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

If you have sold or transferred all your shares in Essex Bio-Technology Limited (“Company”), you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**ESSEX BIO-TECHNOLOGY LIMITED****億勝生物科技有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1061)

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
ELECTION OF A NEW INDEPENDENT NON-EXECUTIVE DIRECTOR,
TERMINATION OF THE EXISTING SHARE OPTION SCHEME,
ADOPTION OF THE NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at Caine Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Admiralty, Hong Kong on Friday, 9 June 2023 at 2:00 p.m. (the “AGM”) is set out on pages 44 to 50 of this circular.

A form of proxy for the AGM is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time of the meeting or any adjournment thereof to the branch share registrar of the Company in Hong Kong, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

30 March 2023

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Caine Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Admiralty, Hong Kong on Friday, 9 June 2023 at 2:00 p.m. (or any adjournment thereof)
“AGM Notice”	the notice convening the AGM set out on pages 44 to 50 of this circular
“Allotment Date”	the date on which the Shares are allotted and issued to a Grantee pursuant to the exercise of an Option granted and exercised under the New Share Option Scheme
“Articles”	the existing articles of association of the Company
“associate”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“business day”	has the meaning ascribed thereto in the Listing Rules
“Category A Participant”	any director of the Company or any of its subsidiaries or any Employee
“Category B Participant”	any director or employee (whether full time or part time) of any of the Related Entities
“Category C Participant”	any person who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including consultants and advisors of the Company with relevant expertise in fields related to biotechnology and capital market, and investor relations consultants, which could provide insights on areas such as investor relations, market development and promotion, technological trends and innovations, as well as management (excluding any placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, and professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity)

DEFINITIONS

“Category C Participant Limit”	the maximum number of Shares which may be issued in respect of all options and awards to be granted to all Category C Participants, under the New Share Option Scheme and other schemes as set out in paragraph 11 of Appendix III to this circular
“chief executive”	has the meaning ascribed thereto in the Listing Rules
“close associates”	has the meaning ascribed thereto in the Listing Rules
“Companies Act”	the Companies Act, Cap 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Essex Bio-Technology Limited (億勝生物科技有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed thereto in the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto in the Listing Rules
“core connected person”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	director(s) of the Company
“Disability”	refers to the situation in which a Grantee is unable to carry out the responsibilities and functions of the position held by the Grantee by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Grantee will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Board in its discretion
“Eligible Participant(s)”	Eligible participant(s) of the New Share Option Scheme as set out in paragraph 2 of Appendix III to this circular

DEFINITIONS

“Employee”	Any employee employed by the Company and/or any of its subsidiaries (whether full time or part time), including persons who are granted Options under the New Share Option Scheme as an inducement to enter into employment contracts with any of such companies
“Exercise Price”	the price per Share at which an Eligible Participant who accepts an offer of the grant of Option in accordance with the terms of the New Share Option Scheme may subscribe for Shares on the exercise of an Option
“Existing Share Option Scheme”	the share option scheme adopted by the Company on 3 May 2013 and expiring on 2 May 2023, as amended and modified from time to time in accordance with its terms
“Extension Mandate”	as defined in paragraph 4 of the “Letter from the Board” contained in this circular
“Grantee”	any Eligible Participant who accepts an offer under the New Share Option Scheme, and where the context permits, any person who is entitled to such Option in consequence of the death of the original Grantee (being an individual)
“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 People’s Republic of China
“Issue Mandate”	as defined in paragraph 4 of the “Letter from the Board” contained in this circular
“Latest Practicable Date”	27 March 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the existing memorandum of association of the Company

DEFINITIONS

“New Share Option Scheme”	the new share option scheme of the Company to be proposed for adoption by the Company at the AGM, the principal terms of which are set out in Appendix III to this circular
“Nomination Committee”	the nomination committee of the Company
“Offer”	an offer by the Company to an Eligible Participant pursuant to the terms and conditions of the New Share Option Scheme
“Option(s)”	right(s) to subscribe for Shares granted or to be granted under the Existing Share Option Scheme or the New Share Option Scheme, as the context requires
“Related Entities”	the Company’s holding companies, fellow subsidiaries and associated companies
“Repurchase Mandate”	as defined in paragraph 4 of the “Letter from the Board” contained in this circular
“Scheme Mandate Limit”	the maximum number of Shares which may be issued in respect of all options and awards to be granted under the New Share Option Scheme and other schemes as set out in paragraph 11 of Appendix III to this circular
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

LETTER FROM THE BOARD



ESSEX BIO-TECHNOLOGY LIMITED

億勝生物科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1061)

Executive Directors:

Mr. Ngiam Mia Je Patrick (*Chairman*)
Mr. Fang Haizhou
Mr. Ngiam Hian Leng Malcolm
Ms. Yau Lai Man

Independent non-executive Directors:

Mr. Fung Chi Ying
Mr. Mauffrey Benoit Jean Marie
Ms. Yeow Mee Mooi

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

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

Room 2818
China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

30 March 2023

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
ELECTION OF A NEW INDEPENDENT NON-EXECUTIVE DIRECTOR,
TERMINATION OF THE EXISTING SHARE OPTION SCHEME,
ADOPTION OF THE NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the AGM relating to, among other matters, the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the re-election of Directors, the election of a new independent non-executive Director, the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme.

LETTER FROM THE BOARD

2. ADOPTION OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND THE REPORTS OF THE DIRECTORS AND THE AUDITORS

The annual report 2022 incorporating the audited consolidated financial statements of the Company and the reports of the Directors and the auditors for the year ended 31 December 2022 will be sent together with this circular to the Shareholders on the same date. The audited consolidated financial statements of the Company have been reviewed by the audit committee of the Company.

3. DECLARATION OF FINAL DIVIDEND

The Board has recommended a final dividend of HK\$0.025 per Share for the year ended 31 December 2022 in cash and such final dividend will be payable on Thursday, 29 June 2023.

The register of members of the Company will be closed from Thursday, 15 June 2023 to Monday, 19 June 2023, both days inclusive, for ascertaining Shareholders' entitlement to the proposed final dividend. During this period, no transfer of Shares will be registered. In order to qualify for the proposed final dividend to be approved at the AGM, all transfers of Shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the branch share registrar of the Company in Hong Kong, Hong Kong Registrars 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 Wednesday, 14 June 2023.

4. GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES

At the AGM, an ordinary resolution will be proposed to approve the granting to the Directors of a general and unconditional mandate to allot, issue or deal with issued Shares up to a maximum of 20% of the aggregate number of Shares in issue as at the date of passing the relevant resolution ("**Issue Mandate**"). As at the Latest Practicable Date, a total of 571,297,000 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Issue Mandate to issue a maximum of 114,259,400 Shares.

At the AGM, an ordinary resolution will also be proposed to approve the granting to the Directors of a general and unconditional mandate to exercise all powers of the Company to repurchase, on the Stock Exchange or on any other stock exchange on which the Shares may be listed, Shares up to a maximum of 10% of the number of Shares in issue as at the date of passing such resolution ("**Repurchase Mandate**"). As at the Latest Practicable Date, a total of 571,297,000 Shares were in issue. Subject to the passing of the proposed resolution granting the Repurchase Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 57,129,700 Shares.

LETTER FROM THE BOARD

In addition, an ordinary resolution will be proposed at the AGM that any Shares repurchased under the Repurchase Mandate (up to a maximum of 10% of the aggregate number of Shares in issue as at the date of the grant of the Repurchase Mandate) will be added to the total number of Shares of which may be allotted and issued under the Issue Mandate (“**Extension Mandate**”).

Each of the Issue Mandate, the Repurchase Mandate and the Extension Mandate will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the end of the period within which the Company is required by the Companies Act or the Articles to hold its next annual general meeting; or (c) when revoked or varied by ordinary resolution(s) of the Shareholders in general meeting prior to the next annual general meeting of the Company. The Board wishes to state that with regard to the Issue Mandate, it has no immediate plan to issue any Shares pursuant thereto, and with regard to the Repurchase Mandate, the Board may or may not repurchase any Shares pursuant thereto depending on the prevailing market conditions.

Under the Listing Rules, the Company is required to give to all Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the AGM. An explanatory statement for such purpose is set out in Appendix I to this circular.

5. RE-ELECTION OF RETIRING DIRECTORS AND ELECTION OF A NEW INDEPENDENT NON-EXECUTIVE DIRECTOR

(i) Re-election of retiring Directors

In compliance with the Article 84(1) of the Articles, each of Mr. Ngiam Hian Leng Malcolm (an executive Director), Ms. Yau Lai Man (an executive Director) and Mr. Mauffrey Benoit Jean Marie (an independent non-executive Director) will retire as Director by rotation. Mr. Ngiam Hian Leng Malcolm and Ms. Yau Lai Man, being eligible, will offer himself/herself for re-election as Director at the AGM.

Particulars of each of Mr. Ngiam Hian Leng Malcolm and Ms. Yau Lai Man are set out in Appendix II to this circular.

As at the Latest Practicable Date, all of the Company’s independent non-executive Directors have served more than nine years on the Board with details as follows. Each of their term of appointment is two years commencing from 30 September 2022, determinable by either party serving not less than one month’s written notice on the other:

- (a) Mr. Fung Chi Ying has been serving as an independent non-executive Director for 21 years since his appointment on 13 June 2001;

LETTER FROM THE BOARD

- (b) Mr. Mauffrey Benoit Jean Marie has been serving as an independent non-executive Director for 21 years since his appointment on 13 June 2001; and
- (c) Ms. Yeow Mee Mooi has been serving as an independent non-executive Director for 18 years since her appointment on 30 September 2004.

(ii) Retirement of independent non-executive Director

Mr. Mauffrey Benoit Jean Marie will retire by rotation and will not offer himself for re-election at the AGM as part of the Board's renewal process, and accordingly, he will retire as an independent non-executive Director at the conclusion of the AGM. Upon his retirement, he will cease to be a member of the audit committee, remuneration committee, nomination committee and corporate governance committee of the Company with effect from the conclusion of the AGM.

Mr. Mauffrey Benoit Jean Marie has confirmed that he has no disagreement with the Board and there are no other matters relating to his retirement that need to be brought to the attention of the Shareholders. Mr. Mauffrey Benoit Jean Marie has demonstrated dedication, diligence and conscientiousness since he joined the Board on 13 June 2001. The Board would like to express its sincere gratitude to Mr. Mauffrey Benoit Jean Marie for his ongoing valuable, professional and independent opinions and for his outstanding contribution to the high-quality and sustainable development of the Company.

(iii) Election of a new independent non-executive Director

The Board (with consideration of the recommendation made by the Nomination Committee) recommended that, subject to the approval of the Shareholders at the AGM, Mr. Yan Man Sing Frankie ("Mr. Yan") be elected and appointed as an independent non-executive Director of the Company, with effect from the conclusion of the AGM.

The Nomination Committee considers the past performance, qualification, general market conditions and the Articles in selecting and recommending candidates for directorship. The Nomination Committee also reviews the structure, size and composition of the Board and assesses the independence of the independent non-executive Directors. In particular, Mr. Yan currently does not hold seven or more listed company directorships (including the proposed appointment to the Board). The Nomination Committee has evaluated and reviewed the independence criteria set out in Rule 3.13 of the Listing Rules.

The Board believes that the appointment of Mr. Yan as an independent non-executive Director is conducive to enhance the professionalism in the aspects of financial management and corporate governance of the Company, and to improve the Company's operational management and capabilities effectively. Particulars of Mr. Yan are set out in Appendix II to this circular.

LETTER FROM THE BOARD

6. RE-APPOINTMENT OF AUDITORS

The Board (which agreed with the view of the audit committee of the Company) recommended that, subject to the approval of the Shareholders at the AGM, BDO Limited be re-appointed as the auditors of the Company for the year ending 31 December 2023.

7. TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND ADOPTION OF THE NEW SHARE OPTION SCHEME

The Existing Share Option Scheme allowing the Company to grant share options to eligible persons prescribed therein for the purpose of, among others, providing incentive or rewards to these persons for their contribution to the Group, is valid and effective for a period of 10 years commencing on 3 May 2013. Accordingly, the Existing Share Option Scheme will expire on 2 May 2023.

Under the terms of the Existing Share Option Scheme, the Company may by ordinary resolution in general meeting or the Board may at any time terminate the operation of the Existing Share Option Scheme.

It is proposed by the Directors that at the AGM, an ordinary resolution will be proposed for the Company to terminate the operation of the Existing Share Option Scheme (such that no further Options could thereafter be offered under the Existing Share Option Scheme but the Options granted prior to such termination shall continue to be valid and exercisable in accordance with the Existing Share Option Scheme) and to approve and adopt the New Share Option Scheme, which will take effect on the date of its adoption at the AGM subject to the Stock Exchange granting approval for the listing of and dealing in the Shares fall to be allotted and issued upon the exercise of Options in accordance with the terms and conditions of the New Share Option Scheme.

A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular. A copy of the New Share Option Scheme proposed to be adopted by the Company at the AGM will be published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.essexbio.com for a period of not less than 14 days before the date of the AGM and is available for inspection at the AGM. The New Share Option Scheme complies with the latest requirements under Chapter 17 of the Listing Rules.

As at the Latest Practicable Date, the Company has granted 30,300,000 Options under the Existing Share Option Scheme to subscribe for an aggregate of 30,300,000 Shares, of which 19,877,000 Options had been exercised, 9,423,000 Options had lapsed and 1,000,000 outstanding Options shall continue to be valid and exercisable in accordance with the rules of the Existing Share Option Scheme. The Company has not adopted any share option scheme other than the Existing Share Option Scheme. The Directors confirm that no further Options will be granted under the Existing Share Option Scheme prior to the date of the AGM.

LETTER FROM THE BOARD

Further details of the outstanding Options under the Existing Share Option Scheme as at the Latest Practicable Date are set out in the following table:

Category of participant	Date of grant	Exercise price (HK\$)	Vesting period	Exercisable period	Outstanding Options as at the Latest Practicable Date
Employee ^(Note)	27 June 2018	10.0	27 June 2018 to 26 June 2020	27 June 2020 to 26 June 2023	300,000
	27 June 2018	10.0	27 June 2018 to 26 June 2021	27 June 2021 to 26 June 203	300,000
	27 June 2018	10.0	27 June 2018 to 26 June 2022	27 June 2022 to 26 June 2023	400,000
Total:					<u><u>1,000,000</u></u>

Note:

“Employee” in the Existing Share Option scheme refers to any director, officer, employee or officer employed by any company in the Group or a company in which the Group holds an interest or a subsidiary of such company, whether full time or part time.

As at the Latest Practicable Date, there were 571,297,000 Shares in issue. Assuming that there are no further allotment and issue of Shares from the Latest Practicable Date up to the date of approval of the New Share Option Scheme, Options to subscribe for up to 57,129,700 Shares may be issued under the New Share Option Scheme and any other schemes of the Company pursuant to the Listing Rules, representing 10.0% of Shares in issue as at the date of approval of the New Share Option Scheme.

The Category C Participant Limit under the New Share Option Scheme will be 5,712,970 Shares, representing 1.0% of the total number of Shares in issue as at the date of approval of the New Share Option Scheme. The basis for determining the Category C Participant Limit includes the potential dilution effect arising from grants to the Category C Participant, and the importance of striking a balance between achieving the purpose of the New Share Option Scheme and protecting Shareholders from the dilution effect from granting a substantial amount of Options to the Category C Participant, the actual or expected increase in the Group’s revenue or profits which is attributable to the Category C Participant, the extent of use of Category C Participant in the Group’s business, the current payment and/or settlement arrangement with the Category C Participant, and the fact that the Company expects that a majority of Options will be granted to Category A and/or B Participants and as such there is a need to reserve a larger portion of the Scheme Mandate Limit for grants to the Category A and/or B Participants. Given the above, the Directors have made reference to the 1% individual limit and considered that a sublimit of 1% would not lead to an excessive dilution of existing Shareholders’ holdings.

LETTER FROM THE BOARD

Considering that the Category C Participant has contributed to the long-term growth of the Company's businesses, the Board is of the view that the Category C Participant Limit is appropriate and reasonable as it provides flexibility to grant Options to the Category C Participant to achieve the purpose of the New Share Option Scheme and the relatively low threshold of 1% can provide adequate safeguard against excessive dilution. The Category C Participant Limit is subject to separate approval by the Shareholders at the AGM.

The Category C Participants directly contribute to the long-term growth of the Group's business by providing services that are of a continuing and recurring nature in the ordinary and usual course of the Group's business. These Category C Participants, which include consultants and advisors with relevant expertise in fields related to biotechnology and capital market, and investor relations consultants, are closely connected to and crucial to the Group's day-to-day operations. In particular, such Category C Participants contribute to the long-term growth of the Group by advising or consulting on a set of specialised skills and knowledge in the business activities of the Group. As these Category C Participants possess industry-specific knowledge or expertise and often have extensive experience and understanding of the market, they are able to provide insight on areas such as investor relations, market development and promotion, technological trends and innovations, as well as management. The strategic advice and guidance provided by engaging these Category C Participants benefit the Group in its ordinary and usual course of business and often allow it to more effectively plan its future business strategies for long-term growth.

Also, in the event that the Company engages the Category C Participants to provide consulting services to the Group, the grant of Options to the Category C Participants may foster the relationship with them as well as allowing the Company to pay such Category C Participants a consideration comprising service fee and share-based consideration, leveraging on which, the Company may be able to avoid expensive one-off short-term transaction costs, and at the same time incentivise the Category C Participants with the long-term value to be brought by the growth of the Company's business and market capitalisation. This will align the interest of the Category C Participants with that of the Group, which would in the long-term help contribute to the Group's growth and development. Hence, the Directors (including independent non-executive Directors) are of the view that the inclusion of Category C Participants as a type of Eligible Participant under the New Share Option Scheme is in the interest of the Company and the Shareholders as a whole, and in line with the purpose of the New Share Option Scheme.

The Company is not required to appoint any trustee for the purpose of administering the New Share Option Scheme. The New Share Option Scheme will be subject to administration of the Board. None of the Directors is or will be a trustee of the New Share Option Scheme or have a direct or indirect interest in any such trustee.

As at the Latest Practicable Date, to the best knowledge of the Directors and having made all reasonable enquiries, no Shareholders have a material interest in the adoption of the New Share Option Scheme, and no Shareholders are required to abstain from voting on relevant resolution at the AGM.

LETTER FROM THE BOARD

Conditions of adopting the New Share Option Scheme

The adoption of the New Share Option Scheme is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the AGM approving the adoption of the New Share Option Scheme by the Company; and
- (b) the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Shares or any part thereof which may fall to be issued and allotted by the Company pursuant to the exercise of Options granted under the New Share Option Scheme.

An 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 Shares which may fall to be allotted and issued pursuant to the exercise of any Option that may be granted under the New Share Option Scheme.

Reasons for adopting the New Share Option Scheme

The Existing Share Option Scheme will expire on 2 May 2023. The Directors consider that it is appropriate to adopt the New Share Option Scheme to replace the Existing Share Option Scheme. The Directors consider that the New Share Option Scheme, which will be valid for 10 years from the date of its adoption, will provide the Company with more flexibility in long-term planning of granting of the share options to Eligible Participants in a longer period in the future. The New Share Option Scheme also provides appropriate incentives or rewards to Eligible Participants for their contributions or potential contributions to the Group. The purpose of the New Share Option Scheme is to recognise and acknowledge the contributions that Eligible Participants have made or may make to the Group, motivate the Eligible Participants to optimise their performance and efficiency for the benefit of the Group, and attract and retain or otherwise maintain ongoing business relationship with the eligible persons whose contributions are, will or expected to be beneficial to the Group.

Eligible Participants

Eligible Participants include the Category A Participants, Category B Participants and Category C Participants.

In determining whether a person is qualified to be (or, where applicable, continues to qualify to be) a Category C Participant, the Board will take into account various factors that it in its absolute discretion considers relevant in assessing his or her contribution to the long-term growth of the Group. For details of the factors, please see paragraph 2 of Appendix III to this circular. Furthermore, in order for a person to satisfy the Board that he is qualified to be (or, where applicable, continues to qualify to be) an Eligible Participant, such person shall provide all such information as the Board may request for the purpose of assessing his eligibility (or continuing eligibility).

LETTER FROM THE BOARD

The Board is of the view that, apart from the contribution of the Directors and Employees of the Group, the success of the Group is also attributable to the cooperation of the Category B Participants and Category C Participants who play a part in the development and continued success of the Group's business and operation, and have contributed or may contribute to the Group in the future. Other than the contribution of the Category C Participants towards the Group as mentioned above, the Company has a close working relationship with the Category B Participants. The Company maintains close collaborative relationship with the Category B Participants, which have contributed by providing specific knowledge and guidance to the Company, thus allowing the Company to capture new business opportunities.

Therefore, the Directors (including independent non-executive Directors) are of the view that the inclusion of Category B Participants and Category C Participants as Eligible Participants under the New Share Option Scheme is consistent with the purpose of the New Share Option scheme. In particular, the Group is able to have the flexibility to utilise Options as a means of incentivising or rewarding persons outside the Group to contribute to its long-term success by aligning the interests with these stakeholders and strengthening their ongoing relationship with the Group.

Vesting period

The vesting period for Options under the New Share Option Scheme shall not be less than 12 months. To ensure the practicability in fully attaining the purpose of the New Share Option Scheme, the Board is of the view that (a) there are certain instances where a strict twelve-month vesting requirement would not work or would not be fair to the holder of the Option; (b) there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (c) the Company should be allowed discretion to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances. Hence, the Board is of the view that the shorter vesting period prescribed in paragraph 5 of Appendix III to this circular is in line with the market practice and is appropriate and aligns with the purpose of the New Share Option Scheme.

Performance targets and clawback mechanism

The rules of the New Share Option Scheme will not prescribe specific performance targets that must be met before an Option can be exercised. However, the rules of the New Share Option Scheme will give the Board discretion to impose such conditions on the Share Options where appropriate. The Directors consider that it may not always be appropriate to impose such conditions particularly when the purpose of granting the Options is to remunerate or compensate Eligible Participants for past contributions. The Directors consider it more beneficial to the Company to retain the flexibility to determine whether such conditions are appropriate in light of the particular circumstances of each grant.

LETTER FROM THE BOARD

As for the clawback mechanism, upon the occurrence of the events including the failure of the Grantee to perform duties effectively or is involved in serious misconduct, the contravention of the relevant laws and regulations of the applicable jurisdiction and/or the provisions of the Articles by the Grantee, the involvement of the Grantee in acceptance or solicitation of bribery, corruption, theft, leakage of trade and technical secrets, conducted connected transactions and other unlawful acts and misconducts, which prejudiced the interest and reputation of and caused significant negative impact to the image of the Company, and the failure of the Grantee to discharge, or discharge properly his or her duties which result in serious loss in asset of the Company and other serious and adverse consequence, the Board may propose that no further Option shall be granted to a specific Grantee and the Options granted shall claw back and lapse automatically. The Board is of the view with such clawback mechanism in place, the Company would be able to claw back the equity incentives granted to Grantees culpable of misconduct, which is in line with the purpose of the New Share Option Scheme and the interest of the Shareholders in general.

The Directors believe the New Share Option Scheme will provide the Board with flexibility in determining the applicable performance targets and any other conditions to which the specific grant of Options may be subject on a case-by-case basis, and thus will place the Group in a better position to attract human resources that are valuable to the long-term growth and development of the Group.

Basis of determination of the Exercise Price

The New Share Option Scheme also provides that the Board may, with respect to each grant of Options, determine the Exercise Price (being not less than the highest of: (a) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant Option, which must be a business day; (b) the average closing price of a Share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the relevant Option; and (c) the nominal value of a Share), the conditions precedent and other terms and conditions that apply to the Options subject to the applicable laws and the Listing Rules.

LETTER FROM THE BOARD

Value of the Options

The Directors consider that it is not appropriate to state the value of all the Options that can be granted pursuant to the New Share Option Scheme as if they had been granted as at the Latest Practicable Date prior to the approval of the New Share Option Scheme given that the variables which are critical for the calculation of the value of such Options cannot be determined. These variables include but are not limited to, the Exercise Price, whether or not Options will be granted under the New Share Option Scheme and the timing of the granting of such Options, the period during which the subscription rights may be exercised, the discretion of the Board to impose any performance target that has to be achieved before the subscription rights attaching to 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. The Exercise Price depends on the price of the Shares as quoted on the Stock Exchange, which in turn depends on when the Board is to grant Options under the New Share Option Scheme. With a scheme life of ten years, the Board is of the view that it is too premature to state whether or not Options will be granted under the New Share Option Scheme and, if so, the number of Options that may be granted. It is also difficult to ascertain with accuracy the Exercise Price given the volatility to which the price of Shares may be subject during the ten-year life span of the New Share Option Scheme.

The Directors are of the view that the value of the Options depends on a number of variables which are either difficult to ascertain or can only be ascertained subject to a number of theoretical bases and speculative assumptions. Accordingly, the Directors believe that any calculation of the value of the Options will not be meaningful and may be misleading to Shareholders in the circumstances.

8. AGM AND PROXY ARRANGEMENT

The AGM Notice is set out on pages 44 to 50 of this circular. At the AGM, resolutions will be proposed to approve, among other matters, the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the re-election of Directors, the election of a new independent non-executive Director, the declaration of the final dividend for the year ended 31 December 2022, the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme.

The register of members of the Company will be closed from Tuesday, 6 June 2023 to Friday, 9 June 2023, both days inclusive, for ascertaining Shareholders' right to attend and vote at the AGM. During this period, no transfer of Shares will be registered. In order to be entitled to attend the AGM, all transfers of Shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the branch share registrar of the Company in Hong Kong, Hong Kong Registrars 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, 5 June 2023.

LETTER FROM THE BOARD

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time for holding the AGM or any adjournment thereof to the branch share registrar of the Company in Hong Kong, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, all resolutions proposed at the AGM shall be voted by poll. An announcement on the poll vote results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, (i) no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM; and (ii) as at the Latest Practicable Date, there was no voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholder and there was no obligation or entitlement of any Shareholder whereby he/she/it has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his/her/its Shares to a third party, either generally or on a case-by-case basis.

9. RECOMMENDATION

The Directors believe that the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the re-election of Directors, the election of a new independent non-executive Director, the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme are in the best interests of the Company and the Shareholders as a whole, and the terms included in the New Share Option Scheme are fair and reasonable. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions set out in the AGM Notice.

LETTER FROM THE BOARD

10. GENERAL INFORMATION

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

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

Yours faithfully,
For and on behalf of the Board of
Essex Bio-Technology Limited
Ngiam Mia Je Patrick
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information as to the proposed Repurchase Mandate.

1. THE LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchases of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

2. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 571,297,000 Shares in issue.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 57,129,700 Shares.

3. REASONS FOR THE REPURCHASE

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase the Shares on the Stock Exchange. Share repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders.

The Board wishes to state that it may or may not repurchase any Shares pursuant to the Repurchase Mandate depending on the prevailing market conditions.

4. FUNDING OF REPURCHASES

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles, the Companies Act and other applicable laws of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Companies Act, repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by the Articles and subject to the provisions of the Companies Act, out of capital. Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorised by the Articles and subject to the provisions of the Companies Act, out of capital.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 December 2022, being the date of its latest published audited financial statements. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the 12 calendar months immediately preceding the Latest Practicable Date are as follows:

	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
March 2022	4.80	3.23
April 2022	4.41	3.62
May 2022	4.04	3.25
June 2022	4.03	3.30
July 2022	3.95	3.41
August 2022	4.16	3.33
September 2022	4.27	3.15
October 2022	3.48	2.95
November 2022	3.70	3.10
December 2022	4.44	3.21
January 2023	4.30	3.76
February 2023	4.51	3.95
March 2023 (up to the Latest Practicable Date)	4.24	3.68

6. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

APPENDIX I**EXPLANATORY STATEMENT
ON THE REPURCHASE MANDATE**

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and so far as was known to, or could be ascertained after reasonable enquiry by the Directors, the following persons were interested in 5% or more of the then issued share capital of the Company:

Name	Number of Shares/ underlying shares held	Approximate percentage of shareholding as at the Latest Practicable Date	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Ngiam Mia Je Patrick	153,945,667 <i>(Note 1)</i>	26.95%	29.94%
Ngiam Mia Kiat Benjamin	152,020,667 <i>(Notes 1(b) & 2)</i>	26.61%	29.57%
Lauw Hui Kian	153,945,667 <i>(Notes 1 & 3)</i>	26.95%	29.94%

Notes:

- 147,279,000 Shares were registered directly in the name of Ngiam Mia Je Patrick.
 - 6,666,667 Shares were held by Dynatech Ventures Pte Ltd (“**Dynatech**”), which was wholly owned by Essex Investment (Singapore) Pte Ltd (“**Essex Singapore**”). Since Essex Singapore was owned by Ngiam Mia Je Patrick and Ngiam Mia Kiat Benjamin in equal shares, each of Ngiam Mia Je Patrick and Ngiam Mia Kiat Benjamin was deemed to be interested in these Shares as each of them was entitled to exercise or control the exercise of more than one-third of the voting power of Dynatech at general meetings.
- 145,354,000 Shares were registered directly in the name of Ngiam Mia Kiat Benjamin.
 - 6,666,667 Shares were held by Dynatech.
- Lauw Hui Kian is the spouse of Ngiam Mia Je Patrick (an executive Director). For the purpose of Part XV of the SFO, Lauw Hui Kian was deemed to be interested in the 153,945,667 Shares in which Ngiam Mia Je Patrick was interested.

In the event that the Directors shall exercise in full the Repurchase Mandate, the total interests of the above substantial shareholders would be increased to approximately the respective percentages shown in the last column above (assuming that the number of Shares in which each of such persons is interested and the number of total Shares then in issue remain the same), and such increase will not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

Assuming that no Shares will be issued or repurchased by the Company between the Latest Practicable Date and the date of a repurchase made pursuant to the Repurchase Mandate, an exercise of the Repurchase Mandate whether in whole or in part will not result in less than the relevant prescribed minimum percentage of the Shares being held by the public as required by the Stock Exchange. The Directors have no intention to exercise the Repurchase Mandate to an extent as may result in a public shareholding of less than such prescribed minimum percentage.

Save as disclosed above, the Directors are not aware of any Shareholder or group of Shareholders acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a consequence of any purchases made pursuant to the Repurchase Mandate.

7. SHARE REPURCHASE MADE BY THE COMPANY

The Company repurchased a total of 1,591,000 Shares on the Stock Exchange during the six months immediately preceding the Latest Practicable Date, details of which are as follows:

Date of repurchase	Number of Shares repurchased	Price paid per Share	
		Highest HK\$	Lowest HK\$
14 October 2022	21,000	3.35	3.21
17 October 2022	11,000	3.25	3.19
19 October 2022	13,000	3.34	3.25
20 October 2022	21,000	3.33	3.31
21 October 2022	10,000	3.28	3.28
24 October 2022	251,000	3.19	2.96
25 October 2022	23,000	3.24	3.05
26 October 2022	9,000	3.13	3.13
27 October 2022	76,000	3.16	3.07
28 October 2022	30,000	3.15	3.07
31 October 2022	11,000	3.08	3.08

APPENDIX I**EXPLANATORY STATEMENT
ON THE REPURCHASE MANDATE**

Date of repurchase	Number of Shares repurchased	Price paid per Share	
		Highest <i>HK\$</i>	Lowest <i>HK\$</i>
1 November 2022	195,000	3.23	3.10
4 November 2022	40,000	3.22	3.20
8 November 2022	15,000	3.39	3.30
11 November 2022	42,000	3.38	3.30
14 November 2022	20,000	3.33	3.33
15 November 2022	23,000	3.48	3.34
16 November 2022	34,000	3.41	3.34
17 November 2022	55,000	3.33	3.32
18 November 2022	2,000	3.35	3.35
21 November 2022	20,000	3.33	3.33
22 November 2022	100,000	3.30	3.24
23 November 2022	40,000	3.21	3.18
24 November 2022	52,000	3.26	3.21
25 November 2022	85,000	3.21	3.18
28 November 2022	20,000	3.12	3.12
30 November 2022	4,000	3.28	3.28
1 December 2022	1,000	3.37	3.37
2 December 2022	51,000	3.32	3.27
21 December 2022	10,000	3.86	3.86
13 March 2023	8,000	4.10	3.96
14 March 2023	86,000	3.88	3.76
15 March 2023	77,000	3.88	3.71
16 March 2023	5,000	3.86	3.86
17 March 2023	8,000	3.91	3.88
20 March 2023	60,000	3.84	3.76
21 March 2023	62,000	3.79	3.77

Save as disclosed above, the Company had not made any purchase of Shares (whether on the Stock Exchange or otherwise) during the six months immediately preceding the Latest Practicable Date.

8. GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

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

APPENDIX II DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AND ELECTED AT THE ANNUAL GENERAL MEETING

A. PARTICULARS OF DIRECTORS FOR RE-ELECTION

The biographical details of the Directors eligible for re-election at the AGM are set out below:

Mr. Ngiam Hian Leng Malcolm

Mr. Ngiam Hian Leng Malcolm (“**Mr. Malcolm Ngiam**”), aged 38, is an executive Director and Deputy Managing Director. He is also the president of Essex Bio-Investment Limited, a wholly-owned subsidiary of the Company and a director of Essex Bio-Investment Limited, Essex Bio-Pharmacy Limited, Zhuhai Essex Bio-Pharmaceutical Company Limited, Essex Medipharma (Zhuhai) Company Limited, Wuhan Adv. Dental Company Limited, Essex (Wuxi) Healthtech Company Limited, Majeton Pte. Ltd., UNO Medical Group Private Limited and EssexBio Pte. Ltd., all being subsidiaries of the Company. Mr. Malcolm Ngiam is principally responsible for strategic corporate planning, business development and overall operational management of the Group.

Prior to joining the Group in 2015, Mr. Malcolm Ngiam was involved in translational and therapeutics research for more than 10 years. Mr. Malcolm Ngiam leads the business development team of the Group for executing various investment projects and has direct oversight of the research and development and marketing functions of the Group. Mr. Malcolm Ngiam graduated from Imperial College London and has a bachelor’s degree in Biochemistry.

The service contract between Mr. Malcolm Ngiam and the Company has no fixed term but can be terminated by no less than six months’ notice in writing served by either party on the other. Mr. Malcolm Ngiam is entitled to an annual salary of RMB910,000, which is determined with reference to his background, qualification, experience, duties and responsibilities within the Group and the prevailing market conditions. Mr. Malcolm Ngiam is also entitled to (i) a variable salary to be determined by the Board at its absolute discretion having regard to his performance; and (ii) a discretionary bonus to be determined by the Board at its absolute discretion having regard to the performance of Mr. Malcolm Ngiam and the overall performance of the Group.

Mr. Malcolm Ngiam is the son of Mr. Patrick Ngiam, the Chairman of the Company, and a nephew of Mr. Ngiam Mia Kiat Benjamin, a substantial shareholder of the Company. As at the Latest Practicable Date, Mr. Malcolm Ngiam was personally interested in 2,039,000 Shares.

**APPENDIX II DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED
AND ELECTED AT THE ANNUAL GENERAL MEETING**

Ms. Yau Lai Man

Ms. Yau Lai Man (“**Ms. Yau**”), aged 59, is an executive Director. She is also the company secretary and authorised representative of the Company and a member of the corporate governance committee of the Company. Ms. Yau is a director of Essex Bio-Investment Limited, Essex Bio-Pharmacy Limited, Zhuhai Essex Bio-Pharmaceutical Company Limited, Zhuhai UNO Technology Company Limited and UNO Medical (Zhuhai) Company Limited, all being subsidiaries of the Company. Ms. Yau is principally responsible for financial planning and management of the Group.

Prior to joining the Group in 2001, Ms. Yau had worked with a “big four” accounting firm and a multinational corporation. Ms. Yau is currently an independent non-executive director of Chu Kong Shipping Enterprises (Group) Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 560). Ms. Yau obtained a master’s degree in business administration from The University of Warwick in the United Kingdom. Ms. Yau is a member of the Hong Kong Institute of Certified Public Accountants and is also a member of the Institute of Chartered Accountants in England & Wales.

The service contract between Ms. Yau and the Company has no fixed term but can be terminated by no less than six months’ notice in writing served by either party on the other. Ms. Yau is entitled to an annual salary of RMB1,533,000, which is determined with reference to her background, qualification, experience, duties and responsibilities within the Group and the prevailing market conditions. Ms. Yau is also entitled to (i) a variable salary to be determined by the Board at its absolute discretion having regard to her performance; and (ii) a discretionary bonus to be determined by the Board at its absolute discretion having regard to the performance of Ms. Yau and the overall performance of the Group.

As at the Latest Practicable Date, Ms. Yau was personally interested in 46,000 Shares.

Save as disclosed above, as at the Latest Practicable Date and to the best knowledge and belief of the Directors, the Directors confirmed that:

- (a) each of the above Directors did not have any other relationship with any Directors, senior management, substantial shareholders or controlling shareholders (which have the meaning ascribed to them respectively under the Listing Rules) of the Company;
- (b) each of the above Directors had no other interests in the shares of the Company within the meaning of Part XV of the SFO;
- (c) each of the above Directors did not hold any other positions in the Company or the Group; and
- (d) each of the above Directors did not hold any other directorships in listed public companies in the last three years in Hong Kong or overseas.

**APPENDIX II DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED
AND ELECTED AT THE ANNUAL GENERAL MEETING**

B. PARTICULARS OF THE INDEPENDENT NON-EXECUTIVE DIRECTOR TO BE ELECTED

The biographical details of the independent non-executive Director to be elected at the AGM are set out below:

Mr. Yan Man Sing Frankie

Mr. Yan Man Sing Frankie (“**Mr. Yan**”), aged 65, has over 30 years of experience in auditing, financial management, corporate governance and corporate financial advisory with ample experience in the listing of H shares and merger and acquisition transactions. He is currently a principal and a responsible officer of an investment banking corporation licensed by the Securities and Futures Commission, and one of the founders of a think-tank which regularly gives suggestions on local public policies and two medical devices research institutes in Hong Kong. He started his career in an international accounting firm for over 8 years including a secondment to its London office for 1.5 years. Mr. Yan obtained a master’s degree in finance and investment management from the University of Salford in the United Kingdom. He is a fellow member of the Hong Kong Institute of Certified Public Accountants.

Mr. Yan’s appointment will commence at the date of the AGM (subject to the approval of the Shareholders at the AGM) and expire on 29 September 2024, determinable by either party serving not less than one month’s written notice on the other. Mr. Yan will be entitled to a fixed remuneration of HK\$220,000 per year, which is based on his background, qualification, experience, and the estimated time to be spent by Mr. Yan for his duties as an independent non-executive Director.

Save as disclosed above, as at the Latest Practicable Date and to the best knowledge and belief of Mr. Yan, Mr. Yan confirmed that:

- (a) he did not have any other relationship with any Directors, senior management, substantial shareholders or controlling shareholders (which have the meaning ascribed to them respectively under the Listing Rules) of the Company;
- (b) he had no other interests in the shares of the Company within the meaning of Part XV of the SFO;
- (c) he did not hold any other positions in the Company or the Group; and
- (d) he did not hold any other directorships in listed public companies in the last three years in Hong Kong or overseas.

**APPENDIX II DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED
AND ELECTED AT THE ANNUAL GENERAL MEETING**

The Board believes that Mr. Yan will generate significant contribution to the Company and the Shareholders as a whole with his extensive experience and valuable knowledge in financial management and corporate governance.

GENERAL

Save as disclosed herein, the Board is not aware of any other matters which need to be brought to the attention of the Shareholders in relation to the above Directors and there is no other information which is discloseable pursuant to any of the requirements set out in Rule 13.51(2) of the Listing Rules.

APPENDIX III PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

THE NEW SHARE OPTION SCHEME

The following is a summary of the principal terms of the rules of the New Share option Scheme but does not form part of, nor was it intended to be, part of the New Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the New Share Option Scheme:

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme is a share incentive scheme and is established to enable the Group to (a) recognise and acknowledge the contributions that Eligible Participants have (or may have) made or may make to the Group (whether directly or indirectly); (b) attract and retain and appropriately remunerate the best possible quality of Employees and other Eligible Participants; (c) motivate the Eligible Participants to optimise their performance and efficiency for the benefit of the Group; (d) enhance its business, employee and other relations; and (e) retain maximum flexibility as to the range and nature of rewards and incentives which the Group can offer to Eligible Participants.

2. WHO MAY JOIN AND ELIGIBILITY CRITERIA

The Board shall have the absolute discretion to determine whether a person is qualified to be (or, where applicable, continues to qualify to be) an Eligible Participant. The Board may, at its absolute discretion grant Options to the following Eligible Participants:

- (a) Category A Participant;
- (b) Category B Participant; and
- (c) Category C Participant.

In determining the basis of eligibility of each Eligible Participant, the Board would mainly take into account (i) the experience of the Eligible Participant on the Group's business; (ii) the length of the service of the Eligible Participant with the Group (if the Eligible Participant is an employee or a director of the Group); (iii) the actual degree of involvement in and/or cooperation with the Group; and (iv) the amount of support, assistance, guidance, advice, efforts and contribution the Eligible Participants has given or made, or may give or make, towards the success of the Group in the future.

APPENDIX III PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

In determining whether a person is qualified to be (or, where applicable, continues to qualify to be) a Category A Participant and Category B Participant, the Board will take into account various factors that it in its absolute discretion considers relevant in assessing his or her contribution to the long-term growth of the Group, including, among others: (i) the individual performance; (ii) time commitment; (iii) responsibilities or employment conditions according to the prevailing market practice and industry standard; and (iv) the length of engagement with the Group and the individual contribution or potential contribution to the development and growth of the Group.

In determining whether a person is qualified to be (or, where applicable, continues to qualify to be) a Category C Participant, the Board will take into account various factors that it in its absolute discretion considers relevant in assessing his or her contribution to the long-term growth of the Group, including, among others: (i) the individual performance, (ii) length of business relationship with the Group; (iii) materiality and nature of business relationship with the Group (including but not limited to whether the business relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (iv) track record in quality of services provided to and/or cooperation with the Group; and (v) scale of business dealings with the Group, with reference to factors such as the actual or expected changes in the Group's revenue or profits which is or may be attributable to the person.

In assessing whether the Category C Participant provides services to the Group on a continuing and recurring basis and in its ordinary and usual course of business, the Board will take into consideration (i) the length and type of services provided and the recurrences and regularity of such services; (ii) the nature of the services provided to the Group by the Category C Participant; and (iii) whether such services form part of or are directly ancillary to the business conducted by the Group, as disclosed in the Company's announcements, circulars, interim and annual reports.

In order for a person to satisfy the Board that he is qualified to be (or, where applicable, continues to qualify to be) an Eligible Participant, such person shall provide all such information as the Board may request for the purpose of assessing his eligibility (or continuing eligibility).

3. CONDITIONS

The New Share Option Scheme shall take effect upon the fulfilment of the following conditions:

- (a) the passing of the necessary resolution(s) by the Shareholders in general meeting for approving the adoption of the New Share Option Scheme; and
- (b) the Stock Exchange granting approval for the listing of and permission to deal in the Shares to be allotted and issued by the Company pursuant to the exercise of the Options in accordance with the terms and conditions of the New Share Option Scheme.

APPENDIX III PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

4. DURATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall be valid and effective for a period of 10 years commencing on the effective date, the date in which the conditions as stated in paragraph 3 have been fulfilled (the “**Effective Date**”), after which no further Options may be offered or granted under the New Share Option Scheme but 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 terms and conditions of the New Share Option Scheme.

5. GRANT AND ACCEPTANCE OF OPTIONS

Subject to the terms of the New Share Option Scheme, the Board shall be entitled at any time on a business day within 10 years commencing on the Effective Date to make an Offer to any Eligible Participant as the Board may in its absolute discretion select.

An Offer shall be made to an Eligible Participant in writing on a business day in such form as the Board may from time to time determine. The Offer letter shall specify the following:

- (a) the name and address of the Eligible Participant;
- (b) the number of Shares to which the Option to be granted to the Eligible Participant relates;
- (c) the procedure for acceptance of the Option and the last date by which the Offer shall be accepted, which shall be not earlier than three business days from the date of the Offer, except that for any Offer which is made within the last three business days before the expiry of the life of the New Share Option Scheme, the Offer shall remain open for acceptance on a business day by the Eligible Participant concerned for a period of no longer than the remaining life of the New Share Option Scheme;
- (d) the exercise period, the Exercise Price and the manner of payment of the Exercise Price;
- (e) such other terms and conditions of the Offer as may be imposed by the Board at its discretion either on a case-by-case basis or generally as are not inconsistent with the New Share Option Scheme; and
- (f) a statement requiring the Eligible Participant to undertake to hold the Option on and subject to the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme.

APPENDIX III PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

An Offer shall be deemed to have been accepted when the Company receives a duplicate Offer letter duly signed from the Grantee together with a remittance of HK\$1.00 (or such other nominal sum in any currency as the Board may determine) in favour of the Company as consideration for the grant thereof. Such remittance shall in no circumstances be refundable. Once accepted, the Option shall be deemed to have been granted as from the date on which it was offered to the relevant Eligible Participant. No Offer shall be capable of or open for acceptance after the expiry of ten (10) years from the Effective Date.

Subject to the provisions of the New Share Option Scheme and any applicable laws and regulations of Hong Kong or other relevant jurisdictions (including but not limited to the Listing Rules) (the “**Applicable Laws**”), the Board may, on a case-by-case basis and at its absolute discretion when offering the grant of an Option, impose any conditions, restrictions or limitations in relation thereto in addition to those expressly set forth in the New Share Option Scheme as it may think fit (which shall be stated in the Offer letter) including (without prejudice to the generality of the foregoing):

- (a) the continuing eligibility of the Grantee under the New Share Option Scheme, and in particular, where the Board determines that the Grantee has failed or otherwise is or has been unable to meet such continuing eligibility criteria, the Option (to the extent not already exercised) shall lapse, subject to the requirements under the New Share Option Scheme;
- (b) the continuing compliance of such terms and conditions that may be attached to the grant of the Option, failing which the Option (to the extent not already exercised) shall lapse unless otherwise determined to the contrary by the Board, subject to the requirements under the New Share Option Scheme;
- (c) the vesting period of the Options which shall not be less than 12 months, save and except that Options to be granted to a Category A Participant may be subject to a vesting period of less than 12 months (or no vesting period) in the following circumstances:
 - (i) grants of “make-whole” Options to new joiners to replace the share awards they forfeited when leaving the previous employer;
 - (ii) grants of Options to a Category A Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
 - (iii) grants of Options that are made in batches during a year for administrative and compliance reasons;
 - (iv) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period 12 months; and
 - (v) grants of Options with a total vesting and holding period of more than 12 months;

APPENDIX III PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

- (d) conditions, restrictions or limitations relating to the achievement of operating or financial targets (the “**Performance Conditions**”). For the avoidance of doubt, there is no performance target stipulated under the terms of the New Share Option Scheme which a Grantee is required to achieve before any Option granted under the New Share Option Scheme can be exercised. The terms of the New Share Option Scheme, however, do provide that the Board has the discretion to require at the time of grant of an Option any particular Grantee to achieve such performance targets as the Board may then specify in the grant before any Option granted under the New Share Option Scheme to such Grantee can be exercised;
- (e) if applicable, the satisfactory performance of certain obligations by the Grantee;
- (f) a clawback mechanism under which upon the occurrence of any of the following in relation to the Grantee, the Board may propose that no further Options shall be granted to such Grantee and shall clawback the options granted to such Grantee and such Options shall lapse automatically:
 - (i) the Grantee has failed to perform duties effectively or is involved in serious misconduct or malfeasance;
 - (ii) the Grantee has contravened the relevant laws and regulations of the applicable jurisdiction and/or the provisions of the Articles;
 - (iii) the Grantee has, during his/her tenure of office, been involved in acceptance or solicitation of bribery, corruption, theft, leakage of trade and technical secrets, conducted connected transactions and other unlawful acts and misconducts, which prejudiced the interest and reputation of and caused significant negative impact to the image of the Company; or
 - (iv) the Grantee has failed to discharge, or failed to discharge properly, his/her duties and thereby resulting in serious loss in asset to our Company and other serious and adverse consequence.

APPENDIX III PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

6. GRANT OF OPTIONS TO CONNECTED PERSONS

Without prejudice to the terms and conditions stipulated in paragraph 5:

- (a) any grant of Options to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates shall be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of such Options); and
- (b) where any grant of Options to an independent non-executive Director or a substantial shareholder of the Company or any of their respective associates would result in the Shares issued and to be issued in respect of all options and awards granted under the New Share Option Scheme or other schemes (excluding any Options lapsed in accordance with the terms of the New Share Option 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 Shares in issue, such further grant of Options shall be approved by the Shareholders in general meeting. The Company shall send a circular to its shareholders containing such information as required under the Applicable Laws. The relevant Grantee, his or her associates and all core connected persons of the Company shall abstain from voting in favour at such general meeting. The Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

7. EXERCISE PRICE

The Exercise Price for any Share under the New Share Option Scheme shall be a price determined by the Board and stated in the Offer letter, which shall not be less than the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the Offer;
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the Offer; and
- (c) the nominal value of a Share.

APPENDIX III PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

8. TRANSFERABILITY OF OPTIONS

Subject to the terms of the New Share Option Scheme and the Listing Rules, no Option shall not be transferred or assigned, and no Grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest over or in relation to any Option in favour of any third party, provided that the Board may at its absolute discretion allow a Grantee to transfer or assign an Option to a vehicle (such as a trust or a private company) for the benefit of the Grantee and/or any of the family members of such Grantee for estate planning or tax planning purposes (“**Permitted Transferee**”) if:

- (a) the Grantee provides all such information in relation to the proposed transferee or assignee as the Board may request for the purpose of establishing to the Board’s satisfaction that the proposed transferee or assignee is a Permitted Transferee;
- (b) each of the Grantee and the proposed transferee or assignee undertakes and warrants that the proposed transferee or assignee (i) will not in any way sell, transfer, assign, charge, mortgage, encumber or create any interest over or in relation to any Option so transferred or assigned to it in favour of any third party (unless such third party is also a Permitted Transferee and all the conditions in this paragraph which shall apply mutatis mutandis to such further transfer or assignment are satisfied); and (ii) will at all times be a Permitted Transferee; and
- (c) a waiver is granted by the Stock Exchange to permit such a transfer or assignment.

9. EXERCISE OF OPTION

Subject to the Applicable Laws and as provided herein, an Option may be exercised by the Grantee at any time during the applicable exercise period, which is the period not more than ten (10) years from the commencement date notified by the Board to each Grantee which the Board may in its absolute discretion determine, provided that:

- (a) in the event of death of the Grantee (being an individual) before exercising the Option in full, his or her personal representative(s) may exercise the Option (to the extent exercisable and not already exercised as at the date of his death) either in full or in part within 12 months following his or her death or such longer period as the Board may determine;
- (b) in the event of the Grantee being a Category A Participant and/or a Category B Participant at the time of the grant of the relevant Option ceasing to be a Category A Participant or a Category B Participant by reason of Disability, the Grantee may exercise the Option (to the extent exercisable and not already exercised as at the date of such cessation) either in full or in part within 6 months following such cessation or such longer period as the Board may determine;

APPENDIX III PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

- (c) subject to paragraphs 9(d) and (e) below, in the event of the Grantee being a Category A Participant and/or a Category B Participant at the time of the grant of the relevant Option ceasing to be a Category A Participant or a Category B Participant for any reason other than his or her death or Disability, bankruptcy or culpable termination, the Grantee may exercise the Option (to the extent exercisable and not already exercised as at the date of such cessation) either in full or in part within 30 days following such cessation or such longer period as the Board may determine;
- (d) in the event of a general offer (whether by way of takeover offer or scheme of arrangement or otherwise in like manner) being made to all the holders of Shares (or all such holders other than the offeror and/or any person acting in concert with the offeror) and such offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite resolutions of Shareholders in general meeting (in the case of a scheme of arrangement), the Company shall forthwith give notice thereof to all Grantees, and thereupon the Grantees may exercise the Options (to the extent exercisable and not already exercised as at the date on which the offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite resolutions of Shareholders in general meeting (in the case of a scheme of arrangement)) either in full or in part at any time up to the close of such offer (or any revised offer) unless the Board shall determine to the contrary (in the case of a takeover offer) or within such period as shall be notified by the Company to the Grantees (in the case of a scheme of arrangement);
- (e) in the event of a notice being given by the Company to its shareholders to convene a Shareholders' 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 all Grantees, and thereupon the Grantees may exercise the Options (to the extent exercisable and not already exercised as at the date of the notice to the Grantee) either in full or in part not later than three business days (excluding any period(s) of closure of the Company's share register) immediately preceding the date of the proposed Shareholders' meeting, and the Company shall, as soon as possible and in any event no later than the business day (excluding any period(s) of closure of the Company's share register) immediately preceding the date of the proposed Shareholders' meeting, allot and issue such number of Shares to the Grantees which falls to be issued upon such exercise; and

APPENDIX III PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

- (f) in the event of a compromise or arrangement between the Company and its members or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company (other than any scheme of arrangement referred to in paragraph 8(d) above or any relocation schemes as contemplated in Rule 7.14(3) of the Listing Rules), the Company shall give notice thereof to all Grantees on the same date as it gives notice of the meeting to its members or creditors to consider such a scheme, and thereupon the Grantees may exercise the Options (to the extent exercisable and not already exercised as at the date of the notice to the Grantee) either in full or in part not later than three business days (excluding any period(s) of closure of the Company's share register) immediately preceding the date of the proposed meeting, and the Company shall, as soon as possible and in any event no later than the business day (excluding any period(s) of closure of the Company's share register) immediately preceding the date of the proposed meeting, allot and issue such number of Shares to the Grantees which falls to be issued on such exercise.

The Shares to be allotted and issued upon the exercise of an Option shall be subject to all the provisions of the Articles and the Applicable Laws in force as at the Allotment Date and shall rank *pari passu* in all respects with the existing fully paid Shares in issue on the Allotment Date and accordingly shall entitle the holder to participate in all dividends or other distributions paid or made on or after the Allotment Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor is before the Allotment Date.

10. LAPSE OF OPTION

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

- (a) the expiry of the exercise period;
- (b) the expiry of any of the periods referred to in paragraphs 9(a) to (f);
- (c) subject to paragraph 9(e), the date of the commencement of the winding-up of the Company;
- (d) the date when the proposed compromise or arrangement becomes effective in respect of the situation contemplated in paragraph 9(f);
- (e) in the case of the Grantee being a Category A Participant or a Category B Participant, the date on which he or she ceases to be a Category A Participant or a Category B Participant by reason of culpable termination;

APPENDIX III PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

- (f) the occurrence of bankruptcy of the Grantee, unless otherwise resolved to the contrary by the Board;
- (g) the date on which the Grantee commits a breach of any terms or conditions attached to the grant of the Option, unless otherwise resolved to the contrary by the Board; and
- (h) the date on which the Board resolves that the Grantee has failed or otherwise is or has been unable to meet the continuing eligibility criteria as may be prescribed under the New Share Option Scheme.

11. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

Subject to the terms and conditions in the New Share Option Scheme,

- (a) the total number of Shares which may be issued in respect of all options and awards to be granted under the New Share Option Scheme and other schemes shall not, in aggregate, exceed 57,129,700^(Note) Shares, which represents 10.0% of the Shares in issue as at the adoption date of the New Share Option Scheme (the “**Scheme Mandate Limit**”); and
- (b) the total number of Shares which may be issued in respect of all options and awards to be granted to all Category C Participants under the New Share Option Scheme and other schemes shall not, in aggregate, exceed 5,712,970^(Note) Shares, which represents 1.0% of the Shares in issue as at the Adoption Date and 10.0% of the Scheme Mandate Limit (the “**Category C Participant Limit**”),

provided that if the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit or the Category C Participant Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all options and awards to be granted under the New Share Option Scheme and other schemes under the Scheme Mandate Limit or the Category C Participant Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share. Options lapsed in accordance with the terms of the New Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit or the Category C Participant Limit.

Note:

The number of Shares stated herein is calculated based on the number of Shares in issue of the Company as at the Latest Practicable Date, which may be subject to further changes. The number of Shares which represents 10.0% of the Shares in issue and 1.0% of the Shares in issue will be confirmed at the adoption date of the New Share Option Scheme.

APPENDIX III PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

Subject to the terms and condition under the New Share Option Scheme, the Company may seek approval by its shareholders in general meeting for renewing the Scheme Mandate Limit and/or the Category C Participant Limit (the “**Renewal Mandate**”) separately from time to time, provided that:

- (a) if the Renewal Mandate is sought within three years from the adoption date of the New Share Option Scheme or the date on which the last Renewal Mandate was granted (as the case may be), any controlling shareholders of the Company and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) shall abstain from voting in favour of the relevant resolution at the general meeting; and the Company shall comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules, unless the Renewal Mandate is sought immediately after an issue of securities by the Company to its shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the relevant class of shares in issue) upon renewal is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share;
- (b) the total number of Shares which may be issued in respect of all options and awards to be granted under the Share Option Scheme and other schemes after renewal of the Scheme Mandate Limit shall not exceed 10.0% of the Shares in issue as at the date on which the Renewal Mandate is obtained;
- (c) if the Company conducts a share consolidation or subdivision after the Renewal Mandate is obtained, the maximum number of Shares that may be issued in respect of all options and awards to be granted under the New Share Option Scheme and other schemes under the renewed Scheme Mandate Limit or the Category C Participant Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share; and
- (d) the Company shall send a circular to its shareholders containing the number of Options that were already granted under the then existing Scheme Mandate Limit and the then existing Category C Participant Limit and the reason for the renewal.

APPENDIX III PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

The Company may seek separate approval by its shareholders in general meeting for granting Options beyond the Scheme Mandate Limit or the renewed Scheme Mandate Limit provided that:

- (a) the Options in excess of the Scheme Mandate Limit or the renewed Scheme Mandate Limit shall be granted only to the Eligible Participants specifically identified by the Company before such Shareholders' approval is sought;
- (b) the Company shall issue a circular to its shareholders containing the name of each specified Eligible Participant who may be granted such Options, the number and terms of the Options to be granted to each such specified Eligible Participant, and the purpose of granting Options to each such specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose;
- (c) the number and terms of Options to be granted to each such specified Eligible Participant shall be fixed before such Shareholders' approval; and
- (d) for the purpose of calculating the minimum Exercise Price in respect of any Options to be so granted to each such specified Eligible Participant, the date of the Board meeting for proposing such grant shall be taken as the date of the Offer of such Options.

Where any grant of Option to an Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards granted under the New Share Option Scheme and other schemes to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the New Share Option Scheme and other schemes) in the 12-month period up to and including the date of such grant representing in aggregate over 1.0% of the Shares in issue as at the date of such grant, such grant shall be subject to the following requirements:

- (a) approval of the Shareholders in general meeting with such Eligible Participant and his or her close associates (or associates if such Eligible Participant is a connected person of the Company) abstaining from voting;
- (b) the Company shall send a circular to its shareholders disclosing the identity of such Eligible Participant, the number and terms of the further Options to be granted (and those previously granted to such Eligible Participant in the 12-month period), the purpose of granting further Options to such Eligible Participant and an explanation as to how the terms of the further Options serve such purpose;
- (c) the number and terms of the further Options to be granted to such Eligible Participant shall be fixed before the Shareholders' approval mentioned in (a) above; and

APPENDIX III PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

- (d) for the purpose of calculating the minimum Exercise Price in respect of the further Options to be so granted to such Eligible Participant, the date of the Board meeting for proposing such grant of further Options shall be taken as the date of the Offer of such Options.

12. REORGANISATION OF CAPITAL STRUCTURE

In the event of any alteration in the capital structure of the Company while any Option remains exercisable, and such event arises from, including a capitalisation issue, rights issue, subdivision or consolidation of Shares, or reduction of capital of the Company, the Board may, if it deems appropriate, direct that such corresponding adjustments (if any) be made in:

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

Any adjustments required under this paragraph shall be made in accordance with the following requirements:

- (a) the adjustments shall give a Grantee the same proportion of the equity capital, rounded to the nearest whole Share, as that to which that Grantee was previously entitled, but no such adjustments may be made to the extent that Shares would be issued at less than their nominal value; and
- (b) the adjustments shall be made in accordance with the Listing Rules and any other requirements or guidance by the Stock Exchange from time to time (including the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 relating to share option schemes), if applicable.

In respect of any adjustments required under this paragraph (other than any made on a capitalisation issue), the auditors or an independent financial adviser appointed by the Company shall certify the Directors in writing that the adjustments satisfy the requirements set out in this paragraph.

13. ALTERATION

Any change to the terms of the Options granted to a Grantee (except where the changes take effect automatically under the existing terms of the New Share Option Scheme) shall be approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders (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).

APPENDIX III PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme may be altered in any respect by resolution of the Board save for the following alterations which may be effected only with the prior approval of the shareholders of the Company in general meeting:

- (a) any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature;
- (b) any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Grantees; and
- (c) any change to the authority of the Board to alter the terms of the New Share Option Scheme,

provided always that the amended terms of the New Share Option Scheme shall continue to comply with the relevant provisions of the Listing Rules and any other Applicable Laws.

14. TERMINATION

The Company by resolution in general meeting or the Board may at any time terminate the operation of the New Share Option Scheme and in such event, no further Options may be offered or granted under the New Share Option Scheme but 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 to the termination or otherwise as may be required in accordance with the terms and conditions of the New Share Option Scheme.

15. CANCELLATION

Any Option may be cancelled in whole or in part and at any time:

- (a) if agreed between the Company and the relevant Grantee; or
- (b) if the Board offers to grant to the Grantee replacement Options of equivalent value of the Options being cancelled; or
- (c) if the Company pays or procures to be paid to the Grantee an amount equal to the cash value of the Options being cancelled as at the date of cancellation as determined by the Board by reference to the difference between the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the date of the cancellation and the Exercise Price.

APPENDIX III PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

Where an Option granted to a Grantee is cancelled and a new grant is made to the same Grantee under the New Share Option Scheme, such new grant may only be made under the Scheme Mandate Limit (or the renewed Scheme Mandate Limit) and, if applicable, the Category C Participant Limit (or the renewed Category C Participant Limit) available at the time of such new grant. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (or the renewed Scheme Mandate Limit) and the Category C Participant Limit (or the renewed Category C Participant Limit).

NOTICE OF ANNUAL GENERAL MEETING



ESSEX BIO-TECHNOLOGY LIMITED

億勝生物科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1061)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Essex Bio-Technology Limited (“**Company**”) will be held at Caine Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Admiralty, Hong Kong on Friday, 9 June 2023 at 2:00 p.m. for the purpose of transacting the following business:

ORDINARY RESOLUTIONS

1. to receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditors of the Company for the year ended 31 December 2022;
2. each as a separate resolution, to:
 - (i) re-elect the retiring directors of the Company (namely, Mr. Ngiam Hian Leng Malcolm as an executive director of the Company and Ms. Yau Lai Man as an executive director of the Company);
 - (ii) elect Mr. Yan Man Sing Frankie as a new independent non-executive director of the Company; and
 - (iii) authorise the board of directors to fix the remuneration of the directors of the Company;
3. to re-appoint BDO Limited as the auditors of the Company and to authorise the board of directors to fix their remuneration;
4. to consider and declare a final dividend of HK\$0.025 per share of the Company for the year ended 31 December 2022;

NOTICE OF ANNUAL GENERAL MEETING

and, to consider and, if thought fit, pass the following resolutions as Ordinary Resolutions (with or without modifications):

5. **“THAT:**
- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”), the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (d) of this resolution) of all the powers of the Company to allot, issue or otherwise deal with unissued shares in the capital of the Company and to make or grant offers, agreements, options and other rights, including warrants to subscribe for shares of the Company and other securities, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as defined in paragraph (d) of this resolution) to make or grant offers, agreements, options and other rights which might require the exercise of such powers after the end of the Relevant Period (as defined in paragraph (d) of this resolution);
 - (c) the aggregate number of shares of the Company allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraphs (a) and (b) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) of this resolution); or (ii) the exercise of any options granted under all share option schemes of the Company (or similar arrangements) adopted from time to time in accordance with the Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of shares of the Company in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of shares of the Company upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company, shall not exceed the aggregate of:
 - (aa) 20 per cent. of the aggregate number of shares of the Company in issue as at the date of the passing of this resolution; and

NOTICE OF ANNUAL GENERAL MEETING

(bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate number of shares of the Company purchased by the Company under the authority granted to the directors of the Company as referred to in resolution numbered 6 below,

and the authority pursuant to paragraphs (a) and (b) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the law of the Cayman Islands or any other applicable laws to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution;

“**Rights Issue**” means an offer of shares of the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares of the Company open for a period fixed by the directors of the Company to holders of shares of the Company on the Company’s register of members on a fixed record date in proportion to their then holdings of shares of the Company (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

NOTICE OF ANNUAL GENERAL MEETING

6. **“THAT:**
- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (c) of this resolution) of all powers of the Company to purchase shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), or any other stock exchange on which the shares of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Act, Chapter 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
 - (b) the aggregate number of shares of the Company which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period (as defined in paragraph (c) of this resolution) shall not exceed 10 per cent. of the aggregate number of shares of the Company in issue as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
 - (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the law of the Cayman Islands or any other applicable laws to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

7. “**THAT** conditional on the passing of resolutions numbered 5 and 6 above, the general mandate granted to the directors of the Company pursuant to resolution numbered 5 above be and is hereby extended by the addition to the aggregate number of shares of the Company which may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the directors of the Company pursuant to or in accordance with such general mandate of an amount representing the aggregate number of shares of the Company purchased by the Company pursuant to or in accordance with the authority granted under resolution numbered 6 above, provided that such extended amount shall not exceed 10 per cent. of the aggregate number of shares of the Company in issue as at the date of passing of this resolution.”
8. “**THAT** the existing share option scheme of the Company adopted on 3 May 2013 be and is hereby terminated, and 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 of the Company to be allotted and issued pursuant to the exercise of options under the new share option scheme of the Company (the “**New Share Option Scheme**”), the rules of which are contained in the document marked “A” produced to the meeting and for the purposes of identification signed by the chairman thereof, the New Share Option Scheme be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to allot and issue from time to time such number of shares of the Company as may be required to be allotted and issued pursuant to the exercise of the options under the New Share Option Scheme and subject to the Listing Rules and to do all 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:
- (i) to administer the New Share Option Scheme under which options will be granted to participants eligible under the New Share Option Scheme to subscribe for the shares of the Company, including but not limited to determining and granting the options in accordance with the terms of the New Share Option Scheme;
 - (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 provisions of the New Share Option Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Listing Rules;

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- (iii) to make application at appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued shares of the Company may for the time being be listed, for listing of and permission to deal in any shares of the Company which may hereafter from time to time be allotted and issued pursuant to the exercise of options under the New Share Option Scheme; and
 - (iv) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme.”
9. “**THAT** the Scheme Mandate Limit (as defined in the New Share Option Scheme) on the total number of Shares which may be issued in respect of all options and awards to be granted to eligible participants under all the share schemes of the Company (i.e. 10.0% of the Shares in issue as at the date of passing this resolution) be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the directors of the Company may consider necessary, desirable or expedient to effect and implement the Scheme Mandate Limit.”
10. “**THAT** the Category C Participant Limit (as defined in the New Share Option Scheme) on the total number of Shares that may be issued in respect of all options and awards to be granted to Category C Participants (as defined in the New Share Option Scheme) under all the shares schemes of the Company (i.e. 1.0% of the Shares in issue as at the date of passing of this resolution) be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the directors of the Company may consider necessary, desirable or expedient to effect and implement the Category C Participant Limit.”

For and on behalf of the Board of
Essex Bio-Technology Limited
Ngiam Mia Je Patrick
Chairman

Hong Kong, 30 March 2023

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As at the date of this notice, the directors of the Company are as follows:

Executive directors:

Mr. Ngiam Mia Je Patrick (*Chairman*)
Mr. Fang Haizhou
Mr. Ngiam Hian Leng Malcolm
Ms. Yau Lai Man

Independent non-executive directors:

Mr. Fung Chi Ying
Mr. Mauffrey Benoit Jean Marie
Ms. Yeow Mee Mooi

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

Room 2818
China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power of attorney, must be deposited at the branch share registrar of the Company, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.
3. In relation to the proposed resolutions numbered 5 and 7 above, approval is being sought from the shareholders for the grant to the directors of a general mandate to authorise the allotment and issue of shares under the Listing Rules. The board of directors of the Company has no immediate plan to issue any new shares of the Company.
4. In relation to the proposed resolution numbered 6 above, the directors of the Company wish to state that they will exercise the powers conferred thereby to purchase shares of the Company in circumstances which they deem appropriate for the benefit of the shareholders. The board of directors of the Company may or may not repurchase any shares of the Company pursuant to the mandate to be granted under the proposed resolution numbered 6 above depending on the prevailing market conditions.
5. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.