

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Zhongzhi Pharmaceutical Holdings Limited

中智藥業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3737)

SUPPLEMENTARY ANNOUNCEMENT IN RELATION TO THE 2022 ANNUAL REPORT

Reference is made to the annual report for the year ended 31 December 2022 (the “**2022 Annual Report**”) of Zhongzhi Pharmaceutical Holdings Limited (the “**Company**”). Terms used herein shall have the same meanings as defined in the 2022 Annual Report unless otherwise stated.

In addition to the disclosures made under the section headed “SHARE OPTION SCHEME” and “SHARE AWARD PLAN” in the Report of the Directors as set out in the 2022 Annual Report, the Company would like to supplement the 2022 Annual Report with the following additional information in relation to the share option scheme (the “**Share Option Scheme**”) and the share award plan (the “**Share Award Plan**”) of the Company, pursuant to Rule 17.07 and Rule 17.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

SHARE AWARD PLAN

(1) Disclosure pursuant to Rule 17.07(1) of the Listing Rules

The particulars of the Share Award Plan during the year ended 31 December 2022 (the “FY2022”) and 31 December 2021 (the “FY2021”) are set out below:

| | Number of Shares held for Share Award Plan |
|--|---|
| At 1 January 2021 | 13,278,500 |
| Purchased | <u>3,323,000</u> |
| At 31 December 2021, 31 January 2022 and 31 December 2022 | <u>16,601,500</u> |

There is no awarded share outstanding, granted, vested, cancelled and lapsed during FY2021 and FY2022.

(2) Disclosure pursuant to Rule 17.09 of the Listing Rules

As disclosed in the 2022 Annual Report, the summary of the Share Award Plan pursuant to Rule 17.09 of the Listing Rules is set out as follows:

Purpose of Share Award Plan

As disclosed in the 2022 Annual Report, the Share Award Plan is a share incentive scheme and is established to recognise the contributions made by certain selected persons and to attract suitable individuals with experience and ability to further develop and expand the business of the Group.

Participants of Share Award Plan

The Board may, in their absolute discretion, determine that any employees (full time or part-time), executives, Directors (including but not limited to any executive, non-executive and independent non-executive Directors), dealers or persons providing services to the Group who have made or can make contributions to the growth and development of the Group will become qualified persons.

Number of shares available for issue under Share Award Plan

As at the date of the 2022 Annual Report, the number of Shares that may be issued in respect of options and awards granted under all schemes of the Company is 2,177,000, representing 0.25% of the weighted average number of Shares of the relevant class in issue of the Company.

Maximum entitlement of each participant under Share Award Plan

Any grant of awards (together with options) to a participant in the 12-month period up to and including the date of such grant must not be in aggregate over 1% of the issued shares of the Company.

Any grant of awards to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their associates would result in the shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the Share Award Plan) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the relevant class of shares in issue, such further grant of awards must be approved by shareholders of the Company in general meeting.

Vesting period of awarded shares granted under Share Award Plan

Save as the grant of awarded shares before 31 December 2022, the vesting period for awards shall not be less than 12 months.

Payable on application or acceptance of awarded shares

Unless otherwise specified, there is no amount payable on application or acceptance of the award and no specific period within which payments or calls must be made or loans must be repaid.

Remaining life of Share Award Plan

Subject to earlier termination by the Board, the Share Award Plan shall be valid and effective for a period of ten years from the date of adoption. As at 31 December 2022, the remaining life of the Share Award Plan is 4 years.

(3) Issuance and allotment of new share to an independent trustee (the “Trustee”)

As disclosed in the 2022 Annual Report, the awarded shares will be either (i) allotted and issued by the Company, by using the general or specific mandates granted or to be granted to the board of directors by the shareholders of the Company at general meetings of the Company from time to time, or (ii) acquired by the Trustee from the open market by utilising the Company’s resources provided to the Trustee. During the year ended 31 December 2020, 31 December 2021 and 31 December 2022, the Group has acquired 12,000,000 existing shares in total as reserve for future grant.

As the date of this announcement, (i) the Company has not issued and allotted any new shares to the Trustee for the purpose of the Share Award Plan; and (ii) the Company has no intention to issue and allot new shares to the Trustee in the future.

SHARE OPTION SCHEME

(1) Disclosure pursuant to Rule 17.07(1) of the Listing Rules

As at 1 January 2022 and 31 December 2022, the number of share options that is available for grant under the Share Option Scheme is both 80,000,000.

There is no share option outstanding, granted, exercised, cancelled and lapsed during FY2022 and since the date of the Shares of the Group listed on Stock Exchange.

(2) Disclosure pursuant to Rule 17.09 of the Listing Rules

As disclosed in the 2022 Annual Report, the summary of the Share Option Scheme pursuant to Rule 17.09 of the Listing Rules is set out as follows:

Purpose of Share Option Scheme

As disclosed in the 2022 Annual Report, the Share Option Scheme is a share incentive scheme and is established to recognize and motivate the contributions that eligible participants (as defined in the Prospectus) have made or may make to the Group.

Participants of Share Option Scheme

The participants of Share Option Scheme includes employees (full time or part-time), executives, Directors (including but not limited to any executive, non-executive and independent non-executive Directors), suppliers, customers, persons providing research, development or other technological support to the Group, shareholder of any entity in which the Group hold at least 20% of its issued share capital, advisor or consultant to any area of business or business development of the Group, any other participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement of development and growth of the Group are eligible persons under the Share Option Scheme.

Any offer to grant of options under the Share Option Scheme 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.

Number of shares available for issue under Share Option Scheme

As at the date of the 2022 Annual Report, the total number of securities available for issue under the Share Option Scheme is 80,000,000, representing approximately 9.26% of the issued shares of the Company.

Maximum entitlement of each participant under Share Option Scheme

The maximum entitlement for any one participant is that the total number of the Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme to each participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of Shares in issue unless otherwise approved by the Shareholders at a general meeting of the Company.

Period for exercising the granted options under Share Option Scheme

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed 10 years from the offer date subject to the provisions of early termination thereof, and provided that the Board may determine the minimum period for which an option has to be held or other restrictions before its exercise.

Vesting period of awarded shares granted under the Share Option Scheme

The vesting period for options shall not be less than 12 months.

Payable on application or acceptance of options

Unless otherwise specified, there is no amount payable on application or acceptance of the options and no specific period within which payments or calls must be made or loans must be repaid.

Remaining life of the Share Option Scheme

Subject to earlier termination by the Company in general meeting or by the Directors, the Share Option Scheme shall be valid and effective for a period of ten years from date of adoption. As at 31 December 2022, the remaining life of the Share Option Scheme is 3 years.

The above supplemental information does not affect other information contained in the 2022 Annual Report. Save as disclosed above, all other information in the 2022 Annual Report remains unchanged.

By order of the Board
Zhongzhi Pharmaceutical Holdings Limited
Mr. Lai Zhi Tian
Chairman and Executive Director

Hong Kong, 7 September 2023

As at the date of this announcement, the Board comprises nine directors. The executive directors are Mr. Lai Zhi Tian, Mr. Lai Ying Feng, Mr. Lai Ying Sheng and Mr. Cao Xiao Jun. The non-executive directors are Ms. Jiang Li Xia and Mr. Peng Zhiyun. The independent non-executive directors are Mr. Ng Kwun Wan, Mr. Wong Kam Wah and Mr. Zhou Dai Han.