
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Ascletis Pharma Inc., you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This circular is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



Ascletis Pharma Inc.

歌禮製藥有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1672)

**(1) PROPOSED ADOPTION OF THE 2025 SHARE OPTION SCHEME AND
THE 2025 SHARE AWARD SCHEME; AND
(2) CONDITIONAL GRANTS OF OPTIONS UNDER
THE 2025 SHARE OPTION SCHEME AND SHARE AWARDS UNDER
THE 2025 SHARE AWARD SCHEME;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM of Ascletis Pharma Inc. to be held at 11/F, Building D, 198 Qidi Road, HIPARK, Xiaoshan District, Hangzhou, Zhejiang Province, China on Monday, February 3, 2025 at 10:00 a.m., at which, among other things, the above proposals will be considered, is set out on pages 58 to 62 of this circular.

Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the meeting (i.e. not later than Saturday, February 1, 2025 at 10:00 a.m.) or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

January 15, 2025

CONTENTS

RESPONSIBILITY STATEMENT	ii
DEFINITIONS	1
LETTER FROM THE BOARD	6
APPENDIX I – SUMMARY OF THE PRINCIPAL TERMS OF THE 2025 SHARE OPTION SCHEME	30
APPENDIX II – SUMMARY OF THE PRINCIPAL TERMS OF THE 2025 SHARE AWARD SCHEME	44
NOTICE OF EXTRAORDINARY GENERAL MEETING	58

RESPONSIBILITY STATEMENT

This circular, for which the Directors (as defined herein) of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules (as defined herein) for the purpose of giving information with regard to the Company. The Directors (as defined herein), 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.

DEFINITIONS

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

“2025 Share Option Scheme”	the 2025 Share Option Scheme proposed to be approved by the Shareholders at the EGM;
“2025 Share Award Scheme”	the 2025 Share Award Scheme proposed to be approved by the Shareholders at the EGM;
“Administrator”	the Board or any other person duly authorized by the Board to administer the 2025 Share Option Scheme (after its adoption) and the 2025 Share Award Scheme (after its adoption);
“Adoption Date”	being the date on which the 2025 Share Option Scheme or the 2025 Share Award Scheme (as the case may be) is conditionally adopted by the Shareholders;
“Applicable Laws”	all applicable laws, regulations, ordinances or requirements of the relevant regulatory authorities including without limitation the Company Ordinance (Chapter 622 of the laws of Hong Kong), the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) or the Listing Rules;
“Articles” or “Memorandum of Association” or “Memorandum”	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time;
“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Award(s)”	the Option(s) to be granted to a grantee pursuant to the terms of the 2025 Share Option Scheme and the Share Award(s) to be granted to a grantee pursuant to the terms of the 2025 Share Award Scheme;
“Board”	the board of directors of the Company;
“Business Day(s)”	means any day on which securities are traded on the Stock Exchange;

DEFINITIONS

“Companies Act”	the Companies Act (as amended) of the Cayman Islands as amended from time to time and every other act, order, regulation or other instrument having statutory effect (as amended from time to time) for the time being in force in the Cayman Islands applying to or affecting the Company, the Memorandum and/or the Articles;
“Company”	Ascleitis Pharma Inc. (歌禮製藥有限公司), a company incorporated in the Cayman Islands with limited liability on February 25, 2014;
“Conditional Grant(s)”	The grants of 14,460,525 Options and 23,136,840 Share Awards to Dr. Wu, 4,820,175 Options and 5,784,210 Share Awards to Mr. Gargiulo and 3,856,140 Options and 4,820,175 Shares Awards to Mrs. Wu, which are subject to the approval of Independent Shareholders at the EGM;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise, refers to Dr. Wu, Mrs. Wu, JJW12 Limited, Lakemont Holding LLC, Lakemont Remainder Trust and Northridge Trust, as a group, or any member of them;
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Dr. Wu”	Dr. Jinzi Jason WU, the founder, chairman of the Board, chief executive officer, an executive Director and one of the Controlling Shareholders of the Company, and the spouse of Mrs. Wu;
“EGM”	the extraordinary general meeting of the Company to be convened and held at 11/F, Building D, 198 Qidi Road, HIPARK, Xiaoshan District, Hangzhou, Zhejiang Province, China on Monday, February 3, 2025 at 10:00 a.m., among others, the proposed adoption of the 2025 Share Option Scheme and the 2025 Share Award Scheme and the Conditional Grants;

DEFINITIONS

“Eligible Person(s)”	include: (a) any employee (whether full-time or part-time) of the Company or any of its subsidiaries; and (b) any director (including executive, non-executive and independent non-executive directors) of the Company; The basis of eligibility of Eligible Persons to the grant of any Awards shall be determined by the Board, in its sole discretion, on a case-by-case basis;
“Exercise Price”	the price per Share at which a Grantee may subscribe the Shares upon exercise of an Option pursuant to the terms of the 2025 Share Option Scheme;
“Existing Share Option Scheme”	the Share Option Scheme adopted by the Company on June 6, 2019;
“Grant Agreement”	with respect to an Eligible Person, a written agreement to be entered into between the Company and the Eligible Person in respect of the grant of Awards under the 2025 Share Option Scheme and/or the 2025 Share Award Scheme (as the case may be);
“Grant Date”	the date on which an Option is granted to an Eligible Person pursuant to the terms of the 2025 Share Option Scheme, which shall be a Business Day;
“Grantees”	means any Eligible Person who is granted an Offer in accordance with the terms of the 2025 Share Option Scheme or the 2025 Share Award Scheme;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong Special Administrative Region;
“IND”	Investigational New Drug;

DEFINITIONS

“Independent Shareholders”	The Shareholders of the Company, other than Dr. Wu and Mrs. Wu, their respective associates and other core connected persons of the Company;
“Latest Practicable Date”	January 8, 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“Listing Committee”	has the meaning ascribed to it under the Listing Rules;
“Listing Rules”	the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented, or otherwise modified from time to time;
“Mr. Gargiulo”	Mr. John P. GARGIULO, chief business officer of the Company;
“Mrs. Wu”	Mrs. Judy Hejingdao WU, an executive Director, senior vice president and one of our Controlling Shareholders, and the spouse of Dr. Wu;
“Offer”	means an offer of the grant of an Option made in accordance with paragraph 2 of Appendix I to this circular, or a Share Award made in accordance with paragraph 2 of Appendix II to this circular;
“Option(s)”	share option(s) granted to a grantee to subscribe for Shares pursuant to the terms of the 2025 Share Option Scheme;
“Option Period”	means a period to be determined and notified by the Board to a Grantee during which the Option may be exercised, which period shall expire in any event not later than the last day of the 10-year period after the date of grant of the Option (subject to the provisions for early termination contained in paragraph 14 of Appendix I to this circular);
“Remuneration Committee”	the remuneration committee of the Board;
“Share(s)”	ordinary shares in the share capital of our Company of US\$0.0001 each;

DEFINITIONS

“Share Award(s)”	Share award(s) granted to a Grantee to subscribe for Shares pursuant to the terms of the 2025 Share Award Scheme;
“Share Schemes”	all effective share schemes of the Company which are governed by Chapter 17 of the Listing Rules, including the 2025 Share Option Scheme and the 2025 Share Award Scheme;
“Shareholder(s)”	holder(s) of our Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiaries”	has the meaning ascribed to it in the Listing Rules;
“US\$”	United States Dollars, the lawful currency of the United States of America;
“Treasury Shares”	has the meaning ascribed to it under the Listing Rules;
“Trustee”	the trustee or trustee(s) (which is/are independent of and not connected with the Company) appointed or to be appointed by the Company for the administration of the 2025 Share Award Scheme;
“%”	per cent.

LETTER FROM THE BOARD



Ascletis Pharma Inc. 歌禮製藥有限公司

(incorporated in the Cayman Islands with limited liability)
(Stock code: 1672)

Executive Directors:

Dr. Jinzi Jason WU
(Chairman and Chief Executive Officer)
Mrs. Judy Hejingdao WU
(Senior Vice President)

Independent Non-executive Directors:

Dr. Yizhen WEI
Mr. Jiong GU
Ms. Lin HUA

Registered Office:

Walkers Corporate Limited
190 Elgin Avenue
George Town
Grand Cayman KY1-9008
Cayman Islands

Corporate Headquarters:

12/F, Building D
198 Qidi Road, HIPARK
Xiaoshan District
Hangzhou
Zhejiang Province
PRC

Principal Place of Business

in Hong Kong:
40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

January 15, 2025

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED ADOPTION OF THE 2025 SHARE OPTION SCHEME AND
THE 2025 SHARE AWARD SCHEME; AND
(2) CONDITIONAL GRANTS OF OPTIONS UNDER
THE 2025 SHARE OPTION SCHEME AND SHARE AWARDS UNDER
THE 2025 SHARE AWARD SCHEME;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information in respect of, among other matters, (1) proposed adoption of the 2025 Share Option Scheme and the 2025 Share Award Scheme; (2) the Conditional Grants of Options under the 2025 Share Option Scheme and Share Awards under the 2025 Share Award Scheme; and giving the Shareholders notice of the EGM at which resolutions will be proposed for the Shareholders to consider and, if thought fit, approve the aforesaid matters.

LETTER FROM THE BOARD

2. PROPOSALS FOR ADOPTION OF THE 2025 SHARE OPTION SCHEME AND THE 2025 SHARE AWARD SCHEME AND TERMINATION OF THE EXISTING SHARE OPTION SCHEME

The Existing Share Option Scheme was adopted by the Company on June 6, 2019 and is valid for a period of 10 years commencing from its effective date (i.e. June 6, 2019), subject to early termination as determined by the Company by ordinary resolutions in general meeting or the Board may at any time resolve to terminate prior to its expiry. The maximum number of Options that can be granted by the Company under the Existing Share Option Scheme is 112,068,500.

In view of the amendments to Chapter 17 of the Listing Rules which took effect on January 1, 2023 and to offer meaningful incentive to attract and retain talents that are valuable to the development of the Company, the Board proposes to terminate the Existing Share Option Scheme and adopt the 2025 Share Option Scheme and the 2025 Share Award Scheme in accordance with the requirements under Chapter 17 of the Listing Rules. Conditional upon adoption of the 2025 Share Option Scheme and the 2025 Share Award Scheme at the EGM, the Existing Share Option Scheme shall be terminated with effect from the adoption of the 2025 Share Option Scheme and the 2025 Share Award Scheme.

Termination of the Existing Share Option Scheme

On June 6, 2019, the Company adopted the Existing Share Option Scheme, which is effective on the date of its adoption at the extraordinary general meeting held on Thursday, June 6, 2019 and will expire on June 6, 2029. The Existing Share Option Scheme is to provide incentives or rewards to Eligible Persons for their contribution to and continuing efforts to promote the interests of the Group and for such other purposes as the Board may approve from time to time.

According to the terms of the Existing Share Option Scheme, the Company may terminate the Existing Share Option Scheme prior to its expiry, by ordinary resolution in a general meeting, or the Board may at any time terminate the operations of the Existing Share Option Scheme, and in such event, no further options will be offered or granted under the Existing Share Option Scheme, but the provisions of the Existing Share Option Scheme shall remain in full force and effect in all other respects and the options granted prior thereto shall continue to be valid and exercisable in accordance with the provisions of the Existing Share Option Scheme. Accordingly, the termination of the Existing Share Option Scheme is subject to the Board's approval and pre-conditional upon the adoption of the 2025 Share Option Scheme and the 2025 Share Award Scheme.

As of the Latest Practicable Date, 20,013,155 options have been granted under the Existing Share Option Scheme, among which 10,466,841 options remained outstanding and will continue to be valid and exercisable in accordance with the provisions of the Existing Share Option Scheme, notwithstanding the proposed termination of the Existing Share Option Scheme. The Board has no plan to grant any options under the Existing Share Option Scheme during the period from the Latest Practicable Date to the date of the EGM.

LETTER FROM THE BOARD

Save for the Existing Share Option Scheme which will be terminated upon the 2025 Share Option Scheme taking effect, the Company had no other subsisting share option scheme or share award scheme as at the Latest Practicable Date.

The following table sets out the information regarding the Company's outstanding options which have been granted but not yet exercised under the Existing Share Option Scheme as of the Latest Practicable Date:

Name or category of grantee	Date of grant	Exercise price (HK\$)	Number of options outstanding as at the Latest Practicable Date
Directors			
Dr. Wu	January 3, 2024	1.448 per Share	1,000,000
Mrs. Wu	January 3, 2024	1.448 per Share	1,000,000
Employees			
11 employees	March 31, 2020	2.90 per Share	2,066,841
5 employees	September 30, 2021	2.696 per Share	400,000
2 employees	June 30, 2022	3.932 per Share	2,100,000
33 employees	January 3, 2024	1.448 per Share	3,900,000
Total			10,466,841

Proposed adoption of the 2025 Share Option Scheme and the 2025 Share Award Scheme

Following the introduction of the treasury share regime under the Listing Rules, to benefit from the treasury share regime by allowing flexibility in managing the capital structure through share buy-back and resale of Treasury Shares and to reduce administrative costs, the Company proposed to primarily use Treasury Shares as part of underlying shares and new Shares as the rest part of underlying shares for the Share Awards granted under the 2025 Share Award Scheme with reference to the grants and conditions under such scheme.

The 2025 Share Option Scheme will be funded by new Shares and the 2025 Share Award Scheme will be funded by Treasury Shares and new Shares. Therefore, each of the schemes constitute a share scheme involving issue of new shares by the Company under Chapter 17 of the Listing Rules.

The aggregate number of Shares which may be newly allotted and issued upon exercise of all Options to be granted under the 2025 Share Option Scheme must not exceed 4% of the total number of Shares (excluding Treasury Shares) in issue as at the Adoption Date. Since the proposed scheme limit of the 2025 Share Option Scheme (i.e. 38,561,400 Options) is less than the remaining option available to be granted under the Existing Share Option Plan (i.e. 92,055,345 options), the Company expects that less dilution will be resulted from the grants under the 2025 Share Option Scheme than the grants under the Existing Share Option Scheme. As of the Latest Practicable Date, the Company had the intention to grant 23,136,840 Options under the 2025 Share Option Scheme, representing 2.4% of the total number of Shares (excluding Treasury Shares) in issue as at the Adoption Date, assuming there is no change in the number of issued Shares (including Treasury Shares) during the period from the Latest Practicable Date to the Adoption Date, to three Grantees (comprising two Directors and one senior management), after obtaining the Shareholders' approval for the adoption of the 2025 Share Option Scheme.

LETTER FROM THE BOARD

The limit of the 2025 Share Award Scheme is the total number of Shares which may be funded by Treasury Shares and newly allotted and issued Shares in respect of all Share Awards that may be granted under the 2025 Share Award Scheme, and the aggregate number of Share Awards to be granted must not exceed 6% of the total number of Shares (excluding Treasury Shares) in issue as at the Adoption Date. As of the Latest Practicable Date, the Company had the intention to grant 33,741,225 Shares Awards under the 2025 Share Award Scheme, representing approximately 3.5% of the total number of Shares (excluding Treasury Shares) in issue as at the Adoption Date, assuming there is no change in the number of issued Shares (including Treasury Shares) during the period from the Latest Practicable Date to the Adoption Date, to three Grantees (comprising two Directors and one senior management), after obtaining the Shareholders' approval for the adoption of the 2025 Share Award Scheme.

As of the Latest Practicable Date, the Company has 42,374,000 Treasury Shares as underlying shares available for grant under the 2025 Share Award Scheme. The Company will satisfy the vesting of Share Awards primarily by Treasury Shares in issue and to be brought back by the Company from time to time in accordance with the general mandate(s) to buy back Shares granted by the Shareholders at the annual general meeting(s) of the Company within the duration of the 2025 Share Award Scheme and by new Shares to be allotted and issued for the rest part. As the number of Treasury Share as of the Latest Practicable Date is more than the number of Share Awards proposed to be granted under the Conditional Grants, all of the Share Awards under the Conditional Grants will be funded by Treasury Shares. Since the 2025 Share Award Scheme will be primarily funded by Treasury Shares, the Company expects that no significant dilution will be resulted from the grants under the 2025 Share Award Scheme.

Purposes of adoption

The Board is of the view that the 2025 Share Option Scheme and the 2025 Share Award Scheme are different in nature, and they complement each other in terms of equity incentive, added motivation and increased flexibility. In particular, a Grantee under the 2025 Share Option Scheme is required to pay an Exercise Price to subscribe for the Shares, where the Exercise Price must not be less than the exercise price permitted under the Listing Rules. On the other hand, a Grantee under the 2025 Share Award Scheme is not required to pay a purchase price or may only be required to pay a nominal value for the Awards unless otherwise determined by the Board or as required by applicable law, and where a purchase price is required, such purchase price is not subject to the same restriction as the Exercise Price of Options under the Listing Rules. As such, the adoption of the 2025 Share Option Scheme and the 2025 Share Award Scheme in parallel will provide the Board with different tools which are more flexible and effective in rewarding the Eligible Persons and driving their contributions to the Group.

The purposes of the 2025 Share Option Scheme are (i) to advance the interests of the Company by motivating the Eligible Persons to contribute to the Company's growth and development; and (ii) to enable the Company to recruit, incentivize and retain key employees, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Eligible Persons directly to the Shareholders through ownership of Shares.

LETTER FROM THE BOARD

The purposes of the 2025 Share Award Scheme are (i) to advance the interests of the Company by motivating the Eligible Persons to contribute to the Company's growth and development; and (ii) to motivate the Eligible Persons to maximize the value of the Company for the benefits of both the Eligible Persons and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Eligible Persons directly to the Shareholders through ownership of Shares.

In addition, under the 2025 Share Option Scheme and the 2025 Share Award Scheme, the Board may, at its discretion, specify any terms and conditions in the Offer on which an Award is to be granted. Such terms and conditions may include any minimum period(s) for which an Award must be held and/or any minimum performance target(s) that must be achieved before such Award can be exercised or vested in whole or in part, may include any claw back mechanism, and may include at the discretion of the Board such other terms either on a case-by-case basis or generally. This will provide the Board with more flexibility in setting the terms and conditions of the Awards under particular circumstances of each grant and facilitate the Board's aim to offer meaningful incentive to attract, reward, motivate and retain quality personnel that are valuable to the development and growth of the Group. It is also expected that Grantees will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalize on the benefits of the Awards granted.

Conditions to adoption

For the purpose of Chapter 17 of the Listing Rules, the 2025 Share Option Scheme will constitute a share scheme involving the grant by the Company of Options over new Shares.

The 2025 Share Option Scheme is conditional upon:

- (a) the passing of ordinary resolution(s) by the Shareholders at the EGM to approve the adoption of the 2025 Share Option Scheme, and to authorize the Directors to grant Options under the 2025 Share Option Scheme and to allot and issue Shares pursuant to the exercise of any Options granted under the 2025 Share Option Scheme; and
- (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the new Shares to be allotted and issued pursuant to the exercise of Options granted under 2025 Share Option Scheme.

For the purpose of Chapter 17 of the Listing Rules, the 2025 Share Award Scheme will constitute a share scheme involving the grant by the Company of Share Awards which could be satisfied by Treasury Shares and new Shares.

LETTER FROM THE BOARD

The 2025 Share Award Scheme is conditional upon:

- (a) the passing of ordinary resolution(s) by the Shareholders at the EGM to approve the adoption of the 2025 Share Award Scheme, and to authorize the Directors to grant Share Awards under the 2025 Share Award Scheme and to allot and issue, procure the transfer of and otherwise deal with the Shares (including Treasury Shares, as the case may be) underlying the Share Awards granted in accordance with the terms and conditions the 2025 Share Award Scheme; and
- (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the new Shares to be allotted and issued underlying the Awards granted in accordance with the terms and conditions of the 2025 Share Award Scheme.

The adoption of 2025 Share Option Scheme and the adoption of 2025 Share Award Scheme are not inter-conditional upon each other.

Duration of the Share Schemes

Subject to any early termination as determined by the Company, by ordinary resolution in a general meeting, or the Board, each of the 2025 Share Option Scheme and the 2025 Share Award Scheme shall be valid and effective for a period of ten (10) years commencing from the Adoption Date, after which no further Award shall be granted under the 2025 Share Option Scheme and the 2025 Share Award Scheme but the provisions of the 2025 Share Option Scheme and the 2025 Share Award Scheme shall remain in full force and effect in all other respects. In particular, all Awards granted during the term of the 2025 Share Option Scheme and/or the 2025 Share Award Scheme shall continue to be valid, and shall be administered in accordance with the 2025 Share Option Scheme and/or the 2025 Share Award Scheme and the relevant Grant Agreement.

Eligible Persons

Eligible Persons are persons eligible to participate in the 2025 Share Option Scheme and the 2025 Share Award Scheme and shall comprise Director(s) (including executive Director(s), non-executive Director(s) and independent non-executive Director(s)) and employee(s) (whether full-time or part-time) of any member of the Group, including any person who is granted Awards under the 2025 Share Option Scheme and the 2025 Share Award Scheme as an inducement to enter into employment contracts with any member of the Group.

In determining the eligibility of an Eligible Person, the Administrator may take into account various factors that it in its sole and absolute discretion considers relevant in assessing his/her contribution to the long-term development and growth of the Group, including but not limited to individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of engagement with the Group, and the actual and/or potential contribution to the development and growth of the Group.

LETTER FROM THE BOARD

The limit of Share Schemes

The total number of Shares which may be issued in respect of all Options and Awards (involving issue of new Shares (or transfer of Treasury Shares, as the case may be) that may be granted under the Share Schemes, including 2025 Share Option Scheme and the 2025 Share Award Scheme, must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date, unless otherwise permitted by the Listing Rules or the Company obtains the approval of its Shareholders to refresh such limit of the Share Schemes.

Subject to the refreshment of the limit, assuming that there is no change in the number of Shares in issue between the period from the Latest Practicable Date to the Adoption Date (both dates inclusive), the total number of Shares that may be issued in respect of all Awards to be granted under the 2025 Share Option Scheme and the 2025 Share Award Scheme, shall not exceed 96,403,500 Shares, representing 10% of the Shares in issue (excluding Treasury Shares) as at the Latest Practicable Date, among which, the total number of Shares which may be issued in respect of all Options to be granted under the 2025 Share Option Scheme shall not exceed 38,561,400 Shares, representing 4% of the total number of Shares in issue as at the Latest Practicable Date and the total number of Shares which may be granted under the 2025 Share Award Scheme shall not exceed 57,842,100 Shares, representing 6% of the Shares in issue as at the Latest Practicable Date.

Individual limit

Where any grant of Awards to an Eligible Person would result in the Shares issued and to be issued in respect of all Awards under all Share Schemes granted to such Eligible Person 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 (excluding Treasury Shares) as at the date of such grant, such grant shall be approved by the Shareholders in general meeting with such Eligible Persons and his/her close associates (or associates if such Eligible Person is a connected person) abstaining from voting.

Where any grant of Share Awards (excluding grant of Options) to a Director (other than an independent non-executive Director) or chief executive of the Company, or their respective associates, would result in the Shares issued and to be issued in respect of all Share Awards granted (excluding any Share Awards lapsed in accordance with the terms of the 2025 Share Award Scheme) 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 total number of Shares in issue (excluding Treasury Shares) as at the date of such grant, such grant shall be approved by the Shareholders in general meeting with such persons, his/her associates and all core connected persons of the Company abstaining from voting.

LETTER FROM THE BOARD

Where any grant of Awards to a substantial shareholder or an independent non-executive Director of the Company (or any of their respective associates) would result in the number of Shares issued and to be issued in respect of all Awards granted (excluding any Options and Share Awards lapsed in accordance with the terms of the 2025 Share Option Scheme and the 2025 Share Award Scheme) 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 total number of Shares in issue (excluding Treasury Shares) as at the date of grant, such grant shall be approved by the Shareholders in general meeting with such persons, his/her associates and all core connected persons of the Company abstaining from voting.

Where a general meeting is required in relation to any grant as mentioned above, the Company shall send a circular to its Shareholders containing the information required under Chapter 17 of the Listing Rules. The number and terms of such Awards to be granted to such Eligible Person shall be fixed before the Shareholders' approval.

Vesting period

The vesting of any Awards under the 2025 Share Option Scheme or the 2025 Share Award Scheme shall be no less than 12 months from (and including) the date of grant.

To ensure the practicability in fully attaining the purpose of the 2025 Share Option Scheme and the 2025 Share Award Scheme, the Board is of the view that (i) there are certain instances where a strict twelve-month vesting requirement would not work or would not be fair to the holders of the Awards; (ii) there is a need for the Company to retain flexibility in certain cases to provide a competitive remuneration package to attract and retain individuals to work for the Group, to provide for succession planning and the effective transition of employee responsibilities and to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (iii) the Company should be allowed discretions 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. Hence, the Board is of the view that a shorter vesting period prescribed in the circumstances set out above is in line with the market practice and is appropriate and aligns with the purpose of the 2025 Share Option Scheme and the 2025 Share Award Scheme.

Exercise Price of Options and Purchase Price of Share Awards

A Grantee to whom an Option is granted under the 2025 Share Option Scheme is entitled to subscribe for Shares at the Exercise Price as determined by the Board on the date of grant. The basis of determining the Exercise Price is specified in the rules of the 2025 Share Option Scheme and is summarized under paragraph 9 in Appendix I to this circular. The Board considers that such basis is in line with the requirement of the Listing Rules while providing the Company with sufficient flexibility to determine the Exercise Price of Options that can provide sufficient incentive to the Eligible Persons to achieve the purpose of the 2025 Share Option Scheme and serving to preserve the value of the Company as well as encouraging the Eligible Persons to acquire proprietary interests in the Company.

LETTER FROM THE BOARD

A Grantee to whom a Share Award is granted under the 2025 Share Award Scheme is not required to pay any purchase price to the Company to purchase any Shares underlying an Award granted or may only be required to pay a nominal value to purchase any Shares, unless otherwise determined by the Board at its sole discretion or as required by applicable law. The Board considers that such arrangement aligns with the purpose of the 2025 Share Award Scheme where the Share Awards are intended to be granted to the Eligible Persons to reward their contributions to the Group.

Performance targets and clawback mechanism

Unless otherwise determined by the Board and specified in the Offer on which an Option or a Share Award is to be granted, there is no general requirement that any performance targets must be achieved before any Option granted under the 2025 Share Option Scheme can be exercised or vested or before any Share Award granted under the 2025 Share Award Scheme can be vested. However, the 2025 Share Option Scheme and the 2025 Share Award Scheme will give the Board discretion (but not obligation) to impose performance targets in respect of exercise or vesting of Options and Share Awards. The performance targets may include the attainment of program milestones and market capitalization milestones by the Group, which may vary among the Grantees. The Board or the Remuneration Committee shall have the authority, after the grant of any Option or Share Award which is performance-linked, to make fair and reasonable adjustments to the prescribed performance targets during the vesting period if there is a change in circumstances, provided that any such adjustments shall be less onerous than the prescribed performance targets and are considered fair and reasonable by the Board or the Remuneration Committee (as the case may be). The Board or the Remuneration Committee (as the case may be) will conduct an assessment from time to time by comparing the performance with the pre-set targets to determine whether such targets and the extents to which have been met. For the avoidance of doubt, the performance targets are not applicable to the independent non-executive Directors of the Company.

The Board (and the Remuneration Committee in respect of grants of Options or Share Awards to the Directors and/or senior management) is of the view that it may not always be appropriate to impose performance targets, particularly when the purpose of granting Options or Share Awards is to remunerate or compensate Eligible Persons for their past contributions to the Group or to retain key employees, and considers that it is more beneficial to the Company to have the flexibility to determine in what circumstances and to what extent performance targets are appropriate, which would then be a more meaningful reward for the Eligible Persons' contribution or potential contribution to the Group. Further, the Board (and the Remuneration Committee in respect of grants of Options or Share Awards to the Directors and/or senior management) is of the view that it is not practicable to expressly set out a generic set of performance targets in the 2025 Share Option Scheme and the 2025 Share Award Scheme, as each Eligible Person may 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 2025 Share Option Scheme and the 2025 Share Award Scheme and the position, contributions and importance of the Eligible Persons to the Group in making such determinations and ensure that appropriate specific performance targets will be set under particular circumstances of the relevant Eligible Persons.

LETTER FROM THE BOARD

The 2025 Share Option Scheme and the 2025 Share Award Scheme will give the Board discretion (but not obligation) to impose that any Option or Award shall be subject to a clawback under certain circumstances. Upon the occurrence of such circumstances, the Board may (but is not obliged to) claw back a number of Options granted (to the extent not already exercised) or Share Awards (to the extent not already vested) as the Board may consider appropriate. For details of the clawback mechanism of the 2025 Share Option Scheme and the 2025 Share Award Scheme, please refer to paragraph 12 in Appendix I to this circular and paragraph 12 in Appendix II to this circular. The Board (and the Remuneration Committee in respect of grants of Awards to the Directors and/or senior management) is of the view that the clawback mechanism in the 2025 Share Option Scheme and the 2025 Share Award Scheme provides a choice for the Board to claw back the equity incentives granted to Eligible Persons who are no longer with the Group or become culpable of misconduct and provides the Board with more flexibility in setting the terms and conditions of the Options and Share Awards under particular circumstances of each grant, which would facilitate the objective to offer meaningful incentives to attract and retain quality personnel that is valuable to the development of the Group, and is in line with the purpose of the 2025 Option Scheme and the 2025 Share Award Scheme and in the interests of the Company and the Shareholders as a whole.

Voting of unvested Share Awards

Pursuant to the 2025 Share Award Scheme, the Trustee (if a trustee is appointed by the Company) holding unvested Share Awards, whether directly or indirectly, shall abstain from voting or exercising any voting rights in respect of any Shares held, whether directly or indirectly, under the trust or as nominee on matters that require approval of the Shareholders under the Listing Rules, unless otherwise required by Applicable Laws or regulations to vote in accordance with the beneficial owner's direction and such a direction is given.

Administration

The 2025 Share Option Scheme shall be administered by the Board. The Board may delegate any or all of its powers in relation to the administration and operation of the 2025 Share Option Scheme to the Remuneration Committee or other persons at its sole discretion. The 2025 Share Award Scheme shall be administered by the Board and/or the Trustee (if a trustee is appointed by the Company) in accordance with the rules of the 2025 Share Award Scheme and the terms of the trust deed. The Board may delegate any or all of its powers in relation to the administration and operation of the 2025 Share Award Scheme to the Remuneration Committee or other persons at its sole discretion. No Trustee has been appointed under the 2025 Share Award Scheme as of the Latest Practicable Date. None of the Directors will be the Trustee of the 2025 Share Award Scheme or will have any direct or indirect interest in the Trustee of the 2025 Share Award Scheme (if any).

A summary of the principal terms of the 2025 Share Option Scheme is set out in Appendix I to this circular. A summary of the principal terms of the 2025 Share Award Scheme is set out in Appendix II to this circular. A copy of each of the 2025 Share Option Scheme and the 2025 Share Award Scheme will be published on the website of the Company at <https://www.ascletis.com> and on the website of the Stock Exchange at <http://www.hkexnews.hk> for not less than 14 days before the date of the EGM and will be made available for inspection at the EGM. Applications will be made by the Company to the

LETTER FROM THE BOARD

Stock Exchange for the approval for the listing of, and permission to deal in, the Shares that may be allotted and issued pursuant to the exercise of the Options granted from time to time under the 2025 Share Option Scheme and in respect of the Share Awards granted from time to time under the 2025 Share Award Scheme.

As of the Latest Practicable Date, to the best knowledge of the Directors and having made all reasonable inquiries, no Shareholder had any material interest in the proposed termination of the Existing Share Option Scheme and the proposed adoption of the 2025 Share Option Scheme and the 2025 Share Award Scheme. Dr. Wu and Mrs. Wu, being the Controlling Shareholders, are proposed to be granted in aggregate 1.9% out of the 4% scheme limit of the 2025 Share Option Scheme and 2.9% out of the 6% scheme limit of the 2025 Share Award Scheme under the Conditional Grants, which are less than one half of each scheme. As such, no Shareholder is required to abstain from voting on the resolutions in relation to the proposed adoption of 2025 Share Option Scheme and the 2025 Share Award Scheme.

3. CONDITIONAL GRANTS OF AWARDS UNDER THE 2025 SHARE OPTION SCHEME AND THE 2025 SHARE AWARD SCHEME

On January 14, 2025, conditional upon the 2025 Share Option Scheme and the 2025 Share Award Scheme taking effect and the approval of Shareholders at the EGM, the Company proposed to grant a total of 23,136,840 Options and 33,741,225 Share Awards to three Grantees, pursuant to the 2025 Share Option Scheme and the 2025 Share Award Scheme, respectively. As the number of Treasury Shares as of the Latest Practicable Date is more than the number of Share Awards proposed to be granted under the Conditional Grants, all of the Share Awards under the Conditional Grants will be funded by Treasury Shares. The Conditional Grants of Options will be conditional upon the adoption of the 2025 Share Option Scheme and the Conditional Grants of Share Awards will be conditional upon the adoption of the 2025 Share Award Scheme.

Except for the Conditional Grants to Dr. Wu, Mr. Gargiulo and Mrs. Wu, respectively, to the best knowledge of the Company, none of the grants to a connected person of the Company under the 2025 Share Option Scheme and the 2025 Share Award Scheme would result in the Shares issued and to be issued in respect of all Awards granted to such connected person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of Shares in issue (excluding treasury shares), and none of the grants to an Eligible Person (other than directors, chief executive of the Company or any of their associates) under the 2025 Share Option Scheme and the 2025 Share Award Scheme would result in the Shares issued and to be issued in respect of all Awards granted to such connected person in the 12-month period up to and including the date of such grant representing in aggregate over 1% of Shares in issue (excluding treasury shares). In case there is any future grant that will trigger the individual limit under Rules 17.03D(1) or 17.04(2) and (3) of the Listing Rules, a general meeting will be held at that time for such grant. The Conditional Grants are subject to the approval by the Independent Shareholders, where Dr. Wu, Mrs. Wu and their respective associates and all other core connected persons of the Company shall abstain from voting in favor on the resolutions with respect to the Conditional Grants to Dr. Wu and Mrs. Wu, and Mr. Gargiulo and his close associates shall abstain from voting in favor on the resolution with respect to the Conditional Grant to Mr. Gargiulo, at the EGM pursuant to the Listing Rules.

LETTER FROM THE BOARD

The terms of the Conditional Grant of Options are as follows:

- Grant Date : January 14, 2025
- Name of Grantees : Dr. Wu, Mr. Gargiulo and Mrs. Wu
- Number of Options granted : 14,460,525 Options to Dr. Wu, 4,820,175 Options to Mr. Gargiulo, 3,856,140 Options to Mrs. Wu
- (each Option shall entitle the holder thereof to subscribe for one Share)
- Exercise price of the Options granted : HK\$3.340, which is the highest of:
- (a) the closing price of HK\$3.340 per Share as stated in the Stock Exchange's daily quotations sheet on the date of grant; and
 - (b) the average closing price of HK\$3.084 per Share as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the date of grant.
- Closing price of the Shares on the date of grant : HK\$3.340 per Share
- Exercise period of the Options : from the relevant date of vesting of the Options to ten (10) years from the Date of Grant
- Vesting period of the Options : The Options to be granted to Dr. Wu, Mr. Gargiulo and Mrs. Wu under the Conditional Grants are all time-based Options. There is no performance target attached to the Options to be granted to Dr. Wu, Mr. Gargiulo or Mrs. Wu.

Dr. Wu:

An aggregate of 14,460,525 Options, representing 1.5% of total Shares in issue (excluding Treasury Shares), granted to Dr. Wu shall vest in four equal tranches in four years.

LETTER FROM THE BOARD

Number of Options	Exercise period
0.375% (i.e. 3,615,131 Options)	From January 14, 2026
0.375% (i.e. 3,615,131 Options)	From January 14, 2027
0.375% (i.e. 3,615,131 Options)	From January 14, 2028
0.375% (i.e. 3,615,132 Options)	From January 14, 2029

Mr. Gargiulo:

An aggregate of 4,820,175 Options, representing 0.5% of total Shares in issue (excluding Treasury Shares), granted to Mr. Gargiulo shall vest in four equal tranches in four years.

Number of Options	Exercise period
0.125% (i.e. 1,205,043 Options)	From January 14, 2026
0.125% (i.e. 1,205,044 Options)	From January 14, 2027
0.125% (i.e. 1,205,044 Options)	From January 14, 2028
0.125% (i.e. 1,205,044 Options)	From January 14, 2029

Mrs. Wu:

An aggregate of 3,856,140 Options, representing 0.4% of total Shares in issue (excluding Treasury Shares), granted to Mrs. Wu shall vest in four equal tranches in four years.

Number of Options	Exercise period
0.1% (i.e. 964,035 Options)	From January 14, 2026
0.1% (i.e. 964,035 Options)	From January 14, 2027
0.1% (i.e. 964,035 Options)	From January 14, 2028
0.1% (i.e. 964,035 Options)	From January 14, 2029

LETTER FROM THE BOARD

Clawback mechanism : In the event the contractual relationship between a Grantee with the Company is terminated under the situations of (i) retirement; (ii) permanent physical or mental disability; (iii) death; (iv) resignation; (v) employment or service contract not renewed due to the Grantee's personal reason; or (vi) employment or service contract terminated due to unsatisfactory performance or incompetence, the right to all unexercised or unvested Options shall automatically and immediately lapse.

In the event the contractual relationship between a Grantee with the Company is terminated due to (i) behaviors including corruption, bribery, theft, revealing of the Company's confidential secrets, negligence or misconduct or any other law offence behaviors that have caused serious damage to the Company or have brought the Company into disrepute; (ii) criminal behaviors investigated for criminal responsibility according to acts; or (iii) other causes as stipulated in the 2025 Share Option Scheme, all unexercised or unvested Options shall lapse immediately. The Company will reserve the right to take legal actions, including but not limited to clawing back all profits made by such grantee by selling such Shares acquired from any exercising or vesting of the Options granted, for dealing with such situations.

Financial support : There are no arrangements for the Company or any of its subsidiaries to provide financial support to Dr. Wu, Mr. Gargiulo or Mrs. Wu to facilitate their respective purchase of Shares under the Conditional Grants.

LETTER FROM THE BOARD

The terms of the Conditional Grant of Share Awards are as follows:

- Grant Date : January 14, 2025
- Name of Grantees : Dr. Wu, Mr. Gargiulo or Mrs. Wu
- Number of Share Awards granted : 23,136,840 Share Awards to Dr. Wu, 5,784,210 Share Awards to Mr. Gargiulo and 4,820,175 Share Awards to Mrs. Wu
- (each Share Award represents one Share)
- Amount payable on acceptance of the Share Awards granted : Nil
- Closing price of the Shares on the date of grant : HK\$3.340 per Share
- The vesting period and performance targets of the Share Awards : The Share Awards granted to Dr. Wu, Mr. Gargiulo and Mrs. Wu under the Conditional Grants all are performance-based Share Awards.

Dr. Wu:

An aggregate of 23,136,840 Share Awards, representing 2.4% of total Shares in issue (excluding Treasury Shares), granted to Dr. Wu shall vest conditional upon the fulfillment of the performance targets below.

Number of Share Awards	Performance target
0.5% (i.e. 4,820,175 Share Awards)	Completion of Phase III clinical trial of ASC40 for treatment of acne by December 31, 2025
0.4% (i.e. 3,856,140 Share Awards)	Completion of Phase I clinical trial of ASC30 for treatment of obesity by December 31, 2025

LETTER FROM THE BOARD

0.2% (i.e. 1,928,070 Share Awards) Completion of a business development deal with a total amount of milestone payment's equal to or above US\$100 million, of which the upfront payment shall be not less than US\$10 million

1.3% (i.e. 12,532,455 Share Awards) Completion of a business development deal with a total amount of milestone payment's equal to or above US\$1 billion, of which the upfront payment shall be not less than US\$100 million

Mr. Gargiulo:

An aggregate of 5,784,210 Share Awards, representing 0.6% of total Shares in issue (excluding Treasury Shares), granted to Mr. Gargiulo shall vest conditional upon the fulfillment of the performance targets below.

Number of Share Awards	Performance target
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0.3% (i.e. 2,892,105 Share Awards)	Completion of a business development deal with a total amount of milestone payment's equal to or above US\$500 million, of which the upfront payment shall be not less than US\$50 million
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0.3% (i.e. 2,892,105 Share Awards)	Completion of a business development deal with a total amount of milestone payment's equal to or above US\$1 billion, of which the upfront payment shall be not less than US\$100 million
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LETTER FROM THE BOARD

Mrs. Wu:

An aggregate of 4,820,175 Share Awards, representing 0.5% of total Shares in issue (excluding Treasury Shares), granted to Mrs. Wu shall vest conditional upon the fulfillment of the performance targets below.

Number of Share Awards	Performance target
0.1% (i.e. 964,035 Share Awards)	Completion of a business development deal with a total amount of milestone payment's equal to or above US\$100 million, of which the upfront payment shall be not less than US\$10 million
0.2% (i.e. 1,928,070 Share Awards)	Enhancement in overall operational capacity and efficiency of the Company, improvement in quality and compliance of business operations
0.2% (i.e. 1,928,070 Share Awards)	Improvement in measures taken on talent development and organizational growth

With respect to the operational performance targets, the Remuneration Committee shall determine, at its discretion, the Grantees' level of performance with respect to each performance targets in accordance with the purpose of the 2025 Share Award Scheme and the Company's employee performance evaluation system and such determination shall be binding and conclusive upon the Grantees.

LETTER FROM THE BOARD

Clawback mechanism : In the event the contractual relationship between a Grantee with the Company is terminated under the situations of (i) retirement; (ii) permanent physical or mental disability; (iii) death; (iv) resignation; (v) employment or service contract not renewed due to the Grantee's personal reason; or (vi) employment or service contract terminated due to unsatisfactory performance or incompetence, the right to all unvested Share Awards shall automatically and immediately lapse.

In the event the contractual relationship between a Grantee with the Company is terminated due to (i) behaviors including corruption, bribery, theft, revealing of the Company's confidential secrets, negligence or misconduct or any other law offence behaviors that have caused serious damage to the Company or have brought the Company into disrepute; (ii) criminal behaviors investigated for criminal responsibility according to acts; or (iii) other causes as stipulated in the 2025 Share Award Scheme, all unvested Share Awards shall lapse immediately. The Company will reserve the right to take legal actions, including but not limited to clawing back all profits made by such grantee by selling such Shares acquired from any vesting of the Share Awards granted, for dealing with such situations.

Financial support : There are no arrangements for the Company or any of its subsidiaries to provide financial support to Dr. Wu, Mr. Gargiulo or Mrs. Wu to facilitate their respective purchase of Shares under the Conditional Grants.

After the Conditional Grants, 15,424,560 Options will be available for future grants under the 2025 Share Option Scheme and 24,100,875 Share Awards will be available for future grants under the 2025 Share Award Scheme.

Background of the Grantees under the Conditional Grants

Dr. Jinzi Jason WU is the founder of the Group. Dr. Wu was appointed as a Director on February 25, 2014 and was appointed as the chairman of the Board on March 30, 2018. Dr. Wu was redesignated as an executive Director on April 27, 2018. Dr. Wu has served as the chief executive officer of the Group since April 2013. Dr. Wu is primarily responsible for overall management of the business strategy and corporate development of our Group, and he is also involved in research and development of all of the candidates in the Group's pipeline taking the role of chief scientific officer and chief medical officer. Dr. Wu is the spouse of Mrs. WU.

LETTER FROM THE BOARD

Mr. John P. GARGIULO, was appointed as the chief business officer of the Group on May 15, 2022. Since joining our Group, he has overseen overall business development strategies, built solid global BD network by engaging major global pharma with productive discussions.

Mrs. Judy Hejingdao WU, was appointed as a Director on March 30, 2018 and was re-designated as an executive Director on April 27, 2018. Mrs. Wu also served as a Director of our Company from September 9, 2015 to September 26, 2016. Mrs. Wu is the spouse of Dr. Jinzi Jason WU. Mrs. Wu has served as a vice president of our Group since January 2014 and was re-designated as a senior vice president of operations since March 1, 2021. Since joining our Group, Mrs. Wu has actively participated in the daily operations of our Group and she is primarily responsible for overseeing operations of our Group, including management of our human resource and general affairs of our Group, among others.

Basis of determining the terms of the Conditional Grants

Pursuant to the terms of reference of the Remuneration Committee, the Remuneration Committee is delegated with the responsibility to make recommendations to the Board on the remuneration packages of individual Directors and senior management, including benefits in kind, pension rights and compensation payments. The Conditional Grants constitute part of the remuneration package of Dr. Wu, Mr. Gargiulo and Mrs. Wu and were determined by the Board with the recommendation from the Remuneration Committee, with reference to the Company's performance, the prevailing market conditions, and the performance and contribution of Dr. Wu, Mr. Gargiulo and Mrs. Wu, respectively.

Reasons for the Conditional Grants

The Conditional Grants represent a long-term incentive portion of the remuneration package of the Grantees, supplementing their cash compensation. In addition, the vesting schedule of the Options and Share Awards will be split into tranches, among which, the Options are time-based and the Share Awards will vest upon fulfillment of relevant performance targets, which are in line with the milestones of the Company's development plans. Such vesting period, milestones and conditions would incentivize the Grantees for their persistent devotion and leadership in achieving the long-term growth of the Group and thereby aligning their interest with the long-term interest of the Group.

In determining the Conditional Grants to Dr. Wu, the Board has taken into account his significant contributions to the Group, which include but not limited to the following:

- (i) As the chief executive officer, Dr. Wu has led the overall strategies of the Group to enhance the efficiency and productivity of its business operations. This includes focusing research and development on a global scale and improving the Company's sustainability with more efforts put in ESG (environmental, social, and governance).
- (ii) As head of R&D, Dr. Wu designed and led clinical trials of multiple drug candidates in the United States, China and Australia, such as the Phase III clinical trial of ASC40 for acne, which is expected to be completed in 2025. He has also led drug discovery and preclinical development as chief scientific officer, resulting in multiple assets obtaining IND approvals in the U.S., China and Australia.

LETTER FROM THE BOARD

- (iii) Dr. Wu co-led overall business development strategies alongside Mr. Gargiulo, establishing a solid business development network and successfully engaging with major global pharmaceutical companies.
- (iv) Except for the 1,000,000 options granted to Dr. Wu pursuant to the Existing Share Option Scheme but not yet exercised, no other share-based awards have been granted to Dr. Wu by the Company or any of its subsidiaries since the incorporation of the Company.

The Board expects Dr. Wu to make continuous contributions in the following areas: (i) serving as chief executive officer to lead the overall strategies in building the Company and developing differentiated clinical stage assets with a global competitive edge; (ii) as the head of clinical development, leading clinical trials in the US, China and Australia to complete clinical trials for more drug candidates, including ASC40 for acne, ASC30 and ASC47; (iii) leading drug discovery and preclinical development to secure IND approval for more drug candidates; and (iv) complete major business development deals as outlined in the performance-based vesting milestones of Share Awards above.

In determining the Conditional Grants to Mr. Gargiulo, the Board has considered his contributions to the Group, which includes, but not limited to, the following: (i) as the chief business officer, co-leading the overall business development strategies with Dr. Wu; and (ii) building a solid business development network and successfully building network with major global pharmaceutical companies.

The Board expects Mr. Gargiulo to consistently contribute in the following areas: (i) as chief business officer, co-leading overall business development strategies with Dr. Wu; (ii) building a strong business development network with major global pharmaceutical companies; (iii) finalizing significant business development deals as outlined in the performance-based vesting milestones of Share Awards above.

In determining the Conditional Grants to Mrs. Wu, the Board has considered her contributions to the Group, which include, but not limited to, the following: (i) leading the overall operational strategies for the business operations of the Group; (ii) improving the efficiency, quality, and compliance of business operations; and (iii) increasing efforts on talent development and organizational growth. Except for the 1,000,000 options granted to Mrs. Wu pursuant to the Existing Share Option Scheme but not yet exercised, no other share-based awards have been granted to Mrs. Wu by the Company or any of its subsidiaries since the incorporation of the Company.

The Board expects Mrs. Wu to consistently make contributions in the following areas: (1) leading the overall operations strategies as a senior vice president; (2) enhancing the overall efficiency, quality, and compliance of operations; and (3) improving measures taken in talent development and strengthening organizational capabilities of the Group.

In view of the above, the Board (including all the independent non-executive Directors but excluding Dr. Wu and Mrs. Wu who had abstained from voting on the board resolutions in relation to the Conditional Grants to Dr. Wu and Mrs. Wu) is of the view that the terms of the Conditional Grants are fair and reasonable and in the interest of the Company and its Shareholders as a whole. The Conditional Grants also align the Grantees' long-term interest with that of the Shareholders.

LETTER FROM THE BOARD

The Remuneration Committee is of the view that the Conditional Grants are appropriate for recognition of the Grantees past performance which is in line with the purpose of the 2025 Share Award Scheme of recognizing the contribution of the Grantees and the purpose of the 2025 Share Option Scheme of enabling the Company to retain and incentivize the Grantees to continue making significant contributions to the Group in the future. There are performance targets set out for the Share Awards to each of the Grantees under the Conditional Grants for the purpose of incentivizing the Grantees to make milestone development to the business and/or operations of the Company, while there are no performance targets set out for the Options for the Grantees under the Conditional Grants, given the main purpose of such grants of Options is to recognize the past contributions of the Grantees and to retain such key employees with the Company. The Remuneration Committee considers that the respective vesting schedules under the Conditional Grants are appropriate and consistent with the purpose of the schemes.

4. EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company as at the Latest Practicable Date and immediately upon the exercise and/or vesting of all Awards (including those under the Conditional Grants) granted to the Grantees in full (assuming there will be no other change in the number of issued Shares in the Company during the period between the Latest Practicable Date and immediately upon the exercise and/or vesting of all Awards in full):

Name of Shareholders	As at the Latest Practicable Date		Immediately upon the exercise and/or vesting of all Awards in full (excluding Treasury Shares) ^{Note 1}	
	Number of Shares	As a percentage of the issued share capital (excluding Treasury Shares)	Number of Shares	As a percentage of the total enlarged share capital
Dr. Wu ^{Note 2}	599,532,078	62.19%	647,805,758	60.49%
Mrs. Wu ^{Note 2}	599,532,078	62.19%	647,805,758	60.49%
Mr. Gargiulo ^{Note 3}	–	–	12,604,385	1.18%
Other Shareholders	364,502,922	37.81%	410,495,198	38.33%
Number of Treasury Shares	42,374,000	4.40%	–	–
Total issued Shares (excluding Treasury Shares)	964,035,000	100%	1,070,905,341	100.0%

LETTER FROM THE BOARD

Notes:

- Note 1 Assuming the 10,466,841 outstanding options granted pursuant to the Existing Share Option Scheme have been exercised in full as well.
- Note 2 The Shares held by Dr. Wu and Mrs. Wu in the Company consist of: (1) 514,393,664 Shares held by a corporation controlled by Dr. Wu; (2) 82,827,414 Shares held by a corporation controlled by Mrs. Wu; and (3) 1,155,500 Shares directly held by each of Dr. Wu and Mrs. Wu, respectively. On January 3, 2024, each of Dr. Wu and Mrs. Wu was granted 1,000,000 options pursuant to the Share Option Scheme. As of the Latest Practicable Date, none of the options held by Dr. Wu or Mrs. Wu has been exercised. For the purposes of calculating number of shares held by Dr. Wu and Mrs. Wu and the relevant percentage in the total share capital of the Company only, the deemed interest of Treasury Shares pursuant to the SFO is not taken into account in the table above.
- Note 3 On June 30, 2022, Mr. Gargiulo was granted 2,000,000 options pursuant to the Existing Share Option Scheme. As of the Latest Practicable Date, none of the options held by Mr. Gargiulo has been exercised.

To the best knowledge of the Company, except for Dr. Wu and Mrs. Wu, as of the date of this circular, there is no Shareholder who holds 10% or more equity interests in the Company.

5. LISTING RULES IMPLICATION

Except for the Conditional Grants to Dr. Wu, Mr. Gargiulo and Mrs. Wu, to the best knowledge of the Company, none of the grants to a connected person under the 2025 Share Option Scheme and the 2025 Share Award Scheme would result in the Shares issued and to be issued in respect of all awards granted to a connected person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of Shares in issue (excluding Treasury Shares), and none of the grants to an Eligible Person (other than directors, chief executive of the Company or any of their associates) under the 2025 Share Option Scheme and the 2025 Share Award Scheme would result in the Shares issued and to be issued in respect of all awards granted to such connected person in the 12-month period up to and including the date of such grant representing in aggregate over 1% of Shares in issue (excluding Treasury Shares). In case there is any future grant that will trigger the individual limit under Rules 17.03D(1) or 17.04(2) and (3) of the Listing Rules, a general meeting will be held at that time for such grant. The Conditional Grants are subject to the approval by the Independent Shareholders, where Dr. Wu, Mrs. Wu and their respective associates and all other core connected persons of the Company shall abstain from voting in favor on the relevant resolutions with respect to the Conditional Grants to Dr. Wu and Mrs. Wu, and Mr. Gargiulo and his associates shall abstain from voting in favor on the resolution with respect to the Conditional Grants to Mr. Gargiulo, at the EGM pursuant to the Listing Rules. Since Dr. Wu has irrevocably appointed his mother-in-law Ms. Heying YANG (楊荷英) as proxy to exercise all voting rights on the Shares held by JJW11 Limited, which is a Shareholder and wholly owned by Dr. Wu, in her absolute discretion, Ms. Yang will be required to abstain from voting in favor on the relevant resolutions with respect to the Conditional Grants to Dr. Wu and Mrs. Wu.

LETTER FROM THE BOARD

6. CLOSURE OF REGISTER OF MEMBERS

For determining Shareholders' entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, January 28, 2025 to Monday, February 3, 2025, 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, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, January 27, 2025.

7. EGM AND PROXY ARRANGEMENT

The notice of the EGM is set out on pages 58 to 62 of this circular.

Pursuant to the Listing Rules and the Articles, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the general meeting may, pursuant to the Listing Rules, allow a resolution 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.

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 the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.ascletis.com>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the EGM (i.e. not later than 10:00 a.m. on Saturday, February 1, 2025 (Hong Kong time)) or any adjournment thereof (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM if you so wish.

8. DOCUMENTS ON DISPLAY

A copy of the 2025 Share Option Scheme and the 2025 Share Award Scheme will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.ascletis.com>) for display for a period of not less than 14 days before the date of the EGM.

LETTER FROM THE BOARD

9. RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that (1) the proposed adoption of the 2025 Share Option Scheme and termination of the Existing Share Option Scheme; (2) the proposed adoption of the 2025 Share Award Scheme; and (3) the Conditional Grants are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders vote in favor of the relevant resolutions to be proposed at the EGM.

10. GENERAL

Your attention is also drawn to the appendices to this circular.

By order of the Board
Ascleto Pharma Inc.
歌禮製藥有限公司
Jinzi Jason WU
Chairman

APPENDIX I SUMMARY OF THE PRINCIPAL TERMS OF THE 2025 SHARE OPTION SCHEME

The following is a summary of the principal terms of the 2025 Share Option Scheme proposed to be adopted at the EGM. It does not form part of, nor is it intended to be part of, the rules of the 2025 Share Option Scheme and it should not be taken as affecting the interpretation of the rules of the 2025 Share Option Scheme. The Directors reserve the right at any time prior to the EGM to make such amendments to the 2025 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 OF THE 2025 SHARE OPTION SCHEME

The purposes of the 2025 Share Option Scheme are (i) to advance the interests of the Company by motivating the Eligible Persons to contribute to the Company's growth and development; (ii) to enable the Company to recruit, incentivize and retain key employees; and (iii) to recognize the contributions by the Eligible Persons with an opportunity to acquire a proprietary interest in the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Eligible Persons directly to the Shareholders through ownership of Shares.

2. ELIGIBLE PERSONS AND BASIS OF DETERMINING THE ELIGIBILITY

- (a) The Board shall be entitled (but shall not be bound) to make an Offer to an individual or a corporate entity (as the case may be), being any of the following, as the Board may in its absolute discretion select, to take up an Option pursuant to which such Eligible Person may subscribe for such number of Shares as the Board may determine:
- (i) any employee (whether full-time or part-time) of the Company or any of its subsidiaries, including any person who is granted Options as an inducement to enter into employment contracts with any member of the Group ; and
 - (ii) any Director (including executive, non-executive and independent non-executive Directors) of the Company;

The basis of eligibility of Eligible Persons to the grant of any Awards shall be determined by the Board, in its sole discretion, on a case-by-case basis.

- (b) In assessing the eligibility of Eligible Persons, the Board will consider, in its sole discretion, on a case-by-case basis, the following factors, including but not limited to (i) the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (ii) the length of engagement with the Group; (iii) the individual contribution or potential contribution to the development and growth of the Group; and (iv) the amount of support, assistance, guidance, advice or efforts that has been given or will be given towards the Group's success.

3. SCHEME LIMIT

The limit of the 2025 Share Option Scheme is the total number of Shares which may be issued in respect of all Options involving issue of new Shares that may be granted under the 2025 Share Option Scheme, and must not in aggregate exceed 4% of the total number of Shares in issue (excluding Treasury Shares) as at the Adoption Date unless otherwise permitted by the Listing Rules or the Company obtains the approval of its Shareholders to refresh the limit.

4. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PERSON

Unless approved by the Shareholders, the total number of Shares issued and to be issued in respect of all Options granted under the 2025 Share Option Scheme to each Eligible Person (other than directors, chief executive of the Company or any of their associates) in any 12-month period shall not exceed 1% of the total number of Shares in issue (excluding Treasury Shares).

Where any grant of Options under the 2025 Share Option Scheme to an Eligible Person would result in the aggregate number of Shares issued and to be issued in respect of all options and Awards granted under the 2025 Share Option Scheme and any other share scheme(s) of the Company to such Eligible Person (excluding any Options and Awards lapsed in accordance with the terms of the 2025 Share Option Scheme and any other share scheme(s) of the Company) in the 12-month period up to and including the date of such grant exceeding 1% of the total number of Shares in issue (excluding Treasury Shares), such grant shall be subject to separate approval of the Shareholders in general meeting with such Eligible Person and his/her close associates (or his/her associates if the Eligible Person is a connected person of the Company) abstaining from voting.

A circular shall be sent to the Shareholders disclosing the identity of such Eligible Person, the number and terms of the Options to be granted (and those options and awards previously granted to such Eligible Person in the 12-month period), the purpose of granting the Options to the Eligible Person and an explanation as to how the terms of the Options serve such purpose, and all other information as required under the Listing Rules. The number and terms of the Options to be granted to such Eligible Person shall be fixed before the Shareholders' approval is sought and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Exercise Price.

5. GRANT OF OPTIONS TO CONNECTED PERSONS

- (a) Each grant of Options to any Director, chief executive or substantial shareholder of the Company (or any of their respective associates) shall be subject to the prior approval of the independent non-executive Directors of the Company (excluding any independent non-executive Director who is a proposed recipient of the grant of Options).

APPENDIX I SUMMARY OF THE PRINCIPAL TERMS OF THE 2025 SHARE OPTION SCHEME

- (b) Where any grant of Options to a substantial shareholder or an independent non-executive Director of the Company (or any of their respective associates) would result in the number of Shares issued and to be issued and to be issued in respect of all Awards granted (excluding any Awards lapsed) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the total number of Shares in issue (excluding Treasury Shares) as at the date of grant, such further grant of Share Awards shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting.

- (c) In the circumstances described in paragraph 5(b) above, the Company shall send a circular to its Shareholders containing all those terms as required under the Listing Rules. The relevant Grantee, his/her associates and all core connected persons of the Company shall abstain from voting at such general meeting, except that such person may vote against the relevant resolution at the general meeting provided that his/her intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith.

- (d) The circular to be issued by the Company to its Shareholders pursuant to paragraph 5(c) shall contain the following information:
 - (i) the details of the number and terms of the Options to be granted to each Grantee which must be fixed before the Shareholders' meeting;

 - (ii) the views of the independent non-executive Directors of the Company (excluding any independent non-executive Director who is the relevant Grantee) 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 whether to vote for or against the resolution relating to the grant of the Options;

 - (iii) the information required under Rule 17.02(2)(c) of the Listing Rules;

 - (iv) the information as required under Rule 2.17 of the Listing Rules; and

 - (v) any other information as may be required under the Listing Rules or by the Stock Exchange from time to time.

6. GRANT OF OPTIONS

On and subject to the terms of the 2025 Share Option Scheme, the Board shall be entitled (but shall not be bound) at any time within the period of ten years commencing on the Adoption Date to make an Offer to any Eligible Person, as the Board may in its absolute discretion select, to take up an Option pursuant to which such Eligible Person may, during the Option Period, subscribe for such number of Shares as the Board may determine at the Exercise Price and on and subject to such terms and conditions as the Board may determine and impose and inform the Grantee accordingly. The Offer shall specify the terms and conditions on which the Option is to be granted. Such terms and conditions may include any minimum period(s) for which an Option must be held and/or any minimum performance target(s) that must be achieved, before the Option can be exercised or vested in whole or in part, may include any clawback mechanism in respect of the Options, and may include at the discretion of the Board such other terms either on a case by case basis or generally.

7. PERIOD WITHIN WHICH THE OPTION MAY BE EXERCISED

In respect of an Option, the period within which an Option may be exercised is to be determined and notified by the Board to each Grantee at the time of making an Offer, which shall not expire later than ten years from the date of grant. Subject to the limitation in relation to vesting period as set out in paragraph 10 below.

8. ACCEPTANCE OF OPTION

An Offer shall be made to an Eligible Person by an agreement in duplicate, in such form as the Board may from time to time determine, requiring the Eligible Person 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 2025 Share Option Scheme. Each Offer shall remain open for acceptance by the Eligible Person to whom the Offer is made for a period of five Business Days from the date on which the agreement containing the Offer is delivered to that Eligible Person. An Offer shall be deemed to have been accepted and the Option to which the Offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the agreement comprising acceptance of the Offer duly signed by the Grantee with the number of Shares in respect of which the Offer is accepted clearly stated therein, together with a remittance in favor of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company within the aforesaid stipulated period. Such remittance shall not be refundable in any circumstances.

9. EXERCISE PRICE OF OPTIONS

The Exercise Price in respect of any Option shall be such price determined by the Board in its absolute discretion and notified to the Eligible Person in the Offer and shall be no less than the higher of:

- (a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant;

- (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the date of grant; and
- (c) the nominal value of a Share on the date of grant.

10. VESTING PERIOD

- (a) Save for the circumstance as described in paragraph 10(b), the vesting period in respect of any Option granted shall be no less than 12 months from (and including) the date of grant.
- (b) Options granted to an Employee Eligible Person may be subject to a shorter vesting period in the following circumstances at the sole discretion of the Board or the Remuneration Committee:
 - (i) grants of Options to new joiners to replace the share awards or options they forfeited when leaving their previous employers;
 - (ii) grants that are made in batches during a year for administrative or compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for a subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted;
 - (iii) grants with performance-based vesting conditions provided in the 2025 Share Option Scheme or as specified in the agreement in lieu of time-based vesting criteria; and
 - (iv) grants with a total vesting and holding period of more than 12 months.

11. PERFORMANCE TARGETS

Unless otherwise determined by the Board and specified in the Offer on which an Option is to be granted, there is no general requirement that any performance targets must be achieved before any Option granted under the 2025 Share Option Scheme can be exercised or vested. However, the Board shall have the discretion (but not obligation) to impose performance targets in respect of exercise or vesting of any Options. The Board or the Remuneration Committee shall have the authority, after the grant of any Option which is performance-linked, to make fair and reasonable adjustments to the prescribed performance targets during the Option Period if there is a change in circumstances, provided that any such adjustments shall be less onerous than the prescribed performance targets and are considered fair and reasonable by the Board or the Remuneration Committee (as the case may be). The performance targets may include the attainment of program milestones and market capitalization milestones by the Group, which may vary among the Grantees. The Board or the Remuneration Committee (as

the case may be) will conduct assessment from time to time by comparing the performance with the pre-set targets to determine whether such targets and the extents to which have been met. If, after the assessment, the Board or the Remuneration Committee determines that any prescribed performance targets have not been met, the unexercised Options shall lapse automatically. For the avoidance of doubt, the performance targets are not applicable to independent non-executive directors of the Company.

12. CLAWBACK

Notwithstanding the terms and conditions of the 2025 Share Option Scheme, the Board has the authority to provide that any Option shall be subject to a clawback if any of the following events occurs:

- (a) if the contractual relationship between a Grantee with the Company is terminated under the situations of (i) retirement; (ii) permanent physical or mental disability; (iii) death; (iv) resignation; (v) employment or service contract not renewed due to the Grantee's personal reason; or (vi) employment or service contract terminated due to unsatisfactory performance or incompetence, the right to all unexercised or unvested Options shall automatically and immediately lapse;
- (b) the contractual relationship between a Grantee with the Company is terminated due to (i) behaviors including corruption, bribery, theft, revealing of the Company's confidential secrets, negligence or misconduct or any other law offence behaviors that have caused serious damage to the Company or have brought the Company into disrepute; (ii) criminal behaviors investigated for criminal responsibility according to acts; or (iii) other causes as stipulated in the 2025 Share Option Scheme, all unexercised or unvested Options shall lapse immediately. The Company will reserve the right to take legal actions, including but not limited to clawing back all profits made by such grantee by selling such Shares acquired from any vesting of the Options granted, for dealing with such situations;
- (c) if the Grantee joins a company which the Board believes in its sole and reasonable opinion to be a competitor of the Company; and
- (d) if any other clawback event implicitly or explicitly characterized in the agreement occurs.

Upon occurrence of any of the above events (and whether an event is to be regarded as having occurred for the purpose of this paragraph is subject to the sole determination of the Board) in relation to a Grantee, the Board may (but is not obliged to) by notice in writing to the relevant Grantee claw back such number of Options granted (to the extent not already exercised) as the Board may consider appropriate. The Options that are clawed back shall be regarded as lapsed and the Options so clawed back will not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

13. RIGHTS ON VOTING AND DIVIDENDS

No Grantee shall enjoy any rights of a Shareholder by virtue of the grant of an Option pursuant to the 2025 Share Option Scheme, unless and until the Shares are actually issued to the Grantee pursuant to the exercise of an Option. The Options do not carry any right to vote in general meeting of the Company, or the right to dividend and other rights, including those arising on a liquidation of the Company until such Options have been exercised. A Share issued upon the exercise of an Option shall not carry rights until the registration of the Grantee (or any other person so permitted pursuant to the 2025 Share Option Scheme) as the holder thereof on the register of members of the Company.

The Shares transferred to the Eligible Person upon the vesting of the Options, shall rank *pari passu* in all aspects with other fully-paid Shares in issue as at the date of transfer, and shall then be entitled to voting right, dividend, right to transfer or other rights attached to other fully-paid Shares, including such rights arising from the liquidation of the Company.

14. LIFE OF THE 2025 SHARE OPTION SCHEME

Subject to any early termination provisions pursuant to the 2025 Share Option Scheme, the 2025 Share Option Scheme shall be valid and effective for the period of ten years commencing on the Adoption Date. After the expiry of the 2025 Share Option Scheme, no further Options shall be offered or granted, but in all other respects the provisions of the 2025 Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the 2025 Share Option Scheme.

15. LAPSE OF OPTIONS

- (a) An Option shall lapse automatically (to the extent not already exercised) on the earliest of:
 - (i) the expiry of the Option Period;
 - (ii) the date or the expiry of any of the periods for exercising the Option as referred to in paragraphs 15(b)(i) to 15(b)(vi);
 - (iii) the date on which the Grantee commits a breach of paragraph 16(a);
 - (iv) the date on which the Grantee (being an employee or a director of any member of the Group) ceases to be an Eligible Person by reason of the termination of his or her employment or engagement on the grounds that he or she has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his or her debts or has become bankrupt or has made any arrangement or composition with his or her creditors

generally, or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which an employer would be entitled to terminate his or her employment summarily;

- (v) the date on which the Grantee joins a company which the Board believes in its sole and reasonable opinion to be a competitor of the Company;
- (vi) the date on which the Board or the Remuneration Committee determines that any prescribed performance targets have not been met after conducting the assessment referred to in paragraph 11;
- (vii) the date on which the Grantee (being a corporation) appears either to be unable to pay or to have no reasonable prospect of being able to pay its debts when they fall due or has become insolvent or has made any arrangement or composition with its creditors generally; and
- (viii) unless the Board otherwise determines, the date the Grantee ceases to be an Eligible Person (as determined by a Board resolution) for any other reason.

The Company shall owe no liability to any Grantee for the lapse of any Options under this paragraph.

- (b) Subject to the terms and conditions upon which such Option was granted, a vested Option may be exercised by the Grantee at any time during the Option Period, provided that:
 - (i) in the event the Grantee ceases to be an Eligible Person for reason of his or her death, ill-health or retirement in accordance with his or her contract of employment before exercising the Option in full and none of the events for termination of employment under paragraphs 15(a)(iv) and 15(a)(v) then exists with respect to such Grantee, the personal representative(s) of the Grantee or the Grantee (as the case may be) shall be entitled to exercise the Option (to the extent not already exercised), in whole or in part, up to the entitlement of such Grantee as at the date of death or the date of cessation due to ill-health or retirement within a period of 12 months from such date of death or cessation;
 - (ii) in the event a Grantee (being an employee or a director of any member of our Group) ceases to be an Eligible Person for any reason other than (i) his or her death, ill-health or retirement in accordance with his or her contract of employment or (ii) on one or more of the grounds of termination of employment or engagement specified in paragraphs 15(a)(iv) and 15(a)(v), before exercising the Option in full, the Grantee shall have the right to exercise those Options then already vested in accordance with the terms of the 2025 Share Option Scheme (to the extent not already exercised) at any time prior to or on the date of expiry of three years period after the date of cessation unless the Board otherwise determines, in which event the Option shall be exercisable, in whole or in part, to the extent and within such period as the Board may determine.

APPENDIX I SUMMARY OF THE PRINCIPAL TERMS OF THE 2025 SHARE OPTION SCHEME

The date of cessation of employment of a Grantee (being an employee and who may or may not be a director of any member of the Group) shall be the last actual working day on which the Grantee was physically at work with the relevant member of the Group, whether salary is paid in lieu of notice or not;

- (iii) if a general offer by way of takeover or otherwise (other than by way of scheme of arrangement pursuant to paragraph 15(b)(iv)) is made to all the Shareholders (other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such Offer becomes or is declared unconditional prior to the expiry date of the relevant Option, the Company shall forthwith give notice thereof to the Grantee and the Grantee shall be entitled to exercise the Option to its full extent or, if the Company shall give the relevant notification, to the extent notified by the Company, at any time within such period as shall be notified by the Company;
- (iv) if a general offer for Shares by way of scheme of arrangement is made to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall forthwith give notice thereof to the Grantee and the Grantee may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option to its full extent or, if the Company shall give the relevant notification, to the extent notified by the Company;
- (v) in the event a notice is given by the Company to its Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to the Grantee and the Grantee may at any time within such period as shall be notified by the Company, subject to the provisions of all Applicable Laws, exercise the Option to its full extent or, if the Company shall give the relevant notification, to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than three days prior to the date of the proposed general meeting, allot, issue and register in the register of members of the Company the name of the Grantee as holder of such number of fully paid Shares which fall to be issued on exercise of such Option; and
- (vi) in the event of a compromise or arrangement, other than a scheme of arrangement contemplated in paragraph 15(b)(iv), between the Company and its members and/or creditors being proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other companies pursuant to the laws of the jurisdiction in which the Company was incorporated, the Company shall give notice thereof to all Grantees on the same day as it first gives notice of the meeting to its members and/or creditors summoning the meeting to consider such a scheme or arrangement and the Grantee may at any time thereafter (but before such time as shall be notified

by the Company) exercise the Option to its full extent or, if the Company shall give the relevant notification, to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than three days prior to the date of the proposed meeting, allot, issue and register in the register of members of the Company the name of the Grantee as holder of such number of fully paid Shares which fall to be issued on exercise of such Option.

16. RESTRICTIONS AND LIMITATIONS

- (a) An Option shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favor of or enter into any agreement with any other person over or in relation to any Option.

- (b) No Offer shall be made and no Option shall be granted to any Eligible Person in circumstances prohibited by the Listing Rules or at a time when the Eligible Person would or might be prohibited from dealing in the Shares by the Listing Rules or by any applicable rules, regulations or laws. No Offer shall be made and no Option shall be granted to any Eligible Persons after inside information has come to the knowledge of the Company until (and including) the trading day after such inside information has been published in an announcement in accordance with the Listing Rules. In particular, during the period commencing thirty (30) days immediately preceding the earlier of:
 - (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the requirements of the Listing Rules) for the approval of the Company's quarterly, interim or annual results or its results for any other interim period (whether or not required under the Listing Rules); and
 - (ii) the deadline for the Company to publish an announcement of its quarterly, interim or annual results or its results for 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. Such period will also cover any period of delay in the publication of any results announcement.

17. RANKING OF SHARES

The Shares to be allotted and issued upon the exercise of an Option shall be identical to the then existing issued shares of the Company and subject to all the provisions of the Memorandum of Association and articles of association of the Company for the time being in force and will rank *pari passu* in all respects with the other fully paid Shares in issue on the date the name of the Grantee is registered on the register of members of the Company or if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date the name of the Grantee

is registered on the register of members of the Company, save that the Grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the Shareholders on the register on a date prior to such registration.

18. CANCELLATION OF OPTIONS

Notwithstanding any other provisions of the 2025 Share Option Scheme or any terms and conditions set forth in the relevant agreement, any Option granted but not exercised may be cancelled if the Grantee so agrees. Where the Company cancels Options granted to a Grantee and makes a new grant to the same Grantee, such new grant may only be made under the 2025 Share Option Scheme with available Scheme Mandate Limit, and that Options so cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

19. REORGANIZATION OF CAPITAL STRUCTURE

In the event of an alteration in the capital structure of the Company whilst any Option remains exercisable by way of capitalization of profits or reserves, rights issue, subdivision or consolidation of shares, or reduction of the share capital of the Company in accordance with legal requirements (including, without limitation, the Companies Act) and requirements of the Stock Exchange (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party), such corresponding alterations (if any) shall be made to:

- (a) the number or nominal amount of Shares comprised in each Option so far as unexercised; and/or
- (b) the Exercise Price; and/or
- (c) the method of exercise of the Option,

or any combination thereof, as the auditors of the Company or an independent financial advisor engaged by the Company for such purpose shall, at the request of the Company, certify in writing to the Board, either generally or as regards any particular Grantee, to be in their opinion fair and reasonable, provided always that any such adjustments should give each Grantee the same proportion of the equity capital, rounded to the nearest whole Share, of the Company as that to which that Grantee was previously entitled prior to such adjustments, and no adjustments shall be made which will enable a Share to be issued at less than its nominal value. The capacity of the auditors or the independent financial advisor to the Company in this paragraph 19 is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the auditors or the independent financial advisor to the Company shall be borne by the Company. Notice of such adjustment shall be given to the Grantees by the Company.

To the extent not otherwise determined by the Board, the method of adjustment of the number of Option so far as unexercised is set out as below:

Capitalization issue

$$Q = Q_0 \times (1 + n)$$

Where: “Q₀” represents the number of Option before the adjustment; “n” represents the ratio per Share resulting from the capitalization issue; “Q” represents the number of Option after the adjustment.

Rights issue

$$Q = Q_0 \times P_1 \times (1 + n) \div (P_1 + P_2 \times n)$$

Where: “Q₀” represents the number of Option before the adjustment; “P₁” represents the closing price of the Shares as at the record date; “P₂” represents the subscription price of the rights issue; “n” represents the ratio of the rights issue allotment; “Q” represents the number of Option after the adjustment.

Consolidation of Shares or share subdivision or reduction of the share capital

$$Q = Q_0 \times n$$

Where: “Q₀” represents the number of Option before the adjustment; “n” represents the ratio of share consolidation or share subdivision or reduction of share capital; “Q” represents the number of Option after the adjustment.

To the extent not otherwise determined by the Board, the method of adjustment of the Exercise Price of Option is set out as below:

Capitalization issue

$$P = P_0 \div (1 + n)$$

Where: “P₀” represents the Subscription Price before the adjustment; “n” represents the ratio per Share resulting from the capitalization issue; “P” represents the Subscription Price after the adjustment.

Rights issue

$$P = P_0 \times (P_1 + P_2 \times n) \div (P_1 \times (1 + n))$$

Where: “P₀” represents the Subscription Price before the adjustment; “P₁” represents the closing price of the Shares as at the record date; “P₂” represents the subscription price of the rights issue; “n” represents the ratio of the rights issue allotment; “P” represents the Subscription Price after the adjustment.

Consolidation of Shares or share subdivision or reduction of the share capital

$$P = P_0 \div n$$

Where: “P₀” represents the Subscription Price before the adjustment; “n” represents the ratio of share consolidation or share subdivision or reduction of share capital; “P” represents the Subscription Price after the adjustment.

In respect of any adjustments required above, other than any made on a capitalization of profits or reserves, the auditors or the independent financial advisor, as the case may be, shall confirm to the Board in writing that the adjustments satisfy the requirements set out in Rule 17.03(13) of the Listing Rules and the note thereto to all issuers relating to share option schemes and/or such other requirement prescribed under the Listing Rules and such other applicable guidance and/or interpretation of the Listing Rules from time to time. If there has been any alteration in the capital structure of the Company as referred to above, the Company shall, upon receipt of an enquiry from a Grantee, inform the Grantee of such alteration.

20. ALTERATION AND TERMINATION

- (a) The Board may amend any of the provisions of the 2025 Share Option Scheme (including without limitation amendments in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions, imposed by the provisions of the 2025 Share Option Scheme) at any time (but not so as to affect adversely any rights which have accrued to any Grantee at that date).
- (b) Any alterations to the terms and conditions of the 2025 Share Option Scheme which are of a material nature, or any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Eligible Persons, must be approved by Shareholders in general meeting. Any change to the terms of Options granted to an Eligible Person, must also, to be effective, be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders in general meeting (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of the 2025 Share Option Scheme. The 2025 Share Option Scheme so altered must comply with Chapter 17 of the Listing Rules. Any change to the authority of the Board or other Administrator of the 2025 Share Option Scheme in relation to any alteration to the terms of the 2025 Share Option Scheme must be approved by the Shareholders in general meeting.

APPENDIX I SUMMARY OF THE PRINCIPAL TERMS OF THE 2025 SHARE OPTION SCHEME

- (c) The Company by ordinary resolution in general meeting or the Board may at any time resolve to terminate the operation of the 2025 Share Option Scheme prior to its expiry and in such event no further Options will be offered or granted but the provisions of 2025 Share Option Scheme shall remain in full force to the extent necessary to give effect to the exercise of any Options (to the extent not already exercised) granted prior thereto or otherwise as may be required in accordance with the provisions of the 2025 Share Option Scheme. Options (to the extent not already exercised) which are granted during the life of the 2025 Share Option Scheme and remain unexercised and unexpired immediately prior to the termination of the operation of the 2025 Share Option Scheme shall continue to be valid and exercisable in accordance with their terms of issue after the termination of the operation of the 2025 Share Option Scheme.

APPENDIX II SUMMARY OF THE PRINCIPAL TERMS OF THE 2025 SHARE AWARD SCHEME

The following is a summary of the principal terms of the 2025 Share Award Scheme proposed to be adopted at the EGM. It does not form part of, nor is it intended to be part of, the rules of the 2025 Share Award Scheme and it should not be taken as affecting the interpretation of the rules of the 2025 Share Award Scheme. The Directors reserve the right at any time prior to the EGM to make such amendments to the 2025 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 OF THE 2025 SHARE AWARD SCHEME

The purposes of the 2025 Share Award Scheme are (i) to advance the interests of the Company by motivating the Eligible Persons to contribute to the Company's growth and development; (ii) to enable the Company to recruit, incentivize and retain key employees; and (iii) to motivate the Eligible Persons to maximize the value of the Company for the benefits of both the Eligible Persons and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Eligible Persons directly to the Shareholders through ownership of Shares.

2. ELIGIBLE PERSONS AND BASIS OF DETERMINING THE ELIGIBILITY

- (a) The Board shall be entitled (but shall not be bound) to make an Offer to an individual or a corporate entity (as the case may be), being any of the following, as the Board may in its absolute discretion select, to take up a Share Award pursuant to which such Eligible Person may subscribe for such number of Shares as the Board may determine:
 - (i) any employee (whether full-time or part-time) of the Company or any of its subsidiaries, including any person who is grant Share Awards as an inducement to enter into employment contracts with any member of the Group; and
 - (ii) any director (including executive, non-executive and independent non-executive directors) of the Company;

The basis of eligibility of Eligible Persons to the grant of any Awards shall be determined by the Board, in its sole discretion, on a case-by-case basis.

- (b) In the case of the Eligible Persons, in assessing their eligibility, the Board will consider, in its sole discretion, on a case-by-case basis, the following factors, including but not limited to (i) the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (ii) the length of engagement with the Group; (iii) the individual contribution or potential contribution to the development and growth of the Group; and (iv) the amount of support, assistance, guidance, advice or efforts that has been given or will be given towards the Group's success.

3. SCHEME LIMIT

The limit of the 2025 Share Award Scheme is the total number of Shares which may be funded by Treasury Shares and newly allotted and issued Shares in respect of all Share Awards that may be granted under the 2025 Share Award Scheme, and must not in aggregate exceed 6% of the total number of Shares in issue (excluding Treasury Shares) as at the Adoption Date unless otherwise permitted by the Listing Rules or the Company obtains the approval of its Shareholders to refresh the limit.

4. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PERSON

Unless approved by the Shareholders, the total number of Shares issued and to be issued in respect of all Share Awards granted under the 2025 Share Award Scheme to each Eligible Person (other than directors, chief executive of the Company or any of their associates) in any 12-month period shall not exceed 1% of the total number of Shares in issue (excluding Treasury Shares).

Where any grant of Share Awards under the 2025 Share Option Scheme to an Eligible Person would result in the aggregate number of Shares issued and to be issued in respect of all options and awards granted under the 2025 Share Option Scheme and any other share scheme(s) of the Company to such Eligible Person (excluding any options and awards lapsed in accordance with the terms of the 2025 Share Award Scheme and any other share scheme(s) of the Company) in the 12-month period up to and including the date of such grant exceeding 1% of the total number of Shares in issue (excluding Treasury Shares), such grant shall be subject to separate approval of the Shareholders in general meeting with such Eligible Person and his/her close associates (or his/her associates if the Eligible Person is a connected person of the Company) abstaining from voting.

A circular shall be sent to the Shareholders disclosing the identity of such Eligible Person, the number and terms of the Share Awards to be granted (and those options and awards previously granted to such Eligible Person in the 12-month period), the purpose of granting the Share Awards to the Eligible Person and an explanation as to how the terms of the Share Awards serve such purpose, and all other information as required under the Listing Rules. The number and terms of the Options to be granted to such Eligible Person shall be fixed before the Shareholders' approval is sought.

5. GRANT OF SHARE AWARDS TO CONNECTED PERSONS

- (a) Each grant of Share Awards to any Director, chief executive or substantial shareholder of the Company (or any of their respective associates) shall be subject to the prior approval of the independent non-executive Directors of the Company (excluding any independent non-executive Director who is a proposed recipient of the grant of Share Awards).

APPENDIX II SUMMARY OF THE PRINCIPAL TERMS OF THE 2025 SHARE AWARD SCHEME

- (b) Where any grant of Share 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 number of Shares issued and to be issued and the Treasury Shares transferred or to be transferred in respect of all Share Awards granted (excluding any Share Awards lapsed) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the total number of Shares in issue (excluding Treasury Shares) as at the date of grant, such further grant of Share Awards shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting.
- (c) Where any grant of Share Awards to a substantial shareholder or an independent non-executive Director of the Company (or any of their respective associates) would result in the number of Shares issued and to be issued and to be issued and the Treasury Shares transferred or to be transferred in respect of all Awards granted (excluding any Awards lapsed) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the total number of Shares in issue (excluding Treasury Shares) as at the date of grant, such further grant of Share Awards shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting.
- (d) In the circumstances described in paragraph 5(b) or 5(c) above, the Company shall send a circular to its Shareholders containing all those terms as required under the Listing Rules. The relevant Grantee, his/her associates and all core connected persons of the Company shall abstain from voting at such general meeting, except that such person may vote against the relevant resolution at the general meeting provided that his/her intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith.
- (e) The circular to be issued by the Company to its Shareholders pursuant to paragraph 5(d) shall contain the following information:
 - (i) the details of the number and terms of the Share Awards to be granted to each Grantee which must be fixed before the Shareholders' meeting;
 - (ii) the views of the independent non-executive Directors of the Company (excluding any independent non-executive Director who is the relevant Grantee) 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 whether to vote for or against the resolution relating to the grant of the Share Awards;
 - (iii) the information required under Rule 17.02(2)(c) of the Listing Rules;

- (iv) the information as required under Rule 2.17 of the Listing Rules; and
- (v) any other information as may be required under the Listing Rules or by the Stock Exchange from time to time.

6. GRANT OF SHARE AWARDS

On and subject to the terms of the 2025 Share Award Scheme, the Board shall be entitled (but shall not be bound) at any time within the period of ten years commencing on the Adoption Date to make an Offer to any Eligible Person, as the Board may in its absolute discretion select, of a Share Award (consisting of either existing Shares or Treasury Shares as set forth in the applicable Offer documentation) and on and subject to such terms and conditions as the Board may determine and impose and inform the Trustee and the Grantee accordingly. The Offer shall specify the terms and conditions on which the Share Award is to be granted. Such terms and conditions may include any minimum period(s) for which a Share Award must be held, any minimum period(s) for which the Grantee must be employed or in service to the Group and/or any minimum performance target(s) that must be achieved, before the Share Award shall vest in whole or in part, may include any clawback mechanism in respect of the Share Award, and may include at the discretion of the Board such other terms either on a case by case basis or generally.

7. ACCEPTANCE OF SHARE AWARDS

An Offer of a Share Award shall be made to an Eligible Person by an agreement in duplicate, in such form as the Board may from time to time determine, requiring the Eligible Person to undertake to hold the Share Award on the terms on which it is to be granted and to be bound by the provisions of the 2025 Share Award Scheme. Each Offer shall remain open for acceptance by the Eligible Person to whom the Offer is made for a period of five Business Days from the date on which the agreement containing the Offer is delivered to that Eligible Person. An Offer shall be deemed to have been accepted and the Share Award to which the Offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the Offer documentation comprising acceptance of the Offer duly signed by the Grantee with the number of Shares in respect of which the Offer is accepted clearly stated therein, is received by the Company within the aforesaid stipulated period. Subject to otherwise determined by the Board at its sole discretion or as required by applicable law in respect of the consideration (if any) for the acceptance of any particular Share Award which shall be stated in the Offer documentation, the Grantee is not required to pay any grant or purchase price or make any other payment to the Company to accept a Share Award granted.

8. PURCHASE PRICE OF SHARE AWARDS

Subject to otherwise determined by the Board at its sole discretion or as required by applicable law in respect of the purchase price (if any) of any particular Share Award which shall be stated in the Offer documentation, the Grantee to whom an Award shall be granted under the 2025 Share Award Scheme is not required to pay any purchase price to the Company

to purchase any Shares underlying an Award granted or may only be required to pay a nominal value to purchase any Shares, unless otherwise determined by the Board at its sole discretion or as required by applicable law.

9. VESTING OF SHARE AWARDS

- (a) Subject to the terms of the 2025 Share Award Scheme, the Board may decide at its sole and absolute discretion (subject to, including but not limited to, the execution of any transfer documents or restricted share agreements, the payment of any purchase price or the provision of any transfer or sale direction by the Grantee as may be required by the Board and/or the Trustee, and in accordance with the provisions stated in the Offer documentation to the Grantee) to:
 - (i) procure the Company to transfer the number of Treasury Shares in issue as Share Awards to the Grantee as fully paid up Shares directly;
 - (ii) procure the Company to allot and issue the Share Awards to the Grantee (as new Shares under the limit of the Share Schemes) as fully paid up Shares directly; and/or
 - (iii) pay, or procure the payment of, an amount equivalent to the market value of the Share Awards to the Grantee in cash, for the purpose of satisfying the relevant Share Awards of the Grantee upon vesting.
- (b) No Shares will be purchased by the Company or by the Trustee from secondary markets for the Share Awards to be granted under the 2025 Share Award Scheme. For the avoidance of doubt, the Treasury Shares, as the primary source of the Share Awards, shall be held and deposited in a segregated stock account of the Company.

10. VESTING PERIOD

- (a) Save for the circumstance as described in paragraph 10(b), the vesting period in respect of any Share Award granted shall be no less than 12 months from (and including) the date of grant.
- (b) Share Awards granted to an Eligible Person may be subject to a shorter vesting period in the following circumstances at the sole discretion of the Board or the Remuneration Committee:
 - (i) grants of Share Awards to new joiners to replace the share awards or options they forfeited when leaving their previous employers;

- (ii) grants that are made in batches during a year for administrative or compliance reasons, which include Share Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for a subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Share Award would have been granted;
- (iii) grants with performance-based vesting conditions provided in the 2025 Share Award Scheme or as specified in the Offer documentation in lieu of time-based vesting criteria; and
- (iv) grants with a total vesting and holding period of more than 12 months.

11. PERFORMANCE TARGETS

Unless otherwise determined by the Board and specified in the Offer on which a Share Award is to be granted, there is no general requirement that any performance targets must be achieved before any Share Award granted under the 2025 Share Award Scheme can be exercised or vested. However, the Board shall have the discretion (but not obligation) to impose performance targets in respect of vesting of any Share Awards. The Board or the Remuneration Committee shall have the authority, after the grant of any Share Award which is performance-linked, to make fair and reasonable adjustments to the prescribed performance targets during the vesting period if there is a change in circumstances, provided that any such adjustments shall be less onerous than the prescribed performance targets and are considered fair and reasonable by the Board or the Remuneration Committee (as the case may be). The performance targets may include the attainment of program milestones and market capitalization milestones by the Group, which may vary among the Grantees. The Board or the Remuneration Committee (as the case may be) will conduct assessment from time to time by comparing the performance with the pre-set targets to determine whether such targets and the extents to which have been met. If, after the assessment, the Board or the Remuneration Committee determines that any prescribed performance targets have not been met, the unvested Share Award shall lapse automatically. For the avoidance of doubt, the performance targets are not applicable to independent non-executive directors of the Company.

12. CLAWBACK

Notwithstanding the terms and conditions of the 2025 Share Award Scheme, the Board has the authority to provide that any Share Award shall be subject to a clawback if any of the following events occurs:

- (a) if the contractual relationship between a Grantee with the Company is terminated under the situations of (i) retirement; (ii) permanent physical or mental disability; (iii) death; (iv) resignation; (v) employment or service contract not renewed due to the Grantee's personal reason; or (vi) employment or service contract terminated due to unsatisfactory performance or incompetence, the right to all unvested Share Awards shall automatically and immediately lapse;

- (b) the contractual relationship between a grantee with the Company is terminated due to (i) behaviors including corruption, bribery, theft, revealing of the Company's confidential secrets, negligence or misconduct or any other law offence behaviors that have caused serious damage to the Company or have brought the Company into disrepute; (ii) criminal behaviors investigated for criminal responsibility according to acts; or (iii) other causes as stipulated in the 2025 Share Award Scheme, all unvested Share Awards shall lapse immediately. The Company will reserve the right to take legal actions, including but not limited to clawing back all profits made by such grantee by selling such Shares acquired from any vesting of the Share Awards granted, for dealing with such situations;
- (c) if the Grantee joins a company which the Board believes in its sole and reasonable opinion to be a competitor of the Company; and
- (d) if any other clawback event implicitly or explicitly characterized in the agreement occurs.

Upon the occurrence of any of the above events (and whether an event is to be regarded as having occurred for the purpose of this paragraph is subject to the sole determination of the Board) in relation to a Grantee, the Board may (but is not obliged to) by notice in writing to the relevant Grantee repurchase the unvested Share Awards. The Share Awards that are clawed back shall be regarded as lapsed, and the Share Awards so clawed back will not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

13. RIGHTS ON VOTING AND DIVIDENDS

No Grantee shall enjoy any rights of a Shareholder by virtue of the grant of a Share Award pursuant to the 2025 Share Award Scheme, unless and until the Shares are actually issued and transferred to the Grantee (or his representative holding vested Share Awards on his behalf) pursuant to the vesting of a Share Award.

The Treasury Shares transferred to the Grantee upon the vesting of the Share Awards, shall rank *pari passu* in all aspects with other fully-paid Shares in issue as at the date of transfer, and shall then be entitled to voting right, dividend, right to transfer or other rights attached to other fully-paid Shares, including such rights arising from the liquidation of the Company.

Pursuant to the 2025 Share Award Scheme, the Trustee, if appointed, shall not exercise the voting rights in respect of any Shares held under the trust. In particular, the Trustee holding unvested Shares, whether directly or indirectly, shall abstain from voting or exercising any voting rights in respect of any Shares held, whether directly or indirectly, under the trust or as nominee on matters that require approval of the Shareholders under the Listing Rules, unless otherwise required by Applicable Laws or regulations to vote in accordance with the beneficial owner's direction and such a direction is given.

14. LIFE OF THE 2025 SHARE AWARD SCHEME

Subject to any early termination provisions pursuant to the 2025 Share Award Scheme, the 2025 Share Award Scheme shall be valid and effective for the period of ten years commencing on the Adoption Date. After the expiry of the 2025 Share Award Scheme, no further Share Awards shall be offered or granted, but in all other respects the provisions of the 2025 Share Award Scheme shall remain in full force and effect to the extent necessary to give effect to the settlement of any Share Awards granted prior thereto or otherwise as may be required in accordance with the provisions of the 2025 Share Award Scheme.

15. LAPSE OF SHARE AWARD

- (a) A Share Award shall lapse automatically (to the extent not already vested) on the earliest of:
- (i) the date on which the Grantee ceases to be an Eligible Person for reason of his or her death, ill-health or retirement in accordance with his or her contract of employment;
 - (ii) the date on which the Grantee (being an employee or a Director of any member of our Group) ceases to be an Eligible Person for any reason other than (i) his or her death, ill-health or retirement in accordance with his or her contract of employment or (ii) on one or more of the grounds of termination of employment or engagement specified in paragraphs 15(a)(iv) and 15(a)(v) below;
 - (iii) the date on which the Grantee commits a breach of paragraph 16(a);
 - (iv) the date on which the Grantee (being an employee or a Director of any member of the Group) ceases to be an Eligible Person by reason of the termination of his or her employment or engagement on the grounds that he or she has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his or her debts or has become bankrupt or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which an employer would be entitled to terminate his or her employment summarily;
 - (v) the date on which the Grantee joins a company which the Board believes in its sole and reasonable opinion to be a competitor of the Company;
 - (vi) the date on which the Board or the Remuneration Committee determines that any prescribed performance targets have not been met after conducting the assessment referred to in paragraph 11;

APPENDIX II SUMMARY OF THE PRINCIPAL TERMS OF THE 2025 SHARE AWARD SCHEME

- (vii) the date on which the Grantee (being a corporation) appears either to be unable to pay or to have no reasonable prospect of being able to pay its debts when they fall due or has become insolvent or has made any arrangement or composition with its creditors generally; and
- (viii) unless the Board otherwise determines, the date the Grantee ceases to be an Eligible Person (as determined by a Board resolution) for any other reason.

The Company shall owe no liability to any Grantee for the lapse of any Share Awards under this paragraph.

- (b) Subject to the terms and conditions upon which such Share Award was granted, a vested Share Award may be exercised by the Grantee at any time during the vesting period, provided that:
 - (i) in the event the Grantee ceases to be an Eligible Person for reason of his or her death, ill-health or retirement in accordance with his or her contract of employment before vesting the Share Award in full and none of the events for termination of employment under paragraphs 15(a)(iv) and 15(a)(v) then exists with respect to such Grantee, the personal representative(s) of the Grantee or the Grantee (as the case may be) shall be entitled to vest the Share Awards (to the extent not already vested), in whole or in part, up to the entitlement of such Grantee as at the date of death or the date of cessation due to ill-health or retirement within a period of 12 months from such date of death or cessation;
 - (ii) in the event a Grantee (being an employee or a director of any member of our Group) ceases to be an Eligible Person for any reason other than (i) his or her death, ill-health or retirement in accordance with his or her contract of employment or (ii) on one or more of the grounds of termination of employment or engagement specified in paragraphs 15(a)(iv) and 15(a)(v), before vesting the Share Awards in full, the Grantee shall have the right to vest those Share Awards then already vested in accordance with the terms of the 2025 Share Award Scheme (to the extent not already vested) at any time prior to or on the date of expiry of three years period after the date of cessation unless the Board otherwise determines, in whole or in part, to the extent and within such period as the Board may determine.

The date of cessation of employment of a Grantee (being an employee and who may or may not be a director of any member of the Group) shall be the last actual working day on which the Grantee was physically at work with the relevant member of the Group, whether salary is paid in lieu of notice or not;

- (iii) if a general offer by way of takeover or otherwise (other than by way of scheme of arrangement pursuant to paragraph 15(b)(iv)) is made to all the Shareholders (other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such Offer becomes or is

declared unconditional prior to the expiry date of the relevant Share Award, the Company shall forthwith give notice thereof to the Grantee and the Grantee shall be entitled to vest the Share Award to its full extent or, if the Company shall give the relevant notification, to the extent notified by the Company, at any time within such period as shall be notified by the Company;

- (iv) if a general offer for Shares by way of scheme of arrangement is made to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall forthwith give notice thereof to the Grantee and the Grantee may at any time thereafter (but before such time as shall be notified by the Company) vest the Share Award to its full extent or, if the Company shall give the relevant notification, to the extent notified by the Company;
- (v) in the event a notice is given by the Company to its Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to the Grantee and the Grantee may at any time within such period as shall be notified by the Company, subject to the provisions of all Applicable Laws, vest the Share Award to its full extent or, if the Company shall give the relevant notification, to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than three days prior to the date of the proposed general meeting, allot, issue and register in the register of members of the Company the name of the Grantee as holder of such number of fully paid Shares; and
- (vi) in the event of a compromise or arrangement, other than a scheme of arrangement contemplated in paragraph 15(b)(iv), between the Company and its members and/or creditors being proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other companies pursuant to the laws of the jurisdiction in which the Company was incorporated, the Company shall give notice thereof to all Grantees on the same day as it first gives notice of the meeting to its members and/or creditors summoning the meeting to consider such a scheme or arrangement and the Grantee may at any time thereafter (but before such time as shall be notified by the Company) vest the Share Award to its full extent or, if the Company shall give the relevant notification, to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than three days prior to the date of the proposed meeting, allot, issue and register in the register of members of the Company the name of the Grantee as holder of such number of fully paid Shares.

16. RESTRICTIONS AND LIMITATIONS

- (a) A Share Award shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favor of or enter into any agreement with any other person over or in relation to any Share Award or any property held by the Trustee on trust for the Grantees.
- (b) No Offer shall be made and no Share Award shall be granted and no transfer any Treasury Shares to any Eligible Person in circumstances prohibited by the Listing Rules or at a time when the Eligible Person would or might be prohibited from dealing in the Shares by the Listing Rules or by any applicable rules, regulations or laws. No Offer shall be made and no Share Award shall be granted to any Eligible Persons after inside information has come to the knowledge of the Company until (and including) the trading day after such inside information has been published in an announcement in accordance with the Listing Rules. In particular, during the period commencing thirty (30) days immediately preceding the earlier of:
 - (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the requirements of the Listing Rules) for the approval of the Company's quarterly, interim or annual results or its results for any other interim period (whether or not required under the Listing Rules); and
 - (ii) the deadline for the Company to publish an announcement of its quarterly, interim or annual results or its results for any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement, no Share Award may be granted. Such period will also cover any period of delay in the publication of any results announcement.

17. RANKING OF SHARES

The Shares to be allotted and issued pursuant to any Share Award granted under the 2025 Share Award Scheme shall be identical to the then existing issued shares of the Company and subject to all the provisions of the Memorandum of Association and articles of association of the Company for the time being in force and will rank *pari passu* in all respects with the other fully paid Shares in issue on the date the name of the Grantee is registered on the register of members of the Company or if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date the name of the Grantee is registered on the register of members of the Company, save that the Grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the Shareholders on the register on a date prior to such registration.

18. CANCELLATION OF SHARE AWARDS

Notwithstanding any other provisions of the 2025 Share Award Scheme or any terms and conditions set forth in the relevant agreement, any Share Award granted but not vested may be cancelled if the Grantee so agrees. Where the Company cancels Share Awards granted to a Grantee and makes a new grant to the same Grantee, such new grant may only be made under the 2025 Share Award Scheme with available limit of the Share Schemes, and that Share Awards so canceled will be regarded as utilized for the purpose of calculating the limit of the Share Schemes.

19. REORGANIZATION OF CAPITAL STRUCTURE

In the event of an alteration in the capital structure of the Company whilst any Share Award remains outstanding by way of capitalization of profits or reserves, rights issue, subdivision or consolidation of shares, or reduction of the share capital of the Company in accordance with legal requirements (including, without limitation, the Companies Act) and requirements of the Stock Exchange (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party), such corresponding alterations (if any) shall be made to the number or nominal amount of Shares comprised in each Share Award to the extent outstanding as the auditors of the Company or an independent financial advisor engaged by the Company for such purpose shall, at the request of the Company, certify in writing to the Board, either generally or as regards any particular Grantee, to be in their opinion fair and reasonable, provided always that any such adjustments should give each Grantee the same proportion of the equity capital, rounded to the nearest whole Share, of the Company as that to which that Grantee was previously entitled prior to such adjustments, and no adjustments shall be made which will enable a Share to be issued at less than its nominal value. The capacity of the auditors or the independent financial advisor to the Company in this paragraph 19 is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the auditors or the independent financial advisor to the Company shall be borne by the Company. Notice of such adjustment shall be given to the Grantees by the Company.

To the extent not otherwise determined by the Board, the method of adjustment of the number of Share Award to the extent outstanding is set out as below:

Capitalization issue

$$Q = Q_0 \times (1 + n)$$

Where: “ Q_0 ” represents the number of Share Award before the adjustment; “ n ” represents the ratio per Share resulting from the capitalization issue; “ Q ” represents the number of Share Award after the adjustment.

Rights issue

$$Q = Q_0 \times P_1 \times (1 + n) \div (P_1 + P_2 \times n)$$

Where: “Q₀” represents the number of Share Award before the adjustment; “P₁” represents the closing price of the Shares as at the record date; “P₂” represents the subscription price of the rights issue; “n” represents the ratio of the rights issue allotment; “Q” represents the number of Share Award after the adjustment.

Consolidation of Shares or share subdivision or reduction of the share capital

$$Q = Q_0 \times n$$

Where: “Q₀” represents the number of Share Award before the adjustment; “n” represents the ratio of share consolidation or share subdivision or reduction of share capital; “Q” represents the number of Share Award after the adjustment.

To the extent not otherwise determined by the Boar, the method of adjustment of the purchase price for Restricted Share is set out as below:

Capitalization issue

$$P = P_0 \div (1 + n)$$

Where: “P₀” represents the purchase price for Restricted Share before the adjustment; “n” represents the ratio per Share resulting from the capitalization issue; “P” represents the purchase price for Restricted Share after the adjustment.

Rights issue

$$P = P_0 \times (P_1 + P_2 \times n) \div (P_1 \times (1 + n))$$

Where: “P₀” represents the purchase price for Restricted Share before the adjustment; “P₁” represents the closing price of the Shares as at the record date; “P₂” represents the subscription price of the rights issue; “n” represents the ratio of the rights issue allotment; “P” represents the purchase price for Restricted Share after the adjustment.

Consolidation of Shares or share subdivision or reduction of the share capital

$$P = P_0 \div n$$

Where: “P₀” represents the purchase price for Restricted Share before the adjustment; “n” represents the ratio of share consolidation or share subdivision or reduction of share capital; “P” represents the purchase price for Restricted Share after the adjustment.

In respect of any adjustments required above, other than any made on a capitalization of profits or reserves, the auditors or the independent financial advisor, as the case may be, shall confirm to the Board in writing that the adjustments satisfy the requirements set out in Rule 17.03(13) of the Listing Rules and the note thereto and/or such other requirement prescribed under the Listing Rules and such other applicable guidance and/or interpretation of the Listing Rules from time to time. If there has been any alteration in the capital structure of the Company as referred to above, the Company shall, upon receipt of an enquiry from a Grantee, inform the Grantee of such alteration.

20. ALTERATION AND TERMINATION

- (a) The Board may amend any of the provisions of the 2025 Share Award Scheme (including without limitation amendments in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions, imposed by the provisions of the 2025 Share Award Scheme) at any time (but not so as to affect adversely any rights which have accrued to any Grantee at that date).
- (b) Any alterations to the terms and conditions of the 2025 Share Award Scheme which are of a material nature, or any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Eligible Persons, must be approved by Shareholders in general meeting. Any change to the terms of Share Awards granted to an Eligible Person, must also, to be effective, be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders in general meeting (as the case may be) if the initial grant of the Share Awards was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of the 2025 Share Award Scheme. The 2025 Share Award Scheme so altered must comply with Chapter 17 of the Listing Rules. Any change to the authority of the Board, the Trustee or other Administrator of the 2025 Share Award Scheme in relation to any alteration to the terms of the 2025 Share Award Scheme must be approved by the Shareholders in general meeting.
- (c) The Company by ordinary resolution in a general meeting or the Board may at any time resolve to terminate the operation of the 2025 Share Award Scheme prior to its expiry, and in such event no further Share Awards will be offered or granted but the provisions of the 2025 Share Award Scheme shall remain in full force to the extent necessary to give effect to the settlement of any Share Awards granted prior thereto or otherwise as may be required in accordance with the provisions of the 2025 Share Award Scheme. Share Awards that are granted during the life of the 2025 Share Award Scheme and remain outstanding immediately prior to the termination of the operation of the 2025 Share Award Scheme shall continue to be valid and eligible to vest in accordance with their terms of issue after the termination of the operation of the 2025 Share Award Scheme.

NOTICE OF EXTRAORDINARY GENERAL MEETING



Ascletis Pharma Inc. **歌禮製藥有限公司**

(incorporated in the Cayman Islands with limited liability)
(Stock code: 1672)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“EGM”) of Ascletis Pharma Inc (the “Company”) will be held at 11/F, Building D, 198 Qidi Road, HIPARK, Xiaoshan District, Hangzhou, Zhejiang Province, China on Monday, February 3, 2025 at 10:00 a.m. and to consider and, if thought fit, pass, with or without amendments, the following resolutions:

ORDINARY RESOLUTIONS

1. **“THAT:**
 - (a) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the approval for the listing of, and permission to deal in, the shares of the Company (the “Shares”) which may fall to be allotted and issued pursuant to the exercise of any options (the “Options”) that may be granted under the 2025 share option scheme of the Company (the rules of which are contained in the document marked “A” produced to the EGM and initialed by the chairman of the EGM for the purpose of identification) (the “2025 Share Option Scheme”), the 2025 Share Option Scheme be and is hereby approved and adopted and the directors (the “Directors”) and the remuneration committee (the “Remuneration Committee”) of the Company be and are hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2025 Share Option Scheme including without limitation:
 - (i) to administer the 2025 Share Option Scheme;
 - (ii) to modify and/or amend the 2025 Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2025 Share Option Scheme relating to modification and/or amendment and subject to Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”);

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (iii) to allot and issue from time to time such number of Shares as may be required to be allotted and issued pursuant to the exercise of the Options granted under the 2025 Share Option Scheme;
 - (iv) to make an application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in any Shares which may thereafter from time to time be allotted and issued pursuant to the exercise of the Options granted under the 2025 Share Option Scheme; and
 - (v) to consent, if they deem fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the 2025 Share Option Scheme.”
- (b) subject to and conditional upon the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares which may fall to be allotted and issued pursuant to the vesting of the awards (the “Share Awards”) that may be granted under the 2025 Share Award Scheme (the rules of which are contained in the document marked “B” produced to the EGM and initialed by the chairman of the EGM for the purpose of identification) (the “2025 Share Award Scheme”), the 2025 Share Award Scheme be and is hereby approved and adopted and the Directors and the Remuneration Committee be and are hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2025 Share Award Scheme including without limitation:
- (i) to administer the 2025 Share Award Scheme;
 - (ii) to modify and/or amend the 2025 Share Award Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2025 Share Award Scheme relating to modification and/or amendment and subject to Chapter 17 of the Listing Rules;
 - (iii) to allot and issue from time to time such number of Shares as may be required to be allotted and issued and to procure the transfer of and deal with the Shares (including Treasury Shares, as the case may be) pursuant to the vesting of the Awards granted under the 2025 Share Award Scheme;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (iv) to make application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in any Shares which may thereafter from time to time be allotted and issued pursuant to the vesting of the Awards granted under the 2025 Share Award Scheme; and
- (v) to consent, if they deem fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the 2025 Share Award Scheme.”

2. **“THAT:**

- (a) the scheme mandate limit of the 2025 Share Option Scheme (being 38,561,400 Shares) be and is hereby approved and adopted; and
- (b) the scheme mandate limit of the 2025 Share Award Scheme (being 57,842,100 Shares) be and is hereby approved and adopted.”

3. **“THAT:**

- (a) conditional upon the 2025 Share Option Scheme taking effect, the grant of 14,460,525 Options to Dr. Jinzi Jason WU under the 2025 Share Option Scheme, to subscribe for the Shares at the exercise price of HK\$3.340 per Share on the terms and conditions set out in the circular to the shareholders of the Company dated January 15, 2025 (the “Circular”) be and is hereby confirmed and approved;
- (b) conditional upon the 2025 Share Award Scheme taking effect, the grant of 23,136,840 Share Awards to Dr. Jinzi Jason WU under the 2025 Share Award Scheme on the terms and conditions set out in the Circular be and is hereby confirmed and approved; and
- (c) any one Director of the Company be and is hereby authorized to take all steps and attend all such matters, approve and/or execute all such documents and do such other things, for and on behalf of the Company, as he/she may in his/her absolute discretion consider necessary, desirable, or expedient to give effect to the foregoing.”

4. **“THAT:**

- (a) conditional upon the 2025 Share Option Scheme taking effect, the grant of 4,820,175 Options to Mr. John P. GARGIULO under the 2025 Share Option Scheme, to subscribe for the Shares at the exercise price of HK\$3.340 per Share on the terms and conditions set out in the circular to the shareholders of the Company dated January 15, 2025 (the “Circular”) be and is hereby confirmed and approved;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) conditional upon the 2025 Share Award Scheme taking effect, the grant of 5,784,210 Share Awards to Mr. John P. GARGIULO under the 2025 Share Award Scheme on the terms and conditions set out in the Circular be and is hereby confirmed and approved; and
- (c) any one Director of the Company be and is hereby authorized to take all steps and attend all such matters, approve and/or execute all such documents and do such other things, for and on behalf of the Company, as he/she may in his/her absolute discretion consider necessary, desirable, or expedient to give effect to the foregoing.”

5. **“THAT:**

- (a) conditional upon the 2025 Share Option Scheme taking effect, the grant of 3,856,140 Options to Mrs. Judy Hejingdao WU under the 2025 Share Option Scheme, to subscribe for the Shares at the exercise price of HK\$3.340 per Share on the terms and conditions set out in the circular to the shareholders of the Company dated January 15, 2025 (the “Circular”) be and is hereby confirmed and approved;
- (b) conditional upon the 2025 Share Award Scheme taking effect, the grant of 4,820,175 Share Awards to Mrs. Judy Hejingdao WU under the 2025 Share Award Scheme on the terms and conditions set out in the Circular be and is hereby confirmed and approved; and
- (c) any one Director of the Company be and is hereby authorized to take all steps and attend all such matters, approve and/or execute all such documents and do such other things, for and on behalf of the Company, as he/she may in his/her absolute discretion consider necessary, desirable, or expedient to give effect to the foregoing.”

By order of the Board
Ascletris Pharma Inc.
歌禮製藥有限公司
Jinzi Jason WU
Chairman

Hangzhou, the People’s Republic of China, January 15, 2025

NOTICE OF EXTRAORDINARY GENERAL MEETING

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 the Stock Exchange and the Company in accordance with the Listing Rules.
2. Any Shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A Shareholder who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at the above meeting. A proxy need not be a Shareholder of the Company. If more than one proxy is appointed, the number of Shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the above meeting (i.e. not later than Saturday, February 1, 2025 at 10:00 a.m. (Hong Kong time)) or any adjournment thereof (as the case may be). Delivery of the form of proxy shall not preclude a Shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining Shareholders' entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Tuesday, January 28, 2025 to Monday, February 3, 2025, 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, all transfer of Shares accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than Monday, January 27, 2025 at 4:30 p.m..

In the event that the meeting is adjourned to a date later than Monday, February 3, 2025 at 10:00 a.m. due to bad weather conditions or other reasons, the period of closure of the register of members of the Company for determination of Shareholders' entitlement to attend and vote at the above meeting will remain the same as stated above.