (ii) the scope of participants set by other consumer goods issuers of the Stock Exchange, each of the Board and the independent non-executive Directors of the Company are of the view that the proposed categories of the Related Entity Participants and the Service Providers Participants are in line with the Company's business needs and the industry norm and the criteria for the selection of the Participants align with the purpose of the 2023 Share Award Scheme.

Based on the above, each of the Board and the independent non-executive Directors of the Company are of the view that the inclusion of the related entity participants and service providers in the 2023 Share Award Scheme is in line with the purpose of the 2023 Share Award Scheme, is fair and reasonable and in the interests of the Company and the Shareholders as a whole because this gives the Company the

flexibility to grant awards (instead of cash reward or other settlement) to the related entity participants and service providers when necessary.

3. CONDITIONS

The 2023 Share Award Scheme shall take effect upon: (1) the passing of the necessary resolution(s) approving the adoption of the 2023 Share Award Scheme and to authorize the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) to grant Awards to the Participants and to allot, issue and deal with the Shares which fall to be issued by the Company pursuant to the exercise of the Awards granted under the 2023 Share Award Scheme by the Shareholders at a general meeting; and (2) the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in any Shares to be issued in respect of the Awards under the 2023 Share Award Scheme.

4. DURATION AND ADMINISTRATION

Subject to the fulfilment of the conditions in paragraph 3 and the termination provisions in paragraph 19, the 2023 Share Award Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Awards will be granted but the provisions of the 2023 Share Award Scheme shall remain in full force and effect in all other respects to the extent necessary to give effect to the exercise of Awards granted prior thereto or otherwise as may be required in accordance with the provisions of the 2023 Share Award Scheme, Awards which are granted during the life of the 2023 Share Award Scheme may continue to be exercisable in accordance with their terms of grant and vesting schedule (if any).

The 2023 Share Award Scheme shall be subject to the administration of the Board who may delegate all or part of such administration to the CEO, a committee or any other authorised agent(s) as deemed appropriate at the sole discretion of the Board. Unless otherwise indicated, if the Board delegates its authority to administer the 2023 Share Award Scheme to the CEO or other authorised agent(s) by the Board, the CEO or such other authorised agent(s) shall enjoy the same absolute discretion as the Board may have under the 2023 Share Award Scheme. Save as otherwise provided in the 2023 Share Award Scheme, for any matters concerning the interpretation or application of this 2023 Share Award Scheme, the decision of the Board or persons to whom the Board has delegated relevant powers shall be final and binding on all parties.

The trustee to be hold the Shares of the Company under the 2023 Share Award Scheme shall be independent from the Company and its connected persons.

5. GRANT OF AWARDS

- 5.1 Subject to the requirements of the Listing Rules and the terms of the 2023 Share Award Scheme, the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) shall be entitled at any time and from time to time within the Scheme Period to make a Share Award Offer to any Participant as the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) may in its absolute discretion select and subject to such conditions (including any purchase price, disposal restrictions on the Shares issued upon exercise of the Award within certain period of time or performance targets that must be achieved before an Award can be exercised) as the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) may in its absolute discretion think fit.

While the performance targets will be imposed on a case-by-case basis to ensure the Awards vested would be beneficial to the Group, general factors to be taken into account include but not limited to (i) annual results and performance of the Group; (ii) for Employee Participants, the key performance indicators of respective department(s) and/or business unit(s) that the grantee belongs to, and for Related Entity Participants and Service Provider Participants, their contribution to the financial and operating results of the Company; and (iii) individual position, annual appraisal result and other factors relevant to the grantee. However, for the avoidance of doubt, the rules of each of the 2023 Share Award Scheme does not specify any performance targets.

While the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) has absolute discretion to decide whether to impose performance targets on the grant of Awards to the Service Provider Participants, when selecting the Service Provider Participants, the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) will take into account the length and type of services provided or will be provided to the Group, recurrence and regularity of such services, and the Group's objectives in engaging the service provider and how granting Awards to the service provider would benefit the Group. By such criteria, the Company is of view that it could select the service providers that are material to its business and development, and granting Awards to such service providers will be beneficial to the interests of the Company.

The Directors (and the Remuneration Committee in respect of grants of Awards to the Directors and/or senior management) are of the view that it is not practicable to expressly set out a generic set of performance targets in the rules of the 2023 Share Award Scheme, as each selected Participant will play different roles and contribute in different ways to the Group. The Board or the

Remuneration Committee shall have regard to the purpose of the 2023 Share Award Scheme in making such determinations, and ensure that appropriate specific performance targets will be set under particular circumstances of the relevant selected Participant(s).

- 5.2 A Share Award Offer shall be made to a Participant on a business day (which, for the purpose of this paragraph, shall be a day on which the Stock Exchange is open for the business of dealing in securities and on which banks are generally open for business in the PRC) in writing in such form as the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) may from time to time determine, requiring the Participant to undertake to hold the Award on the terms on which it is to be granted and to be bound by the provisions of the 2023 Share Award Scheme and shall remain open for acceptance by the Participant concerned for the period as stipulated in the rules of the 2023 Share Award Scheme from the Share Award Offer Date (inclusive of the Share Award Offer Date) provided that no such Share Award Offer shall be open for acceptance after the Scheme Period.
- 5.3 A Share Award Offer shall be deemed to have been accepted by the Grantee and the Award to which the Share Award Offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the Grant Notice comprising acceptance of the Share Award Offer duly signed by the Grantee is received by the Company within the period as stipulated above unless waived by the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board).
- 5.4 Any Share Award Offer must be accepted in its entirety and can under no circumstances be accepted of less than the number of Shares for which it is offered. To the extent that the Share Award Offer of the grant of an Award is not accepted within the period as stipulated in the rules of the 2023 Share Award Scheme in the manner indicated in paragraph 5.3, it will be deemed to have been irrevocably rejected by the Participant and the Share Award Offer shall lapse and become null and void.
- 5.5 No Award may be granted to a Participant where dealings by such Participant are prohibited under the Listing Rules, the SFO or any other applicable laws or regulations or where the requisite approval from any applicable regulatory authorities has not been granted.
- 5.6 No Share Award Offer shall be made, no instructions to subscribe for any Shares shall be given to the Administrator and no payment shall be made to the Administrator:
 - (a) after inside information (having the meaning defined in the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong) has come to the Company's knowledge until (and including) the trading

day after the Company has announced the information in accordance with the Listing Rules; or

- (b) during the period commencing one month immediately preceding the earlier of
 - (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approving 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 announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement. No award may be granted during any period of delay in publishing a results announcement.

For as long as the Shares are listed on the Stock Exchange, where any Award is proposed to be granted to the Directors under the 2023 Share Award Scheme, it shall not be granted on any day on which the financial results of the Company are published and during the period of:

- (i). sixty (60) days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii). thirty (30) days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

6. AWARD PURCHASE PRICE

Subject to the provisions of the Listing Rules, the purchase price (if any) in respect of any particular Award shall be such price as the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) may in its absolute discretion determine at the time of grant of the relevant Award (and shall be stated in the Grant Notice) and taking into consideration factors such as prevailing closing price of the Shares, the purpose of the 2023 Share Award Scheme, the performance of the relevant Participant(s) and his/her potential and expected contribution to the growth and development of the Company. For avoidance of doubt, the Awards under the 2023 Share Award Scheme could be exercised at nil consideration or at certain price.

7. VESTING OF AWARDS

7.1 An Award shall be personal to the Grantee and shall not be transferrable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of or enter into any agreement with any third party over or in relation to any Award, subject to the Stock Exchange granting a waiver, on a case-by-case basis, to allow a transfer to vehicle that would continue to meet the purpose of the 2023 Share Award Scheme and comply with the requirements under Chapter 17 of the Listing Rules. Any breach of the foregoing by a Grantee shall entitle the Company to cancel, revoke or terminate any Award granted to such Grantee to the extent not already vested.

7.2 Subject to the terms and condition of the Scheme and the fulfilment of all vesting conditions (if any) to the vesting of the Awarded Shares on such Grantee as specified in the Scheme and the Grant Notice, unless the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) determines otherwise, the respective Awarded Shares held by the Administrator on behalf of the Grantee pursuant to the provision hereof shall be vested in such Grantee in accordance with the vesting schedule (if any) as set out in the Grant Notice, and the Administrator shall, at the request of the Grantee, (a) cause the Awarded Shares to be transferred to such Grantee on the Vesting Date or as soon as practicable after the Vesting Date, or (b) pay to the grantee in cash an amount which is equivalent to the 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 those Shares) set out in paragraph (a) above. Such cash amount must be obtained through making on-market sales of such Shares and after deduction or withholding of any tax, fines, levies, stamp duty and/or other charges applicable to the entitlement of the Grantee and the sales of any Shares to fund such payment and in relation thereto.

7.3 Upon the vesting of the Awarded Shares, unless otherwise agreed between the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) and the Administrator, prior to the Vesting Date, the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) shall send to the relevant Grantee (with a copy to the Administrator) a vesting notice (the “**Vesting Notice**”) together with such prescribed transfer documents, where applicable, which require the Grantee to execute to effect the vesting and transfer of the Awarded Shares. Upon receipt of the Vesting Notice, the Grantee (or his legal personal representative or lawful successor, as the case may be) is required to return to the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) the reply slip attached to the Vesting Notice to confirm the securities account details, together with the relevant duly signed transfer documents, where applicable. In the event that the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) does not receive the reply slip and the transfer form from the Grantee before the date as stipulated in the rules of the 2023 Share Award Scheme prior to the Vesting Date, the Awarded Shares which would have otherwise vested in such Grantee shall automatically be forfeited and lapsed. Subject to the receipt by the Administrator of (a) the reply slip to the Vesting Notice and transfer documents prescribed by the Administrator, where applicable, and duly signed by the Grantee within the period stipulated in the Vesting Notice referred to in paragraph 7.3(a), (b) a confirmation from the Company that all vesting conditions (if any) having been fulfilled, and (c) copies of the identification documents of the Grantee, the Administrator shall transfer the relevant Awarded Shares or pay the relevant amount of cash to the relevant Grantee as soon as practicable on or after the Vesting Date and in any event not later than the date as stipulated in the rules of the 2023 Share Award Scheme after the Vesting Date.

For avoidance of doubt, the Awards forfeited and lapsed pursuant to this paragraph 7.3 can be granted to other Participants at the sole discretion of the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board).

7.4 Save as circumstances described in paragraph 7.5 below, the minimum vesting period for an Award is 12 months before the Award can be vested.

7.5 A shorter vesting period may be granted to a Participant at the discretion of the Board (or the CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) as deemed appropriate at the sole discretion of the Board if:

- (a) grants of “make-whole” Awards to new joiners to replace the share awards they forfeited when leaving the previous employer;

- (b) grants to a Participant whose employment is terminated due to death or disability or occurrence of any out of control event, which includes scenarios as illustrated in paragraph 13.1 below and would serve as compassionate arrangements for relevant Participants in line with market practice;
- (c) grants that are made in batches during a year for administrative and compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Award would have been granted;
- (d) grants with a mixed or accelerated vesting schedule such as where the Award may vest evenly over a period of 12 months under circumstances including but not limited to paragraph 7.6, which gives the Company more flexibility in providing incentives to the Participants and is in line with market practice; or
- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria, in which the Company wishes the Participants to achieve their performance targets as soon as possible by offering immediate vesting upon fulfilment of the performance targets, and the Participants could be incentivized to the largest extent.

The Directors (and the Remuneration Committee in respect of grants of Awards to the Directors and/or senior management) are of the view that the vesting period for Awards granted to Participants may be less than 12 months under specific circumstances as set out above is appropriate because (i) such arrangement is in line with the requirements under the Listing Rules and market practice, (ii) such arrangement gives the Company flexibility to provide a competitive remuneration package to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified, (iii) the Company should be allowed discretion to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances. Such arrangement could motivate and provide incentives to the Participants and to attract and retain the best available personnel for the Company, which is in line with the purpose of the 2023 Share Award Scheme.

- 7.6 Subject to other provisions of the 2023 Share Award Scheme, an Award may become vested at any time provided that:
- (a) in the event of a general offer (whether by way of a general offer, partial offer, takeover offer or scheme of arrangement or otherwise in like manner, voluntary or otherwise) for the Shares or any class of Shares being made to all the Shareholders (or all such holders other than the offeror and/or any persons controlled by the offeror and/or any person acting in concert with the offeror) the Company shall use its best endeavours to procure that an appropriate offer is extended to all the Grantees (on comparable terms, mutatis mutandis, and assuming that they will become Shareholders). If such offer for the Shares or any class of Shares becoming or being declared unconditional, the vesting conditions of the Awards granted shall be deemed as satisfied and the Grantee (or, as the case may be, his legal personal representative(s)) shall be entitled to exercise the Award in full (to the extent not already lapsed or exercised) at any time within 1 month after the date on which the offer becomes or is declared unconditional;
 - (b) in the event of a compromise or arrangement between the Company and the Shareholders or its creditors being proposed in connection with a scheme for the reconstruction of the Company or its amalgamation any other company or companies pursuant to the Cayman Companies Law, the Company shall give notice thereof to all the Grantees (or, as the case may be, their legal personal representatives) on the same day as it gives notice of the meeting to the Shareholders or its creditors to consider such a compromise or arrangement and the Awards (to the extent not already lapsed or exercised) shall become exercisable in whole or in part on such date not later than the date as stipulated in the rules of the 2023 Share Award Scheme prior to the date of the general meeting directed to be convened for the purposes of considering such compromise or arrangement, or the date of the general meeting of the Company to be convened for the purposes of considering the amalgamation or the merger, as applicable (the “**Suspension Date**”), by giving notice in writing to the Company in accordance with paragraph 7.2, whereupon the Company shall as soon as practicable and, in any event, no later than the business day immediately prior to the date of the proposed general meeting, allot and issue the relevant Shares to the Administrator for the benefit of the Grantee credited as fully paid or pay relevant amount of cash to the Grantee;

- (c) if there occurs an event of acquisition of control or change of control (as defined in the Takeovers Code) of the Company, whether by way of offer, merger, scheme of arrangement or otherwise, and regardless whether a whitewash waiver or any other applicable waiver is granted by regulatory authorities, unless otherwise directed by the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board), the vesting conditions of the Awards granted shall be deemed as satisfied and all the Awards granted shall immediately vest in the respective Participant on the date when such change of control event becomes or is declared unconditional and such date shall be deemed to be the date of vesting;
- (d) in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee (or, in the case may be, his legal personal representative(s)) shall be entitled to exercise all or any of his/her/its Awards (to the extent not already lapsed or exercised) at any time not later than the date as stipulated in the rules of the 2023 Share Award Scheme prior to the proposed general meeting of the Company by giving notice in writing to the Company in accordance with paragraph 7.2, whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Administrator for the benefit of the Grantee credited as fully paid or pay relevant amount of cash to the Grantee.

7.7 The Shares to be allotted upon the exercise of an Award will be subject to all the provisions of the Articles of Association for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders to participate in all dividends or other distributions paid or made with respect to a record date falling after the date of allotment. In the event that any Shares allotted upon the vesting of any Award are held by the Administrator for the benefit of the Grantee, the voting rights in such Shares shall not be exercised by the Administrator for and on behalf of such Grantee. For avoidance of doubt, (i) the Grantee will not have any rights over the Awarded Shares before vesting, (ii) the Administrator will not have voting right after the Awarded Shares have been vested and before such Awards Shares are transferred to the grantee under its own account, and (iii) the Administrator will not have voting right for the forfeited Shares, Returned Shares or other Shares (if any) held by it.

- 7.8 The outstanding Awards granted may not be vested if all or part of the vesting of the Awards will result in the holding of the total issued Shares by the public falling below 25% (or such other percentage stipulated under the Listing Rules) as required under Rule 8.08 of the Listing Rules.
- 7.9 In the event the Grantee has been suspended from his duties or performance of the relevant contract of employment, directorship, appointment or engagement by the relevant member of the Group, no Award can become vested until such suspension has been lifted.

8. LAPSE OF AWARDS

An Award shall lapse automatically and not be vested (to the extent not already exercised) on the earliest of:

- (a) the expiry of the Award Period;
- (b) subject to paragraph 7.3, the date after the last day on which the Grantee should return the Vesting Notice and/or other relevant information to the Company as determined by the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board);
- (c) the expiry of any of the periods or the occurrence of the relevant event referred to in paragraph 7.6(a), (b), (c) and (d);
- (d) subject to paragraph 7.6(d), the date of the commencement of the winding-up of the Company;
- (e) subject to paragraph 13, for Employee Participants, the date on which the Grantee ceases to be an employee or a director (as the case may be) of the Group, and for Related Entity Participants and Service Provider Participants, the date on which the Grantee ceases to be an employee of the relevant related entity or a service provider;
- (f) the occurrence of any act of bankruptcy, insolvency or entering into of any arrangements or compositions with his/her/its creditors generally by the Grantee, or conviction of the Grantee of any criminal offence involving his/her/its integrity or honesty;
- (g) the date on which the Board exercises the Company's right to cancel, revoke or terminate the Award on the ground that the Grantee commits a breach of paragraph 7.1 in respect of that or any other Award;

- (h) subject to the compromise, the arrangement or the amalgamation as referred to in paragraph 7.6(b) becoming effective, the date on which such compromise, arrangement, or amalgamation becomes effective; or
- (i) for Related Entity Participants and Service Provider Participants, the date on which the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) shall at their absolute discretion determine that: (a) the Grantee has committed any breach of any contract entered into between the Grantee, his associate and / or the relevant related entity and/or the service provider on the one part and any member of the Group on the other part; (b) the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with its creditors generally; or (c) the Grantee and/or the relevant related entity and the service provider which the Grantee served could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relations with the Group or by any other reason whatsoever.

9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (a) Subject to paragraph 9(c) and (d), the maximum number of Shares issuable pursuant to the 2023 Share Option Scheme and the 2023 Share Award Scheme in aggregate will be 99,500,000 Shares, being 10% of the total number of Shares in issue. When aggregated with the maximum number of Shares which may be issued in respect of any options or awards to be granted under any other share scheme of the Company shall not exceed 10% of the Shares in issue on the Adoption Date.
- (b) The Company may seek approval of the Shareholders in general meeting for refreshing the Scheme Mandate Limit and the Service Provider Sublimit after three years from the date of shareholders' approval for the adoption of the 2023 Share Award Scheme or the last refreshment, such that the total number of Shares which may be issued in respect of the Awards to be granted under the 2023 Share Award Scheme and any grants of awards or options made under any other schemes of the Company as "refreshed" shall not exceed up to 10% of the total number of Shares in issue as at the date of the approval of the Shareholders on the refreshment of the Scheme Mandate Limit and the Service Provider Sublimit provided that Awards previously granted under the 2023 Share Award Scheme or any grants made under any other schemes (including awards outstanding and lapsed in accordance with the terms of the 2023 Share Award Scheme or any other schemes of the Company or exercised) will not be counted for the purpose of calculating the limit as "refreshed". For the purpose of seeking the approval of Shareholders under this paragraph 9(b), a circular must be sent to the Shareholders containing the number of

Awards that were already granted under the existing scheme mandate limit and service provider sublimit, and the reason for the refreshment.

Any refreshment of Scheme Mandate Limit or the Service Provider Sublimit to be made within any three-year period shall be submitted to shareholders' approval subject to the following conditions:

- (i). 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
 - (ii). 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.
- (c) The Company may seek separate approval by the Shareholders in general meeting for granting Awards beyond the Scheme Mandate Limit provided the Awards beyond the Scheme Mandate Limit are granted only to Participants specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to the Shareholders containing the name of each of the specified persons who may be granted such Awards, the number and terms of such Awards to be granted and the purpose of granting such Awards to the specified persons with an explanation as to how the terms of the Awards will serve such purpose and all other information required under the Listing Rules. The number and terms of awards to be granted to such persons must be fixed before shareholders' approval.
- (d) The Company may grant Awards beyond any of the limits as set out in paragraph 9(a), (b), (c) and (d) above to such extent as may be permitted under the Listing Rules from time to time.
- (e) Where the 2023 Share Award Scheme allows the grant of share awards to a trust or similar arrangement for the benefit of a specified Participant (i.e. the Administrator in this case), any shares issued to the Administrator but not granted to the Participants would be considered to have utilised the Scheme Mandate Limit.

10. MAXIMUM NUMBER OF SHARES AVAILABLE FOR THE SUBSCRIPTION OF SERVICE PROVIDER PARTICIPANTS

The Service Provider Sublimit, being a sublimit under the Scheme Mandate Limit, is the total number of Shares which may be issued in respect of all options and awards to be granted to the service providers under the 2023 Share Option Scheme and the 2023 Share Award Scheme. The aggregate maximum number of Shares issuable to Service Provider Participants pursuant to the 2023 Share Option Scheme and the 2023 Share Award Scheme in aggregate will be 19,900,000 Shares, being 2% of the total number of Shares in issue.

The Service Provider Sublimit was determined after considering the service provider sublimit set by other listed companies on the Stock Exchange, the potential dilution effect that may arise from grants to service providers, and the fact that the Company expects that awards will mostly be granted to Employee Participants but would like to retain the flexibility to grant awards to service providers for the reasons mentioned and hence limit such grants to a relatively small portion of the Scheme Mandate Limit, which is 2% of the issued Shares as at the Adoption Date.

The Directors (including the independent non-executive Directors) are of the view that the Service Provider Sublimit under is appropriate and reasonable considering the nature of the industry and the Group's business needs, and such a limit provides the Group with flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward and collaborate with persons who are not employees or officers of the Group, but who may have exceptional expertise in their field or who may be able to provide valuable expertise and services to the Group, which is in line with the purposes of the 2023 Share Award Scheme. The Company mainly operates in the research and development, manufacturing and sales of professional skincare products, and the success of the Company relies on, among others, the timely provision of high quality raw materials from the suppliers, the efforts of the distributors and / or agents to promote the products of the Company and expand its market shares, the innovative and insightful advice from the consultants and the contributions from other type of service providers. Considering (i) the features of the Company's business model and the needs of the Company set out above, (ii) service provider sublimit set by other listed companies on the Stock Exchange, (iii) the potential dilution effect that may arise from grants to service providers, and (iv) the fact that the Company expects that the Options and the Awards will mostly be granted to Employee Participants but would like to retain the flexibility to grant such incentive to service providers, the Company determines the Service Provider Participants Sublimit, which are in line with the market practice of the companies listed on the Stock Exchange, and is estimated to have limited dilutive effect on the existing Shareholders of the Company.

11. MAXIMUM ENTITLEMENT OF SHARES FOR EACH PARTICIPANT

- 11.1 Where any grant of Awards to a Participant would result in the total number of Shares issued and to be issued in respect of all Awards and options granted (excluding any Awards and awards lapsed in accordance with the terms of the 2023 Share Award Scheme or any other schemes of the Company) under the 2023 Share Award Scheme and any other schemes of the Company in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such Participant and his/her close associates (or associates if the Participant is a connected person) abstaining from voting. The number and terms of Awards to be granted to such Participant must be fixed before the approval of the Shareholders. In such event, the Company must send a circular to the Shareholders containing the identity of such Participant, the number and terms of the Awards to be granted (and the options and awards previously granted to such Participant in the 12-month period), the purpose of granting Awards to the Participant and an explanation as to how the terms of the Awards serve such purpose.
- 11.2 The maximum number of Shares referred to in paragraph 9(a) and 9(b) will be adjusted, in such manner as the auditors shall certify in writing or the independent financial adviser shall confirm in writing (as the case may be) to the Board to be fair and reasonable in accordance with paragraph 14, in the event of any alteration in the capital structure of the Company by way of capitalisation of profits or reserves, rights issue, open offer, consolidation, subdivision or reduction of the share capital of the Company, provided that no such certification or confirmation is required in case of adjustment made on a capitalisation issue. If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all options and awards to be granted under all of the schemes of the Company under the scheme mandate limits 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.
- 11.3 Notwithstanding the aforesaid, each grant of Awards to a director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors. Where any grant of Awards (excluding grant of option) to a director or chief executive of the Company or any of its respective associates would result in the total number of Shares issued and to be issued in respect of all Awards granted (excluding any awards lapsed in accordance with the terms of the 2023 Share Award Scheme or any other schemes of the Company) under the 2023 Share Award Scheme and any other schemes of the Company to such person in any 12-month period up to and including such Share Award Offer

Date representing in aggregate over 0.1% of the Shares in issue, or where any grant of Awards or options to a substantial shareholder of the Company or any of its respective associates would result in the total number of Shares issued and to be issued in respect of all Awards and options granted (excluding any Awards and options lapsed in accordance with the terms of the 2023 Share Award Scheme or any other schemes of the Company) under the 2023 Share Award Scheme and any other schemes of the Company to such person in any 12-month period up to and including such Share Award Offer Date representing in aggregate over 0.1% of the Shares in issue, such further grant of Awards must be approved by the Shareholders at a general meeting of the Company in compliance with Rules 13.40, 13.41 and 13.42 of the Listing Rules and with such person, his/her associates and all core connected persons of the Company abstaining from voting in favour at the relevant general meeting. The Company shall send a circular to the Shareholders containing (i) details of the number and terms of the Awards to be granted to such person, which must be fixed before the shareholders' meeting; (ii) 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 its shareholders as a whole, and their recommendation to the independent shareholders as to voting; (iii) information relating to any Directors who are trustees of the 2023 Share Award Scheme or have a direct or indirect interest in the trustees, and (iv) the information required under Rule 2.17 of the Listing Rules.

Any change in the terms of an Award granted to a substantial shareholder of the Company or any of its respective associates is also required to be approved by Shareholders in compliance with Rules 13.40, 13.41 and 13.42 of the Listing Rules and with such person, his/her associates and all core connected persons of the Company abstaining from voting in favour at the relevant general meeting if the initial grant of the Awards requires such approval (except where the changes take effect automatically under the existing terms of the 2023 Share Award Scheme).

12. RETURNED SHARES

12.1 Where any Awarded shares held by the Administrator pursuant to the Scheme, referable to a Grantee,

- (A) are not accepted by such Grantee within the stipulated time in accordance with the relevant provisions herein; or
- (B) are not vested in accordance with the relevant provisions herein and the relevant grant notice,

The Administrator shall be notified by the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) of this fact and hold such Returned Shares and any income derived

therefrom for the benefit of all or one or more Participants and/or Grantees in such manners and under such conditions in accordance with the instructions from the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board).

- 12.2 The Board may instruct the Administrator to reallocate any Returned Shares as Awarded shares to be granted to any Participant, provided that such reallocation shall be in compliance with the relevant requirements of the Listing Rules.

13. RIGHTS UNDER SPECIAL CIRCUMSTANCES

- 13.1 If the grantee of an Award is a Participant and ceases to be a Participant by reason of his death, ill-health or retirement in accordance with his contract of employment with the Group (for the Employees Participants) or with the relevant related entity or the service provider (for the Related Entity Participants and Service Provider Participants) before exercising the Award in full, his personal representative(s), or, as appropriate, the grantee may exercise the Award (to the extent not already exercised) in whole or in part within a period of 12 months following the date of cessation which date shall be taken to be the last day on which the grantee was physically at work with the Group whether salary is paid in lieu of notice or not or such longer period as the Directors may determine.
- 13.2 If the grantee of an Award is a Participant and ceases to be a Participant by reason of his resignation based on bona fide consultation with the Company (for the Employees Participants) or with the relevant related entity or the service provider (for the Related Entity Participants and Service Provider Participants) before exercising the Award in full, the Award (to the extent not already exercised) will lapse on the date of resignation and will not be exercisable unless the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) otherwise determines in which event the grantee may exercise the Award (to the extent not already vested) in whole or in part within such period as the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) may determine following the date of such resignation, which will be taken to be the last day on which the grantee was physically at work with the Group, the relevant related entity or the service provider where applicable, whether salary is paid in lieu of notice or not.

- 13.3 If the grantee of an Award is a Participant and ceases to be a Participant by reason that he has been guilty of serious misconduct or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Board does not bring the grantee or the Group into disrepute) or on any other ground on which an employer would be entitled to terminate his or her employment summarily, his Award will lapse automatically and will not be exercisable on or after the date of ceasing to be a Participant.
- 13.4 If the grantee of an Award is a Participant and ceases to be a Participant for any reason other than death, ill-health or retirement in accordance with his contract of employment or for serious misconduct or other grounds referred to in paragraphs 13.2 and 13.3 above before exercising his Award in full, the Award (to the extent not already exercised) will lapse on the date of cessation and will not be exercisable unless the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) otherwise determines in which event the grantee may exercise the Award (to the extent not already exercised) in whole or in part within such period as the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) may determine following the date of such cessation, which will be taken to be the last day on which the grantee was physically at work with the Group whether salary is paid in lieu of notice or not.
- 13.5 If the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) shall at their absolute discretion determine that (i)(1) for Employee Participants, the grantee of any Award or his associate has committed any breach of any contract entered into between the grantee or his associate on the one part and the Group, or for the Related Entity Participants and the Service Provider Participants, the Grantee has committed any breach of any contract entered into between the Grantee, his associate and / or the relevant related entity or the service provider on the one part and any member of the Group on the other part; or (2) that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; and (ii) the Award granted to the Grantee under the 2023 Share Award Scheme shall lapse as a result of any event specified in items (1) or (2) in (i) above, his Award will lapse automatically and will not be exercisable on or after the date on which the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) has so determined.

14. ALTERATION OF SHARE CAPITAL STRUCTURE

- 14.1 In the event of any alteration in the capital structure of the Company whilst any Award remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which any member of the Group is party), such corresponding adjustments (if any) shall be made in the number of Shares subject to the Award so far as unexercised as the auditors shall certify in writing or the independent financial adviser shall confirm in writing (as the case may be) to the Board to be in their opinion fair and reasonable and in compliance with the relevant provisions of the Listing Rules (or any guideline or supplementary guideline as may be issued by the Stock Exchange from time to time), provided that (i) any such alteration shall give a Grantee the same proportion of the issued share capital (rounded to the nearest whole Share) of the Company as (but in any event shall not be greater than) that to which he/she/it was previously entitled on the full exercise of any Award shall remain the same (but shall not be greater than, except upon any consolidation of the Shares) it was before such event, (ii) no adjustment shall be made to the effect of which would be to enable a Share to be issued at less than its par value and (iii) the issue of Shares or other securities of the Group as consideration in a transaction may not be regarded as a circumstance requiring adjustment.
- 14.2 The capacity of the auditors or the independent financial adviser (as the case may be) in this paragraph 14 is that of experts and not of arbitrators and their certification or confirmation shall, in the absence of manifest error, be final, conclusive and binding on the Company and the Grantees. The costs of the auditors or the independent financial adviser (as the case maybe) shall be borne by the Company.
- 14.3 Upon any adjustment pursuant to paragraph 14.1, the Company shall notify the Grantees in writing the adjustments that have been made. If there has been any alteration in the capital structure of the Company, and if the Company has not yet informed the Grantees of any necessary adjustments to be made to their Awards in accordance with the certificate of the auditors or the confirmation of the independent financial adviser (as the case may be), the Company shall, upon receipt of a notice from a Grantee in accordance with paragraph 7.2, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the aforesaid certificate or confirmation obtained by the Company for such purpose or, if no such certificate or confirmation has yet been obtained, inform the Grantee of such fact and instruct the auditors or the independent financial adviser as soon as practicable thereafter to issue a certificate or provide a written confirmation in that regard in accordance with paragraph 14.1.

15. MALUS AND CLAWBACK

The Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) may, at its absolute discretion, determine such malus and/or clawback provisions to be applied to an Award or an Offer, upon the occurrence of the applicable malus and/or clawback event(s) (i.e. serious misconduct, a material misstatement in the Company's financial statements and fraud. If the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) exercises its discretion under this provision, it will give the relevant Grantee written notice of such determination and the Board's interpretation of and determination pursuant to this provision shall be final, conclusive and binding.

The Directors (and the Remuneration Committee in respect of grants of awards to the Directors and/or senior management) are of the view that the clawback mechanism in each of the 2023 Share Award Scheme provides a choice for the Company to clawback the equity incentives granted to selected Participants culpable of misconduct and is in line with the purpose of the 2023 Share Award Scheme and the interests of Shareholders.

16. DISPUTES

Any dispute arising in connection with the 2023 Share Award Scheme (whether as to the number of Shares subject to an Award or otherwise) shall be referred to the decision of the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) in its absolute discretion and whose decision shall be final, conclusive and binding.

17. ALTERATION OF THE 2023 SHARE AWARD SCHEME

17.1 The 2023 Share Award Scheme may be altered in any respect by resolutions of the Board except that the provisions of the 2023 Share Award Scheme as to:

- (a) the definitions of "Participant" and "Grantee";
- (b) the provisions as described in paragraphs 1 to 15, and this paragraph 17 (i.e. the authority of the Board to alter the terms of the 2023 Share Award Scheme); and
- (c) terms and conditions of the 2023 Share Award Scheme which are of a material nature,

shall not be altered to the advantage of Grantees or prospective Grantees except with the prior sanction of the Shareholders by a resolution in general meeting, provided that no such alteration shall operate to affect adversely the

terms of issue of any Award granted or agreed to be granted prior to such alteration except with the consent or sanction such majority of the Grantees.

- 17.2 Any change to the terms of Awards granted to a Grantee must be approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be) if the initial grant of the Awards was approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the 2023 Share Award Scheme.
- 17.3 Notwithstanding anything to the contrary contained in paragraph 17.1 and 17.2, the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) may at any time alter or modify the 2023 Share Award Scheme in any way to the extent necessary to cause the 2023 Share Award Scheme to comply with any statutory provisions or the regulations of any regulatory or other relevant authority. Any amendment to any terms of the 2023 Share Award Scheme or the Awards granted shall comply with the relevant requirements of Chapter 17 of the Listing Rules.

18. CANCELLATION OF THE AWARDS GRANTED

Any cancellation of Awards granted but not vested must be subject to the prior notice to the relevant grantee. Where the Company cancels Awards and new Awards are to be issued to the same Participant, the issue of such new Awards may only be made under the 2023 Share Award Scheme with available unissued Awards (to the extent not yet granted and excluding the cancelled Awards) within the limit approved by the Shareholders as mentioned in paragraph 9.

19. TERMINATION OF THE 2023 SHARE AWARD SCHEME

The Company by resolution in general meeting or the Board (or CEO, a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board) may at any time terminate the operation of the 2023 Share Award Scheme and in such event no further Awards will be offered but Awards granted prior to such termination shall continue to be valid and exercisable in accordance with provisions of this Scheme.

NOTICE OF EXTRAORDINARY GENERAL MEETING



GIANT BIOGENE HOLDING CO., LTD

巨子生物控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2367)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Giant Biogene Holding Co., Ltd (the “Company”), will be held at No. 1855, Shanglin Yuan 7th Road, Chang’an District, Xi’an, Shaanxi Province, PRC on Thursday, August 17, 2023 at 1:30 p.m. for the following purposes:

AS ORDINARY RESOLUTIONS

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

“THAT:

subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing of, and permission to deal in, the Shares of the Company (the “**Shares**”) which may fall to be issued and allotted pursuant to the exercise of any options which may be granted under the new share option scheme of the Company (the “**2023 Share Option Scheme**”), the rules of which are contained in the document marked “A” produced to this meeting and signed by the chairman of this meeting for identification purpose, the 2023 Share Option Scheme and the Scheme Mandate Limit (as defined in the circular dated July 31, 2023 issued by the Company) of 10 per cent. of the total number of Shares as at the date of the passing of this resolution be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the directors of the Company may consider necessary, desirable or expedient to effect and implement the 2023 Share Option Scheme, including without limitation:

- (a) administering the 2023 Share Option Scheme in accordance with the rules of the 2023 Share Option Scheme under which options will be granted to participants eligible under the 2023 Share Option Scheme to subscribe for Shares;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) modifying and/or amending the 2023 Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2023 Share Option Scheme relating to modification and/or amendment and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”);
 - (c) granting options to subscribe for Shares under the 2023 Share Option Scheme and allotting and issuing from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options that may be granted under the 2023 Share Option Scheme and subject to the Listing Rules;
 - (d) making application at the appropriate time or times to the Stock Exchange, and any other stock exchanges upon which the issued Shares may for the time being be listed, for the listing of, and permission to deal in, any new Shares or any part thereof that may hereafter from time to time be allotted and issued pursuant to the exercise of the options granted under the 2023 Share Option Scheme; and
 - (e) consenting, 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 2023 Share Option Scheme.”
2. “**THAT**, conditional upon the passing of resolution numbered 1, the Service Provider Sublimit (as defined in the circular dated July 31, 2023 issued by the Company) of 2 per cent. of the total number of Shares as at the date of the passing of this resolution be and is hereby approved and adopted.”

Proposed resolution numbered 1 is not conditional upon the passing of proposed resolution numbered 2, but proposed resolution numbered 2 is conditional upon the passing of proposed resolution numbered 1. In the event that proposed resolution numbered 1 is passed but proposed resolution numbered 2 is not passed, the Company will adopt the 2023 Share Option Scheme but the Board shall alter the 2023 Share Option Scheme to remove references to the grant of options to service providers. In the event that proposed resolution numbered 2 is passed but proposed resolution numbered 1 is not passed, the 2023 Share Option Scheme will not be adopted.

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

“**THAT:**

subject to and conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares which may fall to be issued and allotted in respect of any awards which may

NOTICE OF EXTRAORDINARY GENERAL MEETING

be granted under the new share award scheme of the Company (the “**2023 Share Award Scheme**”), the rules of which are contained in the document marked “B” produced to this meeting and signed by the chairman of this meeting for identification purpose, the 2023 Share Award Scheme and the Scheme Mandate Limit (as defined in the circular dated July 31, 2023 issued by the Company) of 10 per cent. of the total number of Shares as at the date of the passing of this resolution be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the directors of the Company may consider necessary, desirable or expedient to effect and implement the 2023 Share Award Scheme, including without limitation:

- (a) administering the 2023 Share Award Scheme in accordance with the rules of the 2023 Share Award Scheme under which awards will be granted to participants eligible under the 2023 Share Award Scheme;
 - (b) modifying and/or amending the 2023 Share Award Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2023 Share Award Scheme relating to modification and/or amendment and the requirements of the Listing Rules;
 - (c) granting awards under the 2023 Share Award Scheme and allotting and issuing from time to time such number of Shares as may be required to be issued in respect of the awards that may be granted under the 2023 Share Award Scheme and subject to the Listing Rules;
 - (d) making application at the appropriate time or times to the Stock Exchange, and any other stock exchanges upon which the issued Shares may for the time being be listed, for the listing of, and permission to deal in, any new Shares or any part thereof that may hereafter from time to time be allotted and issued in respect of the awards granted under the 2023 Share Award Scheme; and
 - (e) consenting, 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 2023 Share Award Scheme.”
4. “**THAT**, conditional upon the passing of resolution numbered 3, the Service Provider Sublimit (as defined in the circular dated July 31, 2023 issued by the Company) of 2 per cent. of the total number of Shares as at the date of the passing of this resolution be and is hereby approved and adopted.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

Proposed resolution numbered 3 is not conditional upon the passing of proposed resolution numbered 4, but proposed resolution numbered 4 is conditional upon the passing of proposed resolution numbered 3. In the event that proposed resolution numbered 3 is passed but proposed resolution numbered 4 is not passed, the Company will adopt the 2023 Share Award Scheme but the Board shall alter the 2023 Share Award Scheme to remove references to the grant of awards to service providers. In the event that proposed resolution numbered 4 is passed but proposed resolution numbered 3 is not passed, the 2023 Share Award Scheme will not be adopted.

By order of the Board
Giant Biogene Holding Co., Ltd
YAN Jianya
Chairman of the Board

Xi'an, the PRC, July 31, 2023

As of the date of this notice, the Board comprises Mr. Yan Jianya, Ms. Ye Juan and Ms. Fang Juan as executive Directors, Mr. Chen Jinhao as a non-executive Director, and Mr. Huang Jin, Mr. Shan Wenhua and Ms. Wong Sze Wing as independent non-executive Directors.

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Listing Rules. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at this meeting is entitled to appoint another person as proxy to attend and vote instead of him/her/it. A proxy need not be a member of the Company. A shareholder who is the holder of two or more shares of the Company may appoint any number of proxies to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority, must be deposited at the Company's Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the meeting (i.e. not later than 1:30 p.m. on Tuesday, August 15, 2023) or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the form of proxy shall be deemed to be revoked.

NOTICE OF EXTRAORDINARY GENERAL MEETING

4. For the purpose of determining the identity of the holders of Shares entitled to attend and vote at the meeting, the register of members of the Company will be closed from Monday, August 14, 2023 to Thursday, August 17, 2023, both dates inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the meeting, unregistered holders of Shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, August 11, 2023 (Hong Kong time), being the last registration date.
5. A circular containing further details concerning items 1 to 4 set out in the above notice will be dispatched to all shareholders.
6. References to time and dates in this notice are to Hong Kong time and dates.