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

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

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

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## **Sinopharm Tech Holdings Limited**

### **國藥科技股份有限公司**

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

**(Stock Code: 8156)**

## **ADOPTION OF NEW SHARE OPTION SCHEME, TERMINATION OF EXISTING SHARE OPTION SCHEME AND NOTICE OF EXTRAORDINARY GENERAL MEETING**

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Capitalized terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular.

A letter from the Board is set out on pages 3 to 10 of this circular.

A notice convening the EGM to be held at Units 01–03, 25/F., Corporation Park, 11 On Lai Street, Shatin, New Territories, Hong Kong on Wednesday, 9 June 2021 at 11:00 a.m. is set out on pages 28 to 30 of this circular. A form of proxy for use at the EGM is enclosed with this circular.

Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar and transfer office of the Company, Tricor Standard Limited at Level 54, 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 appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event, the proxy shall be deemed to be revoked.

*This circular will remain on the “Latest Listed Company Information” page of the GEM website at <http://www.hkgem.com> for a minimum period of 7 days from the date of its posting and on the website of the Company at <http://www.sinopharmtech.com.hk>.*

24 May 2021

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## CHARACTERISTICS OF GEM

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**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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## DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme is adopted (conditionally or unconditionally) by the Shareholders at the EGM
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for business of dealing in securities
“close associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Company”	Sinopharm Tech Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider, and if thought fit, to approve the adoption of the New Share Option Scheme and the termination of Existing Share Option Scheme
“Eligible Consultant(s)”	any consultant of the Company or of any subsidiary of the Company or such other persons who, at the sole determination of the Board, have contributed to the Group at the time when an Option is granted to such persons
“Eligible Employee(s)”	any employee, and any director (including executive, non-executive and independent non-executive directors) of the Company or of any subsidiary of the Company at the time when an Option is granted to such persons
“Eligible Person(s)”	the Eligible Consultant(s) and the Eligible Employee(s)
“Existing Share Option Scheme”	the share option scheme of the Company adopted on 31 January 2013
“GEM”	GEM of the Stock Exchange

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## DEFINITIONS

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“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	20 May 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“New Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the EGM, the principal terms of which are set out in the Appendix I to this circular
“Option(s)”	right granted to subscribe for the Shares pursuant to the New Share Option Scheme or the Existing Share Option Scheme
“Option Period”	a period within which the Shares must be taken up to be notified by the Board to each grantee commencing on date of grant and expiring on last day of such period, and in any event such period of time shall not be more than ten years from the date on which the Option is deemed to be granted in accordance with the terms of the New Share Option Scheme. Unless the Board otherwise determined and stated in the offer, there is no minimum period for which an Option must be held before it can be exercised
“PRC”	the People’s Republic of China excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan for the purpose of this circular
“Share(s)”	ordinary share(s) of HK\$0.0125 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a grantee may subscribe for the Shares on the exercise of an Option as described in the provisions of the New Share Option Scheme
“%”	per cent.

*If there is any inconsistency in this circular between the Chinese and English versions, the English version shall prevail.*



**Sinopharm Tech Holdings Limited**  
**國藥科技股份有限公司**

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

**(Stock Code: 8156)**

*Executive Directors:*

Mr. CHAN Ting

*(Chairperson and Chief Executive Officer)*

*Non-executive Directors:*

Madam CHEUNG Kwai Lan *(Honorary Chairperson)*

Mr. CHAN Tung Mei

Dr. CHENG Yanjie

*Independent Non-executive Directors:*

Mr. LAU Fai Lawrence

Dr. LIU Ta-pei

Mr. CHAU Wai Wah Fred

*Registered office:*

Second Floor, Century Yard  
Cricket Square, P.O. Box 902  
Grand Cayman, KY1-1103  
Cayman Islands

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

Units 01-03, 25/F.  
Corporation Park  
11 On Lai Street, Shatin  
New Territories, Hong Kong

24 May 2021

*To the Shareholders*

Dear Sir/Madam,

**ADOPTION OF NEW SHARE OPTION SCHEME,  
TERMINATION OF EXISTING SHARE OPTION SCHEME  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the EGM involving the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme, and to give you a notice of the EGM.

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## LETTER FROM THE BOARD

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### ADOPTION OF NEW SHARE OPTION SCHEME AND TERMINATION OF EXISTING SHARE OPTION SCHEME

#### Termination of Existing Share Option Scheme

The Existing Share Option Scheme was adopted at the extraordinary general meeting of the Company held on 31 January 2013, which will expire on 30 January 2023 pursuant to its terms. The Existing Share Option Scheme is the only share option scheme adopted by the Company as at the Latest Practicable Date. For illustration purpose, the maximum number of Shares which may be issued upon exercise of all Options to be granted under the existing 10% scheme mandate limit of the Existing Share Option Scheme was 377,189,383 shares of the Company at the date of approval of the Existing Share Option Scheme. 6,507 Shares are available for issue under the Existing Share Option Scheme as at the Latest Practicable Date. There were 183,350,000 outstanding Options granted but not yet exercised under the Existing Share Option Scheme as at the Latest Practicable Date. 90,800,000 outstanding Options granted on 14 August 2019 and accepted by the Eligible Consultants shall be exercisable in stages from 1 January 2020 up to 31 December 2022 (both days inclusive) at the exercise price of HK\$0.33. 92,550,000 outstanding Options granted on 7 January 2020 and accepted by the Eligible Employees shall be exercisable in stages from 1 June 2020 up to 31 December 2022 (both days inclusive) at the exercise price of HK\$0.33. The Company has no intention to grant any additional Options under the Existing Share Option Scheme from the Latest Practicable Date to the date of the EGM. Details of the Eligible Consultants who were granted the Options under the Existing Share Option Scheme are set out in Appendix II of this circular.

Pursuant to the terms of the Existing Share Option Scheme, the Existing Share Option Scheme could be terminated by resolution in general meeting and in such event no further Options will be offered or granted and all remaining Options that have yet to be granted will become void or non-exercisable, but in all other respects the provisions of the Existing Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the Existing Share Option Scheme and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the Existing Share Option Scheme.

The Existing Share Option Scheme was adopted eight years ago. There have been share consolidation, share subdivision and a substantial change in the number of issued share capital of the Company during the past eight years. The Board is of the view that it is appropriate to terminate the Existing Share Option Scheme and to adopt the New Share Option Scheme for the following reasons, *inter alia*: (1) expiry of the Existing Share Option Scheme in around one and a half years' time, (2) scheme mandate limit having almost been used up with only remaining 6,507 Shares, and (3) differences in and updates on the terms of the New Share Option Scheme compared with those of the Existing Share Option Scheme as further set out in this circular.

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## LETTER FROM THE BOARD

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Both refreshing the scheme mandate limit and adopting the New Share Option Scheme require approval of the Stock Exchange and the Shareholders. The remaining life of the Existing Share Option Scheme will only be around one and a half years. The Board considers that it will be more cost effective to achieve both refreshing the scheme mandate limit and adopting the New Share Option Scheme by convening only one Shareholders' meeting to approve the adoption of the New Share Option Scheme with new scheme mandate limit within a short period of time. Furthermore, there will be differences in and updates on the terms of the New Share Option Scheme compared with those of the Existing Share Option Scheme as further set out in this circular. Thus, the Board is of the view that it is not appropriate to refresh the scheme mandate limit of the Existing Share Option Scheme.

The Board considers that the New Share Option Scheme can (i) attract and retain talents; (ii) maintain ongoing business relationship with the Eligible Persons; (iii) align the interests of the Eligible Persons with the Shareholders; and (iv) motivate the Eligible Persons to make contribution to the Group, and therefore the New Share Option Scheme can better accommodate the Group's long term business development plan and strategies and is in the interests of the Company and the Shareholders as a whole.

In addition, for the ease of administration, the Board also considers it unnecessary to keep two share option schemes that serve similar purposes at the same time. Therefore, at the EGM, ordinary resolutions will be proposed to the Shareholders to terminate the Existing Share Option Scheme and to adopt the New Share Option Scheme.

### **Adoption of New Share Option Scheme**

The purpose of the New Share Option Scheme is to enable the Group to grant share option to selected Eligible Persons as incentives or rewards for their contribution to the Group. The New Share Option Scheme will provide the Eligible Persons with an opportunity to acquire proprietary interests in the Company with the view to achieving the following principal objectives:

- (i) motivate the Eligible Persons (in case of the Eligible Employees) to optimise their performance and efficiency for the benefit of the Group;
- (ii) attract and retain or otherwise maintain ongoing business relationship with the Eligible Persons (in case of the Eligible Consultants) whose contributions are, will be or are expected to be beneficial to the Group; and
- (iii) align the interests of the Eligible Persons with the Shareholders.

The Board believes that the inclusion of the Eligible Consultants other than the Eligible Employees as the Eligible Persons is appropriate and in the interests of the Company and the Shareholders as a whole given that the success of the Company's business requires a long and sustainable business relationship with the persons who play a role in the business of the Company, including consultants of any member of the Group. It is therefore desirable for the Company to align the interests of such parties with those of the Group and to maintain good business relationships with such parties. The grant of the Options to such parties is an appropriate mean of achieving such goal, as the Options will offer incentives



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## LETTER FROM THE BOARD

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for the consultants to provide more valuable recommendation of business for the sake of the interest of the Group, thereby benefiting the long-term growth of the Group and aligning the interests of the Eligible Consultants with the Shareholders.

The New Share Option Scheme is similar to the Existing Share Option Scheme, and is largely in line with the market form. There are certain differences in the terms between the Existing Share Option Scheme and the New Share Option Scheme, including the following:

- (1) The purpose of the New Share Option Scheme is presented in more detailed form than that of the Existing Share Option Scheme;
- (2) The sentence “the Option Period of an Option may not end on a date later than the expiry date of the New Share Option Scheme” is deleted in the New Share Option Scheme;
- (3) Within 7 days after receipt of the subscription payment and, where appropriate, receipt of the auditors’ certificate, the Company shall allot, and shall instruct the share registrar to issue, the relevant Shares to the grantee under the Existing Share Option Scheme, whereas within 5 business days after receipt of the subscription payment and, where appropriate, receipt of the auditors’ certificate, the Company shall allot, and shall instruct the share registrar to issue, the relevant Shares to the grantee under the New Share Option Scheme;
- (4) In the event of the grantee ceasing to be an Eligible Person for any reason other than on his/her death or the termination of his/her employment or engagement (as the case may be) on one or more of the grounds specified in Clause 7.1 (v) in the Existing Share Option Scheme (as set out in sub-paragraph (18)(v) of Appendix I in this circular), the grantee may exercise the Option at any time on or before the date which is 1 month after the date of cessation in accordance with the provisions of Clause 6.2 in the Existing Share Option Scheme up to his/her entitlement at the date of cessation to the extent not already exercised, whereas under such circumstance, the grantee may exercise the Option at any time before the date of cessation in accordance with the provisions of Clause 6.2 in the New Share Option Scheme up to his/her entitlement as at the date before the date of cessation to the extent not already exercised;
- (5) The date on which the grantee ceases to be an Eligible Person by reason of resignation; retirement; expiry of employment contract or consultancy contract; or termination of employment at common law or pursuant to any applicable laws or under the grantee’s service contract with the Company or the relevant subsidiary were not specified under the Existing Share Option Scheme, whereas such dates are specified under the New Share Option Scheme; and
- (6) Under the Existing Share Option Scheme, any cancellation of Options granted but not exercised shall require approval of members of the Company in general meeting, and the relevant grantees and their respective associates shall abstain from voting. Any vote taken at the general meeting of the Company for approving such cancellation shall be taken by poll. Under the New Share Option Scheme,

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## LETTER FROM THE BOARD

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any cancellation of the Options granted but not exercised shall require approval of the Board, and the relevant grantees and their respective associates shall abstain from voting. The events of cancellation of the Options granted but not exercised include but not limited to the Eligible Person, in relation to his/her employment/appointment: (i) wilfully disobeying a lawful and reasonable order; (ii) misconducting himself/herself; (iii) being guilty of fraud or dishonesty; or (iv) being habitually neglectful in his/her duties.

The New Share Option Scheme is conditional upon:

- a) the passing of ordinary resolution by the Shareholders at the EGM to (1) approve and adopt the New Share Option Scheme; (2) authorise the Board to grant Options under the New Share Option Scheme; and (3) authorise the Board to allot and issue Shares pursuant to the exercise of any Options to be granted pursuant to the New Share Option Scheme; and
- b) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares to be allotted and issued upon the exercise of the Options to be granted under the New Share Option Scheme.

Under the New Share Option Scheme, the Board may during the life of the New Share Option Scheme 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 subscribe for such number of Shares as the Board may determine at the Subscription Price. The Board may also at its discretion specify any conditions which must be satisfied before the Option may be exercised in the offer letter whereby the Option is offered. The Board believes that this will provide the Board with more flexibility in setting the terms and conditions of the Options under particular circumstances of each grant and facilitate the Board's aim to offer meaningful incentive to attract and retain quality personnel that are valuable to the development of the Group. Accordingly, the Directors consider that it is in the interest of the Company to adopt the New Share Option Scheme. The Board currently does not have a concrete plan to grant any Options to any of the Eligible Persons upon the adoption of the New Share Option Scheme. The Board will from time to time consider whether to grant any Options to the Eligible Persons based on a number of factors, including, *inter alia*, the Group's overall financial performance, the Eligible Persons' individual performance and their contribution to the revenue, profits or business development of the Group.

Subject to the obtaining of Shareholders' approval with respect to the adoption of the New Share Option Scheme at the EGM, the aggregate number of Shares which may be issued upon exercise of all the Options to be granted under the New Share Option Scheme and any other schemes adopted by the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the date of approval of the New Share Option Scheme, unless the Company obtains a fresh approval from Shareholders to renew the 10% limit, provided, *inter alia*, that the maximum aggregate number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other schemes of the Company must not exceed 30% of the

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## LETTER FROM THE BOARD

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total number of Shares in issue from time to time. As at the Latest Practicable Date, there were 4,345,376,807 Shares in issue. Assuming that (1) there is no change in the total number of Shares in issue from the Latest Practicable Date up to and including the date of the EGM and (2) the Existing Share Option Scheme will be terminated by resolution at the EGM, the maximum number of Shares which may be issued upon exercise of all the Options to be granted under the New Share Option Scheme, if adopted, will be 434,537,680 Shares, representing approximately 10% of the issued Shares as at the Latest Practicable Date. There were 183,350,000 outstanding Options granted but not yet exercised under the Existing Share Option Scheme, representing approximately 4.22% of the issued Shares as at the Latest Practicable Date. Therefore, the maximum aggregate percentage of such number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and the Existing Share Option Scheme is 14.22% which does not exceed 30% of the total number of Shares in issue as at the Latest Practicable Date.

The Board considers that it is not appropriate to state the value of the Options that can be granted under the New Share Option Scheme as if they had been granted at the Latest Practicable Date given that the variables which are crucial for the calculation of the value of such Option cannot be determined. In addition, any such valuation will have to be made on the basis of certain option pricing model or other methodology, which depends on various assumptions and variables. The variables which are critical for the determination of the value of such Options include the Subscription Price payable for the Shares upon the exercise of the Options, whether or not Options will be granted under the New Share Option Scheme, and if so, the number of Options to be granted and the timing of granting such Options, the period during which the Options may be exercised, the discretion of the Board to impose any minimum periods for which an Option has to be held and/or any minimum performance targets that have to be achieved before the Options can be exercised and any other conditions that the Board may impose with respect to the Options and whether or not such Options, if granted, will be exercised by the holders of the Options. Accordingly, the Board believes that any calculation of the value of the Options based on a number of speculative assumptions will not be meaningful and may be misleading to Shareholders in the circumstances.

No trustee will be appointed under the New Share Option Scheme.

The New Share Option Scheme will be administered by the Board. None of the Directors is a trustee of the New Share Option Scheme nor has a direct or indirect interest in the trustee.

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

The Company will comply with the applicable requirements under Chapter 23 of the GEM Listing Rules in respect of the operation of the New Share Option Scheme.

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## LETTER FROM THE BOARD

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A summary of the principal terms of the New Share Option Scheme is set out in the Appendix I to this circular. A copy of the New Share Option Scheme will be available for inspection at the head office and principal place of business of the Company in Hong Kong at Units 01–03, 25/F., Corporation Park, 11 On Lai Street, Shatin, New Territories, Hong Kong during normal business hours from 9:30 a.m. to 5:30 p.m. (except Saturdays, Sundays and gazetted public holidays in Hong Kong) from the date of this circular up to and including the date of the EGM and at the EGM.

### **EGM**

The notice convening the EGM to be held at Units 01–03, 25/F., Corporation Park, 11 On Lai Street, Shatin, New Territories, Hong Kong on Wednesday, 9 June 2021 at 11:00 a.m. is set out on pages 28 to 30 of this circular.

At the EGM, ordinary resolutions will be proposed to the Shareholders to approve the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme. Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of the Shareholders at the EGM must be taken by poll except where the chairman of the EGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolutions to be considered and, if thought fit, passed at the EGM will be voted by way of poll by the Shareholders.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders has a material interest in the proposed adoption of the New Share Option Scheme and, therefore, no Shareholder is required to abstain from voting at the EGM on the resolutions as set out in the notice of the EGM.

A form of proxy for use at the EGM is enclosed with this Circular. Whether or not you are able to attend the EGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Standard Limited at Level 54, 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 appointed for the holding of the EGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof. An announcement on the results of the EGM will be made by the Company following the EGM in accordance with the GEM Listing Rules.

### **RECOMMENDATION**

The Board is of the view that the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme are in the interest of the Company and the Shareholders as a whole, and therefore recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

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## LETTER FROM THE BOARD

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### RESPONSIBILITY STATEMENT

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

### GENERAL INFORMATION

Your attention is drawn to the general information set out in the Appendix to this circular.

Yours faithfully,  
By Order of the Board  
**Sinopharm Tech Holdings Limited**  
國藥科技股份有限公司  
**CHAN Ting**  
*Chairperson*

*The following is a summary of the principal terms of the New Share Option Scheme proposed to be approved by the Shareholders at the EGM:*

### **1. PURPOSE**

The purpose of the New Share Option Scheme is to enable the Group to grant the Options to selected Eligible Persons as incentives or rewards for their contribution to the Group. The New Share Option Scheme will provide the Eligible Persons with an opportunity to acquire proprietary interests in the Company with the view to achieving the following principal objectives:

- (i) motivate the Eligible Persons (in case of the Eligible Employees) to optimise their performance and efficiency for the benefit of the Group;
- (ii) attract and retain or otherwise maintain ongoing business relationship with the Eligible Persons (in case of the Eligible Consultants) whose contributions are, will be or are expected to be beneficial to the Group; and
- (iii) align the interests of the Eligible Persons with the Shareholders.

### **2. WHO MAY JOIN**

On and subject to the terms of the New Share Option Scheme, the Board shall be entitled but shall not be bound at any time during the Term (as hereinafter defined) to make an offer to any Eligible Person, as the Board may in its absolute discretion select, to subscribe for such number of Shares as the Board may determine at the Subscription Price.

Under the New Share Option Scheme, the Directors are entitled, at its discretion, to determine the eligibility of the Eligible Persons, such as performance conditions, or targets to be achieved, including individual performance, time commitment, responsibilities and employment conditions according to the prevailing market practice and industry standard (in case of the Eligible Employees), and potential and/or actual contribution to the business affairs of and benefits to the Group (in case of the Eligible Consultants) during the financial year. Such determination may vary on a case by case basis but no such term(s) shall be imposed and the result of which will be to the advantage of the Eligible Persons.

### **3. MAXIMUM NUMBER OF SHARES**

The total number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under this New Share Option Scheme and any other schemes must not exceed 30% of the Shares in issue from time to time. The total number of Shares which may be issued upon exercise of all the Options to be granted under the New Share Option Scheme and any other scheme must not in aggregate exceed 10% of the Shares in issue as at the date of approval of the New Share Option Scheme, provided that Options lapsed in accordance with the terms of the New Share Option Scheme will not be counted for the purpose of calculating the 10% limit.

Subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the GEM Listing Rules from time to time, the Board may:

- (i) refresh this 10% limit at any time to 10% of the Shares in issue as at the date of the approval by the Shareholders in general meeting; and/or
- (ii) grant Options beyond the 10% limit to participants specified by the Company before such approval is sought provided that a circular containing a generic description of the identified participants, the number and terms of the Options to be granted, the purpose of granting the Options to the identified participants and how these Options serve such purpose shall be despatched together with the notice of the relevant general meeting.

#### **4. MAXIMUM NUMBER OF OPTIONS TO ANY ONE INDIVIDUAL**

The total number of Shares issued and to be issued upon exercise of the Options granted and to be granted to an Eligible Person (including exercised, cancelled and outstanding Options) in any 12-month period up to the date of grant to each Eligible Person shall not exceed 1% of the Shares in issue, and any further grant of Options in excess of such limit shall be approved by the Shareholders in general meeting with such Eligible Person and his/her close associates (or his associates if the participant is a connected person) abstaining from voting.

The maximum number of Shares referred above may be adjusted in such manner as the auditors of the Company (acting as experts and not as arbitrators) shall certify in writing to be fair and reasonable, in the event of any alteration in the capital structure of the Company whether by way of capitalisation of profits or reserves, rights issue, consolidation, sub-division or reduction or similar reorganisation of the share capital of the Company or otherwise howsoever.

#### **5. TIME OF EXERCISE OF OPTION AND DURATION OF THE SHARE OPTION SCHEME**

The Option may (and may only) be exercised by the grantee at any time during the Option Period in accordance with the terms of the New Share Option Scheme.

The New Share Option Scheme will remain in force for a period of ten years commencing on the Adoption Date (the “**Term**”) after which period no further Options will be issued but the provisions of this New Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of this New Share Option Scheme. Options complying with the provisions of Chapter 23 of the GEM Listing Rules which are granted during the Term may continue to be exercisable in accordance with their terms of issue after the end of the Term.

**6. PERFORMANCE TARGET**

Unless the Board otherwise determined and stated in the offer of grant of Options, an Eligible Person to whom any Option is granted is not required to achieve any performance target (or any other target of similar nature) before any exercise of his/her Option.

**7. TIME OF ACCEPTANCE**

An Offer shall be deemed to have been accepted when the duplicate of the offer letter 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 favour of the Company of One Hong Kong Dollar (HK\$1.00) by way of consideration for the grant thereof, is received by the Company within 21 days from the date on which the offer letter is delivered to that Eligible Person.

**8. SUBSCRIPTION PRICE**

The Subscription Price shall be a price determined by the Board at its absolute discretion and notified to an Eligible Person provided that it shall be no less than the par value of the Shares and the higher of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant of the Option, which must be a Business Day; and
- (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the date of grant of the relevant Option.

**9. GRANTING OPTIONS TO CONNECTED PERSONS**

Any grant of Options to a connected person or its associates must be approved by all the independent non-executive Directors (excluding an independent non-executive Director who is the grantee of the Options).

Where any grant of Options to a substantial shareholder of the Company (as defined under the GEM Listing Rules) or an independent non-executive Director or their respective associates will result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant representing in aggregate more than 0.1% of the Shares in issue and having an aggregate value, based on the closing price of the Shares at the date of each grant, over HK\$5,000,000.00, such further grant of Options or any change in the terms of Options granted to such Eligible Person must be approved by Shareholders in general meeting taken on a poll.



For the purpose of and in connection with the convening of the general meeting of the Company for considering and (if so thought fit) approving such proposed grant of Options, the connected person involved, his/her associates and all other core connected persons of the Company shall be required to abstain from voting in favour at such general meeting, except where any connected person may vote against the resolution provided that their intention to do so has been stated in the relevant circular to the Shareholders. The Company must send a circular to the Shareholders. The circular must contain:

- (a) details of the number and terms (including the Subscription Price) of the Options to be granted to each Eligible Person, which must be fixed before the Shareholders' meeting, and the date of Board meeting for proposing such further grant is to be taken as the date of grant for the purpose of calculating the Subscription Price under note (1) to rule 23.03(9) of the GEM Listing Rule;

*Note:* The description of the terms of the Options must include the information required under rules 23.03(5) to 23.03(10) of the GEM Listing Rule.

- (b) a recommendation from the independent non-executive directors of the Company (excluding independent non-executive director who is the grantee of the Options) to the independent Shareholders as to voting;
- (c) the information required under rules 23.02(2)(c) and (d) and the disclaimer required under rule 23.02(4) of the GEM Listing Rule; and
- (d) the information required under rule 2.28 of the GEM Listing Rule.

#### **10. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS**

The grant of the Options must not be made after a price sensitive development has occurred or a price sensitive matter has been the subject of a decision, until such inside information has been announced pursuant to the requirements of Chapter 16 of the GEM Listing Rules. In particular, during the period of one month immediately preceding the earlier of:

- (i) the date of meeting of the Board (as such date is first notified to the Stock Exchange in accordance with Rule 17.48 of the GEM Listing Rules) for the approval of the Company's results for any year, half-year or quarter-year period or any other interim period; and
- (ii) the deadline for the Company to publish an announcement of its results for any year, half year or quarter-year period under Rules 18.49, 18.78 or 18.79 of the GEM Listing Rules or any other interim period,

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

**11. RIGHTS ON CEASING EMPLOYMENT OR DEATH**

Subject as hereinafter provided, the Option may (and may only) be exercised by the grantee at any time during the Option Period, provided that:

- (i) in the event of the grantee ceasing to be an Eligible Person for any reason in sub-paragraph (18)(vii)(a) to (f) other than on his/her death or the termination of his/her employment or engagement (as the case may be) on one or more of the grounds specified in sub-paragraph (12), the grantee may (if the date of cessation of employment or engagement is on or after the commencement date) exercise the Option at any time before the date of cessation up to his/her entitlement as at the date before the date of cessation to the extent not already exercised; and
- (ii) in the event the grantee dies before exercising the Option in full and none of the events which would be a ground for termination of his/her employment or engagement (as the case may be) in sub-paragraph (12) arises, the personal representative of the grantee shall be entitled within a period of 12 months from the date of death of the grantee to exercise the Option up to the entitlement of such grantee as at the date of death in part or in full (to the extent not already exercised even though the Option Period has not come into effect).

**12. RIGHTS ON DISMISSAL**

An Option shall lapse automatically and shall not be exercisable (to the extent not already exercised) on the date on which the grantee ceases to be an Eligible Person by reason of the termination of his/her employment or engagement (as the case may be) on the grounds that he/she has been guilty of persistent or serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his/her debts or has become insolvent or has made any arrangement or composition with his/her creditors generally, or has been convicted of any criminal offence which in the absolute opinion of the Directors involves his/her integrity or honesty or brings the grantee or the Company and/or its subsidiaries into disrepute).

**13. RIGHTS ON TAKEOVER**

If a general offer by way of takeover is made to all the Shareholders (or all such Shareholders other than the offeror, any person controlled by the offeror and any person acting in association or concert with the offeror) and such offer is made unconditional or becomes or is declared unconditional prior to the expiry date of the relevant Option, the grantee shall be entitled to exercise the Option in full (to the extent not already exercised even though the Option Period has not come into effect) at any time within 14 days after the date of the announcement of an unconditional offer or within three days after a conditional offer becomes or is declared unconditional (as the case may be) provided that the grantee may only exercise any Option under this clause when the offer is unconditional.

If a general offer by way of scheme of arrangement is made to all the holders of Shares with this New Share Option Scheme having been approved by the necessary number of holders of Shares at the requisite meetings, the grantee may thereafter (but before such time as shall be notified by the Company) exercise the Option (to the extent not already exercised even though the Option Period has not come into effect) to its full extent or to the extent specified in such notice.

#### **14. RIGHTS ON WINDING-UP**

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 by notice in writing to the Company prior to the date on which such resolution is passed (such notice to be received by the Company not later than four Business Days prior to the date of the proposed general meeting) exercise the Option (to the extent not already exercised even though the Option Period has not come into effect) either to its full extent or to the extent specified in such notice and the Company shall as soon as possible and in any event no later than the day immediately prior to the date of the proposed general meeting, allot and issue such number of Shares to the grantee which falls to be issued on such exercise.

#### **15. RIGHTS ON COMPROMISE OR ARRANGEMENT BETWEEN THE COMPANY AND ITS SHAREHOLDERS OR CREDITORS**

In the event of a compromise or arrangement between the Company and its Shareholders or creditors being proposed in connection with the New Share Option Scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all grantees on the same day as it gives notice of the meeting to its Shareholders or creditors to consider such a scheme or arrangement and the grantee may by notice in writing to the Company accompanied by the remittance for the exercise price in respect of the relevant Option (such notice to be received by the Company not later than two Business Days prior to the date of the proposed meeting) exercise the Option (to the extent not already exercised even though the Option Period has not come into effect) either to its full extent or to the extent specified in such notice, and the Company shall as soon as possible and in any event no later than the day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the grantee which falls to be issued on such exercise credited as fully paid and registered the grantee as holder thereof.

#### **16. RANKING OF SHARES**

The Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the articles of association of the Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue as from the date when the name of the grantee is registered on the register of members of the Company and accordingly will entitle the holders thereof to participate in all dividends or other distributions (including distributions made upon the liquidation of the Company) paid or made on or after the date when the name of grantee is registered on the register of members

of the Company other than any dividend or other distributions previously declared or recommended or resolved to be paid or made if the record date therefore shall be before the date when the name of grantee is registered on the register of members of the Company, provided always that if the date of exercise of the Option falls on a date upon which the register of members of the Company is closed, then the exercise of the Option shall become effective on the first Business Day on which the register of members of the Company is reopened. A Share allotted upon the exercise of an Option shall not carry any voting rights until the name of the grantee has been duly entered into the register of members of the Company as the holder thereof.

#### **17. EFFECT OF ALTERATIONS TO CAPITAL**

In the event of a reorganisation or proposed reorganisation, which means any (i) compromise or arrangement; or (ii) offer for Shares which if successful would entitle the offeror to acquire all of the Shares or all of one or more particular class(es) of Shares to which the offer relates, the Company, at its option, may do either of the following:

- (a) the Company may irrevocably commute for or into any other security or other property or cash any Option that is still capable of being exercised, upon giving to the grantee to whom such Option has been granted at least 21 days' written notice of its intention to commute the Option, and during such period of notice, the Option, to the extent that it has not been exercised, may be exercised by the grantee by notice in writing to the Company (to the extent not already exercised even though the Option Period has not come into effect) either to its full extent or to the extent specified in such notice and on the expiry of such period of notice, the unexercised portion of the Option shall lapse and be cancelled without further effect; or
- (b) the Company or any company which is or would be the successor to the Company or which may issue securities in exchange for Shares upon the reorganisation becoming effective, may offer any grantee the opportunity to obtain a new or replacement option over any securities into which the Shares are changed or are convertible or exchangeable, on a basis proportionate to the number of Shares under option. In such event, the grantee shall, if the grantee accepts such offer, be deemed to have released such grantee's Option over Shares and such Option shall be deemed to have lapsed without further effect.

#### **18. LAPSE OF OPTION**

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

- (i) the expiry of the relevant Option Period referred to in sub-paragraph (5);
- (ii) the expiry of the periods referred to in sub-paragraphs (14) or (15);

- (iii) subject to the High Court of Hong Kong not making an order prohibiting the offeror to acquire the remaining Shares in the offer, the expiry of the period referred to in sub-paragraph (13);
- (iv) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in sub-paragraph (13);
- (v) the date of notification on which the grantee ceases to be an Eligible Person by reason of the termination of his/her employment or engagement (as the case may be) on the grounds that he/she has been guilty of persistent or serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his/her debts or has become insolvent or has made any arrangement or composition with his/her creditors generally, or has been convicted of any criminal offence which in the absolute opinion of the directors of the Company involves his/her integrity or honesty or brings the grantee or the Company and/or its subsidiaries into disrepute);
- (vi) the date which is 12 months after the date on which the grantee ceases to be an Eligible Person by reason of death;
- (vii) the date on which the grantee ceases to be an Eligible Person by reason of:
  - (a) resignation (the date of ceasing to be the Eligible Person under this sub-paragraph (18)(vii)(a) shall be the date of resignation letter);
  - (b) retirement (the date of ceasing to be the Eligible Person under this sub-paragraph (18)(vii)(b) shall be the last date of employment);
  - (c) (1) expiry of employment contract or consultancy contract; or (2) termination of the consultant's service as unnecessary at the Board's discretion (as the case may be) (the date of ceasing to be the Eligible Person under this sub-paragraph (18)(vii)(c)(2) shall be the date of notification of termination by the Company or the relevant subsidiary of the Company);
  - (d) being on any other ground on which an employer would be entitled to terminate his/her employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Company or the relevant subsidiary of the Company (the date of ceasing to be the Eligible Person under this sub-paragraph (18)(vii)(d) shall be the date of notification of termination by the Company or the relevant subsidiary of the Company);
  - (e) the company by which he/she is employed and/or of which he/she is a director (if not the Company) or to which he/she is engaged (whether directly or indirectly) (as the case may be) ceasing to be a subsidiary; or

- (f) at the discretion of the Board, any reason other than the reasons described in sub-paragraphs (18)(v) or (vi) or (vii)(a) to (e).

Provided that (1) transfer of employment from one company in the Group to another company in the all not be considered a cessation of employment; and (2) it shall not be considered a cessation of employment if a grantee is placed on such leave of absence as considered by the relevant company in the Group as the employment relationship continuing intact.

A resolution of the Directors to the effect that the employment or engagement (as the case may be) of a grantee has or has not been terminated on one or more of the grounds specified in sub-paragraph (18)(vii) shall be conclusive and binding on a grantee;

- (viii) the date of the commencement of the winding-up of the Company; and

- (ix) the date on which the grantee commits a breach of sub-paragraph (21).

## **19. CANCELLATION OF OPTIONS**

Any cancellation of the Options granted but not exercised shall require approval of the Board, and the relevant grantees and their respective associates shall abstain from voting. The events of cancellation of the Options granted but not exercised include but not limited to the Eligible Person, in relation to his/her employment/appointment: (i) wilfully disobeying a lawful and reasonable order; (ii) misconducting himself/herself; (iii) being guilty of fraud or dishonesty; or (iv) being habitually neglectful in his/her duties. Where the Company cancels the Options and issues new ones to the same option holder, the issue of such new Options may only be made under the New Share Option Scheme with available unissued Options (excluding the cancelled Options) within the limit approved by the Shareholders as mentioned in sub-paragraph (4).

## **20. TERMINATION OF THE SHARE OPTION SCHEME**

The Company by an ordinary resolution in general meeting may at any time terminate the operation of the New Share Option Scheme before the end of its life and in such event no further Options will be offered and all remaining options that have yet to be granted will become void or non-exercisable, but in all other respects the provisions of the New 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 New Share Option Scheme and Options granted prior to such termination shall continue to be valid and exercisable in accordance with this New Share Option Scheme.

**21. TRANSFERABILITY OF OPTIONS**

Except for a transfer to an offeror pursuant to an offer made in accordance with the Hong Kong Code on Takeover and Mergers, an Option shall be personal to the grantee and shall not be assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do. Any breach of the foregoing by a grantee shall entitle the Company to cancel any Option or part thereof granted to such grantee to the extent not already exercised.

**22. ALTERATION OF THE SHARE OPTION SCHEME**

The Board may from time to time at its absolute discretion waive or amend any terms of the New Share Option Scheme provided that the Board may not amend the following provisions without the prior sanction of the Company in general meeting with the Eligible Persons and their respective associates abstaining from voting:

- (i) any of the provisions relating to the matters contained in Rule 23.03 of the GEM Listing Rules to the advantage of participants of this New Share Option Scheme;
- (ii) any terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of the Options granted except where the alterations take effect automatically under the terms of this New Share Option Scheme; and
- (iii) any change to the authority of the Board in relation to any alteration to the terms of this New Share Option Scheme.

The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 23 of the GEM Listing Rules.

**23. CONDITION OF THE SHARE OPTION SCHEME**

The New Share Option Scheme shall take effect subject to and is conditional on:

- (i) the passing of ordinary resolution by the Shareholders at the EGM to (1) approve and adopt the New Share Option Scheme; (2) authorise the Board to grant Options under the New Share Option Scheme; and (3) authorise the Board to allot and issue Shares pursuant to the exercise of any Options to be granted pursuant to the New Share Option Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares to be allotted and issued upon the exercise of the Options to be granted under the New Share Option Scheme.

**DETAILS OF THE ELIGIBLE CONSULTANTS WHO WERE GRANTED THE  
OPTIONS IN 2019 UNDER THE EXISTING SHARE OPTION SCHEME**

The 90,800,000 outstanding Options granted on 14 August 2019 and accepted by the 13 Eligible Consultants shall be exercisable in stages from 1 January 2020 up to 31 December 2022. To the best of the Directors' knowledge, information and belief, the details of these 13 Eligible Consultants, namely from Consultant A to Consultant M, all of whose relationships with the Company are recurring during their option period, are as follows:

Consultant A was an ex-government official from Ministry of Civil Affairs and has extensive connections and resources with state-owned enterprises (the "SOE") and government. The Company considered that Consultant A will be responsible for lining up the cooperation with Zhong Wei Hua Xin Fund Management Co., Ltd and China Tobacco in non-tobacco business and the business related advisory. 8,000,000 Options were granted to Consultant A.

Consultant B is veteran in China sport lottery and China sport industries and has extensive connections and resources in sport industry and experience in sport lottery. The Company considered that Consultant B will be responsible for lining up the cooperation with Beijing Sport University and cooperation with Sport Lottery Centres. 8,000,000 Options were granted to Consultant B.

Consultant C is the head of village in northern part of Hong Kong and business advisor for one of the largest chain operation pharmaceutical companies in Hong Kong. The Company considered that Consultant C will be responsible for the planning, basic infrastructure installation and procuring sales channel for traditional Chinese medicine for the traditional Chinese medicine plantation base in southern part of China. 13,000,000 Options were granted to Consultant C.

**E-commerce business — JD.com**

Consultant D has extensive connections and relationship with JD.com. Based on the contribution in the business with JD.com and maintaining the relationship with JD.com, the Company considered that Consultant D will provide the advice to the business and all necessary assistance in relation to the contract. 4,900,000 Options were granted to Consultant D.

**Acquisition for Sinopharm Health Cross Border E-Commerce Company Limited and comprehensive healthcare platform**

Consultant E is veteran in SOE, has been holding senior position in SOE for over 20 years, and is experienced in merger and acquisition, strategic planning and coordination, business development and SOE operation and approval process. Based on the contribution in successful coordination and preparation to assist in going through all the necessary approval process with China National Pharmaceutical Group to get their approval on the acquisition transaction of Sinopharm Health Cross Border E-Commerce Company Limited,



the Company considered that Consultant E will provide the advice to the business and all necessary assistance in relation to the contract. 4,000,000 Options were granted to Consultant E.

Consultant F has extensive connection and experience in handling acquisition related issue. Based on the contribution in coordinating, providing assistance and preparation work for the board of directors of Sinopharm Traditional Chinese Medicine Co., Ltd. to approve the transaction for the acquisition of Sinopharm Health Cross Border E-Commerce Company Limited, the Company considered that Consultant F will provide the advice to the business and all necessary assistance in relation to the contract. 4,900,000 Options were granted to Consultant F.

Consultant G has held senior position in SOE over 20 years, is well connected and experienced in cooperation with SOE. Based on the contribution in coordinating the cooperation with Sinopharm Traditional Chinese Medicine Co., Ltd., China Tobacco and Zhong Wei Hua Xin Fund Management Co., Ltd, the Company considered that Consultant G will provide the advice to the business and all necessary assistance in relation to the contract. 4,900,000 Options were granted to Consultant G.

Consultant H is well connected with the suppliers in various types of products during his past working experience. Based on the contribution in sourcing the supplier for the cross border e-commerce business and maintaining the relationship, the Company considered that Consultant H will provide the advice to the business and all necessary assistance in relation to the contract. 4,900,000 Options were granted to Consultant H.

Consultant I is experienced in PRC health system and information technology solution for healthcare for over 20 years. Based on the contribution in provision of the planning and overall requirement of the comprehensive health platform for Sinopharm Traditional Chinese Medicine Co., Ltd., the Company considered that Consultant I will provide the advice to the business and all necessary assistance in relation to the contract. 4,900,000 Options were granted to Consultant I.

Consultant J is experienced in marketing and operation for health related business. Based on the contribution in coordinating the cooperation with Sinopharm Traditional Chinese Medicine Co., Ltd, Zhong Wei Hua Xin Fund Management Co., Ltd and the Company on smart convenience store project and health related cooperation, the Company considered that Consultant J will provide the advice to the business and all necessary assistance in relation to the contract. 2,500,000 Options were granted to Consultant J.

Consultant K is experienced in track and trace solution for medicine. Based on the contribution in provision of the planning and guidance for the track and trace function of the comprehensive health platform for Sinopharm Traditional Chinese Medicine Co., Ltd., the Company considered that Consultant K will provide the advice to the business and all necessary assistant in relation to the contract. 2,500,000 Options were granted to Consultant K.

Consultant L, a founder and owner of an information technology solution company for internet plus government affairs, which served over hundreds of government clients, and with extensive connections and resources in business and government sector in PRC, he is well connected with Sinopharm Traditional Chinese Medicine Co., Ltd.. Based on the contribution in successfully introducing and endeavoring Sinopharm Health Cross Border E-Commerce Company Limited to contract with Sinopharm Traditional Chinese Medicine Co., Ltd. for the construction of comprehensive healthcare platform, the Company considered that Consultant L will provide the advice to the business and all necessary assistant in relation to the contract. 25,800,000 Options were granted to Consultant L.

Consultant M is the General Manager for an investment group in China which targeted to invest in various industries from finance, utilities, information technology to property industries. Consultant M was a former senior consultant for a European investment bank and experienced in project acquisition and operation worldwide. Based on the contribution to assist Sinopharm Traditional Chinese Medicine Co., Limited for the transaction structure and preparation work from Sinopharm Traditional Chinese Medicine Co., Limited in regards to the acquisition transaction of Sinopharm Health Cross Border E-Commerce Company Limited, the Company considered that Consultant M will provide the advice to the business and all necessary assistance in relation to the contract. 2,500,000 Options were granted to Consultant M.

#### **DETAILS OF THE ELIGIBLE CONSULTANTS WHO WERE GRANTED THE OPTIONS FROM YEAR 2013 TO 2015 UNDER THE EXISTING SHARE OPTION SCHEME**

The Company also granted from year 2013 to 2015 185,560,000 Options which were exercised or lapsed under the Existing Share Option Scheme to 27 Eligible Consultants other than the 90,800,000 outstanding Options. These 27 Eligible Consultants were different from those 13 Eligible Consultants, namely from Consultant A to Consultant M. To the best of the Directors' knowledge, information and belief, the details of these 27 Eligible Consultants, namely from Consultant 1 to Consultant 27, all of whose relationships with the Company were recurring during their option period and have not been recurring since then, are as follows:

##### **Catering business in Hong Kong**

Consultant 1 had extensive experience in catering industries, supply chain management and chain operation while Consultant 2 was experienced in catering industries in finance scope and operation management. The Company considered that they would be able to make use of their experience to formulate operation recommendation for catering business in Hong Kong. After share subdivision of the Company becoming effective on 17 December 2014, 400,000 Options and 80,000 Options were granted to Consultant 1 and Consultant 2 respectively on 10 December 2013.

**Guizhou project — land and property development in Guizhou Dalong Economic Development Zone**

Consultant 3 had extensive connections and networks in Guizhou. She has been doing business in Guizhou since 2003. The Company considered that Consultant 3 would be able to make use of her experience, connections and resources in Guizhou to formulate operation recommendation for Guizhou project. After share subdivision of the Company becoming effective on 17 December 2014, 1,040,000 Options were granted to Consultant 3 on 10 December 2013.

**Huai Lai, Hebei project — property development in Huai Lai**

Consultant 4 was experienced and had extensive government and local connections in Hebei where the project situated in due to his past working experience. The Company considered that Consultant 4 would be able to make use of his experience, connections and resources in Hebei to formulate operation recommendation for Huai Lai, Hebei project. After share subdivision of the Company becoming effective on 17 December 2014, 1,000,000 Options were granted to Consultant 4 on 10 December 2013.

**Shuang Liao, Jilin project — plantation and manufacturing for natural organic product in Shuang Liao**

Consultant 5 was an ex-government official of Jilin local government, had extensive connections and was experienced in government procedures. The Company considered that Consultant 5 would be able to make use of his past working experience to formulate operation recommendation for Shuang Liao, Jilin project. After share subdivision of the Company becoming effective on 17 December 2014, 240,000 Options were granted to Consultant 5 on 10 December 2013.

**Contract with lottery centres in China**

Consultant 6, Consultant 7, Consultant 8 and Consultant 9 were well connected with business sectors and government sectors in Sichuan, Heilongjiang, Xinjiang and Guizhou respectively. The Company considered that they would be able to make use of their connection to get the Company among the Group to sign contract with Sichuan Sport Lottery Centre; Heilongjiang Welfare Lottery Centre, Bank of Harbin and Bank of Longjiang; Xinjiang Welfare Lottery Centre; and Guizhou Welfare Lottery Centre respectively. After share subdivision of the Company becoming effective on 17 December 2014, 4,000,000 Options, 3,600,000 Options, 2,000,000 Options and 2,000,000 Options were granted to Consultant 6, Consultant 7, Consultant 8 and Consultant 9 respectively on 10 December 2013.

Consultant 10 was well connected and had rich resources with business sectors and government sectors in Yunan. The Company considered that Consultant 10 would be able to make use of her connection to get the Company among the Group to sign contract with

Yunan Welfare Lottery Centre. After share subdivision of the Company becoming effective on 17 December 2014, 2,000,000 Options were granted to Consultant 10 on 10 December 2013.

Consultant 11 was experienced and had long term relationship with Zhejiang Welfare Lottery Centre. The Company considered that Consultant 11 would be able to make use of his connection to get the Company among the Group to sign contract with Zhejiang Welfare Lottery Centre. After share subdivision of the Company becoming effective on 17 December 2014, 2,000,000 Options were granted to Consultant 11 on 10 December 2013.

Consultant 12 was well connected and had rich resources with business sectors and government sectors in northern part of China. The Company considered that Consultant 12 would be able to make use of his connection to get the Company among the Group to sign contract with Shandong and Inner Mongolia Welfare Lottery Centre. After share subdivision of the Company becoming effective on 17 December 2014, 6,000,000 Options were granted to Consultant 12 on 10 December 2013.

#### **Proposal and plan for nationwide self-service lottery sales business**

Consultant 13 was a veteran government official, experienced in analyzing and strategically planning according to the government policy direction. The Company considered that Consultant 13 would be able to make use of his connection and knowledge to formulate a proposal and plan for nationwide self-service lottery sales business. After share subdivision of the Company becoming effective on 17 December 2014, 24,000,000 Options were granted to Consultant 13 on 10 December 2013.

Consultant 14 and Consultant 15 were well connected and had rich resources with business sectors and government sectors in southern and western parts of China respectively. The Company considered that they would be able to make use of their connection and knowledge to formulate a proposal and plan for nationwide self-service lottery sales business. After share subdivision of the Company becoming effective on 17 December 2014, 24,000,000 Options and 24,000,000 Options were granted to Consultant 14 and Consultant 15 respectively on 10 December 2013.

#### **Postal Saving Bank of China**

Consultant 16 and Consultant 17 were well connected and experienced in doing business with SOE and government department in China. The Company considered that Consultant 16 would be able to make use of his experience and connection to sign contract with the Postal Saving Bank of China and contracts with 5 different provincial welfare lottery centres, and that Consultant 17 would be able to make use of her experience and connection to sign contract with the Postal Saving Bank of China. After share subdivision of the Company becoming effective on 17 December 2014, 10,000,000 Options and 10,000,000 Options were granted to Consultant 16 and Consultant 17 respectively on 10 December 2013.

**Business advisory service**

Consultant 18 was a veteran entrepreneur, well connected and had rich resources with business sectors and government sectors. The Company considered that Consultant 18 would be able to provide the advice to the Company on business development strategy. After share subdivision of the Company becoming effective on 17 December 2014, 6,000,000 Options were granted to Consultant 18 on 10 December 2013.

**Lottery business development**

Consultant 19 was an ex-government official, familiar with government policy and planning. The Company considered that Consultant 19 would provide the advice on the execution plan on the nationwide lottery business development. After share subdivision of the Company becoming effective on 17 December 2014, 4,000,000 Options were granted to Consultant 19 on 13 June 2014.

Consultant 20 was experienced in lottery industries and well connected with government sectors. The Company considered that Consultant 20 would provide the advice on the execution plan on the nationwide lottery business development. After share subdivision of the Company becoming effective on 17 December 2014, 2,800,000 Options were granted to Consultant 20 on 13 June 2014.

Consultant 21 was an ex-government official, familiar with government policy and planning. The Company considered that Consultant 21 would provide the advice on the execution plan on the nationwide lottery business development. After share subdivision of the Company becoming effective on 17 December 2014, 1,000,000 Options were granted to Consultant 21 on 13 June 2014.

Consultant 22 was experienced in large-scale operation management in diversified location. The Company considered that Consultant 22 would provide the advice on the execution plan on the nationwide lottery business development. After share subdivision of the Company becoming effective on 17 December 2014, 400,000 Options were granted to Consultant 22 on 13 June 2014.

Consultant 23 and Consultant 24 were information technology solution companies familiar with the self-service POS terminal and the transaction system network infrastructure respectively. The Company considered that they would provide a technical plan for nationwide lottery business. After share subdivision of the Company becoming effective on 17 December 2014, 16,000,000 Options and 16,000,000 Options were granted to Consultant 23 and Consultant 24 respectively on 13 June 2014.

Consultant 25 was well connected in business and government sectors and was experienced in financing arrangement for small to medium sized company. The Company considered that Consultant 25 would be responsible to arrange financing advisory plan for the Company. After share subdivision of the Company becoming effective on 17 December 2014, 3,000,000 Options were granted to Consultant 25 on 13 June 2014.

Consultant 26 was an information technology solution company familiar with the multimedia, multifunction POS terminal design and manufacturing advisory service. The Company considered that Consultant 26 would be responsible for the nationwide supply and distribution of the POS terminal solution. 10,000,000 Options were granted to Consultant 26 on 21 July 2015.

Consultant 27 was an information technology solution company familiar with the multimedia, multifunction LCD display design and manufacturing advisory service. The Company considered that Consultant 27 would be responsible for the nationwide manufacturing, logistic, installation and maintenance of the LCD display business solution. 10,000,000 Options were granted to Consultant 27 on 21 July 2015.



## Sinopharm Tech Holdings Limited

## 國藥科技股份有限公司

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

**(Stock Code: 8156)**

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of the Sinopharm Tech Holdings Limited (the “**Company**”) will be held at Units 01–03, 25/F., Corporation Park, 11 On Lai Street, Shatin, New Territories, Hong Kong on Wednesday, 9 June 2021 at 11:00 a.m., for the purpose of considering and, if thought fit, passing the following resolutions:

#### ORDINARY RESOLUTIONS

1. “**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval of the listing of, and the permission to deal in, the shares in the capital of the Company (the “**Shares**”) falling to be allotted and issued pursuant to the exercise of the options to be granted under the new share option scheme (the “**New Share Option Scheme**”), a copy of which has been produced to the meeting and initialled by the chairman of the meeting for identification purpose, the New Share Option Scheme be and is hereby approved and adopted and the directors 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 New Share Option Scheme, including but without limitation to:
  - (i) to administer the New Share Option Scheme under which options will be granted to the persons eligible under the New Share Option Scheme to subscribe for Shares;
  - (ii) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the terms of the New Share Option Scheme relating to the modification and/or amendment and subject to the requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”);

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## NOTICE OF EGM

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- (iii) to allot and issue from time to time such number of Shares as may be required to be allotted and issued upon the exercise of the options under the New Share Option Scheme and subject to the GEM Listing Rules provided that the total number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other scheme(s) of the Company shall not exceed 10% of the total number of Shares in issue as at the date of passing this resolution (the “**Scheme Mandate Limit**”), but the Company may seek an approval from its shareholders in general meeting to refresh the Scheme Mandate Limit from time to time but provided always that the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other scheme(s) of the Company shall not in aggregate exceed 30% of the total number of Shares in issue from time to time;
- (iv) to make application at appropriate time or times to the Stock Exchange, and any other stock exchanges, if appropriate, for the listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued upon the exercise of the options under the New Share Option Scheme; and
- (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme.”
2. “**THAT** the existing share option scheme of the Company which was adopted by the Company at the extraordinary general meeting held on 31 January 2013 (the “**Existing Share Option Scheme**”) be terminated upon the New Share Option Scheme becoming unconditional such that no further options will be granted under the Existing Share Option Scheme but in all other respects the provisions of the Existing Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Existing Share Option Scheme and options granted prior to such termination shall continue to be valid and exercisable in accordance with the Existing Share Option Scheme.”

By order of the Board  
**Sinopharm Tech Holdings Limited**  
國藥科技股份有限公司  
**CHAN Ting**  
*Chairperson*

Hong Kong, 24 May 2021

*Registered Office:*  
Second Floor, Century Yard  
Cricket Square, P.O. Box 902  
Grand Cayman KY1-1103  
Cayman Islands

*Head office and principal place of  
business in Hong Kong:*  
Units 01–03, 25/F., Corporation Park,  
11 On Lai Street, Shatin  
New Territories, Hong Kong



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## NOTICE OF EGM

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**Notes:**

1. A shareholder of the Company entitled to attend and vote at the EGM (or at any adjournment thereof) is entitled to appoint another person as his/her/its proxy to attend and vote in his/her/its stead in accordance with the articles of association of the Company. A proxy need not be a shareholder of the Company. A form of proxy for use at the EGM is enclosed.
2. In order to be valid, this form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Hong Kong branch share registrar and transfer office of the Company, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the EGM or any adjournment thereof, should he/she/it so wish and in such event, the proxy shall be deemed to be revoked.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of other joint holder(s), and for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of such shares.