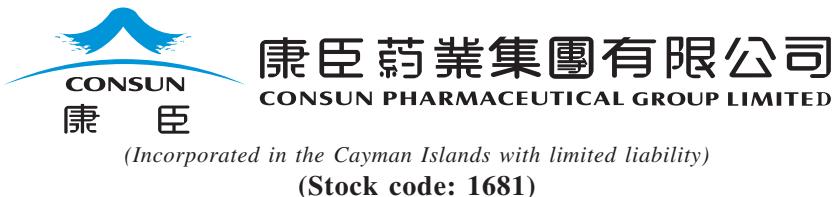

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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



- (1) PROPOSED ADOPTION OF THE SHARE AWARD SCHEME,**
- (2) PROPOSED AMENDMENTS TO THE EXISTING MEMORANDUM
AND ARTICLES OF ASSOCIATION AND ADOPTION OF
THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION
AND**
- (3) NOTICE OF EGM**

A notice convening the extraordinary general meeting of the Company (the “EGM”) to be held with the combination of a physical meeting at 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong and an online virtual meeting on 23 December 2025 (Tuesday) at 10:00 a.m. is set out on pages EGM-1 to EGM-4 of this circular.

Only light beverages will be served at the EGM.

Whether or not you intend to attend the EGM in person or via online platform, please complete, sign and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

CONTENTS

DEFINITIONS	1
LETTER FROM THE BOARD	7
1. Introduction	7
2. Proposed Adoption of the Share Award Scheme	8
3. Proposed Amendments to the Existing Memorandum and Articles of Association and Adoption of the New Memorandum and Articles of Association	22
4. EGM	23
5. Voting by Way of Poll	23
6. Closure of Register of Members for EGM	24
7. Responsibility Statement	24
8. Recommendation	24
9. General	24
APPENDIX I SUMMARY OF THE RULES OF THE SHARE AWARD SCHEME	I-1
APPENDIX II PROPOSED AMENDMENTS TO THE EXISTING MEMORANDUM AND ARTICLES OF ASSOCIATION	II-1
NOTICE OF EGM	EGM-1

DEFINITIONS

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

“2013 Share Option Scheme”	the share option scheme adopted by the Company on 2 December 2013
“2024 Date of Approval”	31 May 2024, the adoption date of the 2024 Share Option Scheme
“2024 Share Option Scheme”	the share option scheme adopted by the Company on 31 May 2024
“Adoption Conditions”	the conditions for the adoption of the Share Option Scheme as disclosed in the paragraph headed “Proposed Adoption of Share Award Scheme – Explanation of the terms of the Share Award Scheme – Conditions of the Share Award Scheme” in the Letter from the Board in this circular
“Adoption Date”	the date on which the last condition set out in the Adoption Conditions is fulfilled
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Auditors”	the auditors of the Company from time to time
“Award”	an award granted by the Board or the Committee to a Grantee of a conditional right for such Grantee to receive such number of Award Shares, subject to the satisfaction of vesting conditions and such other terms and conditions, as the Board or the Committee may in its absolute discretion determine
“Award Share(s)”	in respect of a Grantee, such number of Share(s) underlying the Award(s) as determined by the Board or the Committee, and as may be issued as new Shares or acquired through on-market or off-market purchases of Shares, in accordance with the terms of the Share Award Scheme
“Board”	the board of Directors

DEFINITIONS

“Business Day(s)”	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Committee”	the person(s) from time to time delegated by the Board with the power and authority to administer the Share Award Scheme in accordance with the rules herein and, unless otherwise notified by the Board, refers to the Remuneration Committee
“Company”	Consun Pharmaceutical Group Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 1681)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held by the Company for the Shareholders with the combination of a physical meeting at 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong and an online virtual meeting on Tuesday, 23 December 2025 at 10:00 a.m., to consider and, if thought fit, approve, amongst others, the adoptions of the Share Award Scheme, the Proposed Amendments and the adoption of the New Memorandum and Articles of Association, or where the context so admits, any adjournment thereof

DEFINITIONS

“Eligible Participant(s)”	an individual or a corporate entity (as the case may be), being any of the following: (a) Employee Participant(s); (b) Service Provider(s); and (c) Related Entity Participant(s), in each case provided that the Board and/or the Committee considers, in its sole discretion, have contributed or will contribute to the Group
“Employee Participant(s)”	any Director (including executive Directors, non-executive Directors and independent non-executive Directors) and employee (whether full-time or part-time) of the Company or any of its subsidiaries (including any persons who are granted Awards under the Share Award Scheme as an inducement to enter into employment contracts with these companies), and provided that the Board and/or the Committee shall have absolute discretion to determine whether or not one falls within such category
“Excluded Participant(s)”	any person who is resident in a place where the grant of the Award, the vesting of the Award and/or the transfer or subscription of Award Shares pursuant to the terms of the Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or the Committee or (where applicable) the Trustee, compliance with applicable laws and regulations in such place make it necessary or expedient to exclude such person
“Existing Memorandum and Articles of Association”	the second amended and restated memorandum and articles of association of the Company adopted by a special resolution passed on 12 December 2024
“Grant Notice”	has the meaning as set out in the paragraph headed “6. Performance Targets” in Appendix I to this circular

DEFINITIONS

“Grantee(s)”	any Selected Participant who has accepted the offer of the grant of an Award in accordance with the terms of the Share Award Scheme or, where the context so permits, any person entitled to any such Award in consequence of the death of the original Grantee or the legal personal representative of such person
“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
“Latest Practicable Date”	4 December 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Memorandum and Articles of Association”	the third amended and restated memorandum and articles of association of the Company incorporating and consolidating all the Proposed Amendments, proposed to be adopted by the Company at the EGM
“Proposed Amendments”	proposed amendments to the Existing Memorandum and Articles of Association as set out in Appendix II to this circular
“Related Entity Participant(s)”	directors, chief executives and employees of the holding companies, fellow subsidiaries or associated companies of the Company, and provided that the Board and/or the Committee shall have absolute discretion to determine whether or not one falls within such category
“Remuneration Committee”	remuneration committee of the Company
“Scheme Mandate Limit”	the total number of Shares which may be issued in respect of all options and awards involving issue of new Shares that may be granted under the Share Award Scheme and any other share scheme(s) of the Company

DEFINITIONS

“Selected Participant”	any Eligible Participant selected by the Board or the Committee in its absolute discretion to be offered with the grant of an Award pursuant to the Share Award Scheme
“Service Provider(s)”	any person (natural person or corporate entity) who provides services to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long term growth of the Group, including but not limited to person(s) who work(s) for the Company as independent contractors (including advisers, consultants, contractors, agents, entities providing research, development or other technological support and service providers of any member of the Group), but 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, and provided that the Board and/or the Committee shall have absolute discretion to determine whether or not one falls within such category
“Service Provider Sublimit”	the total number of Shares which may be issued in respect of all options and awards involving issue of new Shares that may be granted under the Share Award Scheme and any other share scheme(s) of the Company to the Service Providers
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.1 each (or of such other nominal amount as shall result from a sub-division, reduction, a consolidation, reclassification or reconstruction of such shares from time to time) in the share capital of the Company
“Share Award Scheme”	the share award scheme proposed to be adopted by the Company at the EGM, a summary of the principal terms of which is set out in Appendix I to this circular
“Shareholder(s)”	holder(s) of the Share(s) from time to time

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Treasury Share(s)”	shall have the meaning ascribed to it under the Listing Rules. For the purposes of the Share Award Scheme, new Shares include Treasury Shares and the issue of new Shares includes the transfer of Treasury Shares
“Trust Deed”	the trust deed as may be entered into by the Company as settlor and the Trustee as trustee (as amended, restated, supplemented or otherwise modified from time to time) in respect of the appointment of the Trustee for the administration of the Share Award Scheme
“Trustee”	the trustee as may be appointed by the Company from time to time for the administration of the Share Award Scheme
“Vesting Date”	in relation to an Award granted to a Grantee, the date or each such date, as determined by the Board or the Committee, on which the Award is to be vested in such Grantee in respect of all or a proportion of the Award Shares, subject to and in accordance with the terms and conditions of the relevant Award and other rules of the Share Award Scheme
“Vesting Notice”	has the meaning as set out in the paragraph headed “5. Vesting Period” in Appendix I to this circular
“Vesting Period”	in relation to an Award granted to a Grantee, the period commencing on the date of the Grant Notice and ending on the Vesting Date (both dates inclusive)
“%”	per cent.

LETTER FROM THE BOARD



康臣药业集團有限公司
CONSUN PHARMACEUTICAL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1681)

Executive Directors:

Mr. An Meng (*Chairman*)
Mr. Young Yuk Chuen David

Non-executive Directors:

Dr. Zhang Lihua
Professor Zhu Quan

Independent Non-executive Directors:

Mr. Feng Zhongshi
Professor Li Yikai
Mr. Li Zhuoguang
Mr. Duan Weiwu

Registered office:

Windward 3
Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

*Head office and principal place
of business in the PRC:*

71, Dongpeng Avenue
Eastern Section
Guangzhou Economic and
Technological Development District
Guangzhou, PRC

8 December 2025

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED ADOPTION OF THE SHARE AWARD SCHEME,
(2) PROPOSED AMENDMENTS TO THE EXISTING MEMORANDUM
AND ARTICLES OF ASSOCIATION AND ADOPTION OF
THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION
AND
(3) NOTICE OF EGM**

1. INTRODUCTION

Reference is made to the announcements of the Company dated 6 November 2025. The purpose of this circular is to provide you with information on the resolutions to be proposed at the EGM regarding, among other things, (a) the proposed adoption of the Share Award Scheme, (b) the Proposed Amendments and the adoption of the New Memorandum and Articles of Association, and to give you notice of the EGM at which the resolutions will be proposed to consider and, if thought fit, approve such matters.

LETTER FROM THE BOARD

2. PROPOSED ADOPTION OF THE SHARE AWARD SCHEME

The 2013 Share Option Scheme and 2024 Share Option Scheme

2013 Share Option Scheme

The Company adopted the 2013 Share Option Scheme on 2 December 2013. Under the terms of the 2013 Share Option Scheme, unless otherwise terminated or amended, the 2013 Share Option Scheme would remain in force for a period of 10 years from the date of its adoption and had expired on 1 December 2023. No further options can be offered or granted upon the expiration of the 2013 Share Option Scheme.

As at the Latest Practicable Date, there were 9,112,857 outstanding options under the 2013 Share Option Scheme, which remained unexercised. Details of the said outstanding options were as follows:

Name or category of participant	Tranche number	Number of share options outstanding as at the Latest Practicable Date	Date of grant of share options	Exercise period of share options ^(Note 1)	Exercise price HK\$
Professor Zhu Quan ^(Note 2)	2019 T2	192,000	2 January 2019	1 April 2021 – 1 January 2029	4.476
	2019 T3	256,000	2 January 2019	1 April 2022 – 1 January 2029	4.476
Employees (In aggregate)	2016 T1	500,010	1 April 2016	1 April 2017 – 31 March 2026	4.01
	2016 T2	500,010	1 April 2016	1 April 2018 – 31 March 2026	4.01
	2016 T3	666,680	1 April 2016	1 April 2019 – 31 March 2026	4.01
	2019 T2	1,918,643	2 January 2019	1 April 2021 – 1 January 2029	4.476
	2019 T3	2,558,190	2 January 2019	1 April 2022 – 1 January 2029	4.476
	2020 T1	2,521,324	24 March 2020	1 April 2021 – 23 March 2030	3.28

Notes:

1. All share options outstanding as at the date of this announcement which have been granted under the 2013 Share Option Scheme are vested.
2. A non-executive Director.

LETTER FROM THE BOARD

2024 Share Option Scheme

The Company adopted the 2024 Share Option Scheme on 2024 Date of Approval, being 31 May 2024, which is provided to remain in force for a period of 10 years commencing on the date of its adoption.

As at the Latest Practicable Date, no share option had been granted and no share option was outstanding under the 2024 Share Option Scheme.

Pursuant to the 2024 Share Option Scheme, a scheme mandate limit of 84,281,191 Shares and a service provider sublimit of 8,428,119 Shares, which represents 10% and 1% of the total number of issued Shares as at the 2024 Date of Approval, respectively, were given to the Company to allot and issue new Shares in respect of any share options to be granted under the 2024 Share Option Scheme and all the share options and share awards to be granted under any other share scheme(s) of the Company.

Therefore, the total number of Shares which may be issued by the Company in respect of upon exercise of all options to be granted under the 2024 Share Option Scheme and all the share options and share awards to be granted under any other share scheme(s) of the Company involving the issue of new Shares, including all the Awards to be granted under the Share Award Scheme (if adopted), shall not in aggregate exceed 84,281,191 Shares (excluding options which are outstanding and granted and yet to be exercised pursuant to the 2013 Share Option Scheme), representing 9.94% of the total number of issued Shares (excluding Treasury Shares, if any) as at Latest Practicable Date.

The total number of Shares which may be issued by the Company in respect of upon exercise of all options to be granted to relevant eligible service provider participants under the 2024 Share Option Scheme and all the share options and share awards to be granted to eligible service provider participants under any other share scheme(s) of the Company involving the issue of new Shares, including all the Awards to be granted under the Share Award Scheme (if adopted) to the Service Providers, shall not in aggregate exceed 8,428,119 Shares, representing 0.99% of the total number of issued Shares (excluding Treasury Shares, if any) as at the Latest Practicable Date.

Save for the abovementioned, the Company has no other subsisting share schemes as at the Latest Practicable Date.

Explanation of the terms of the Share Award Scheme

The Board proposes to adopt the Share Award Scheme in accordance with the amended Chapter 17 of the Listing Rules effective on 1 January 2023 to provide incentives or rewards to the Eligible Participants for their contribution to the Group. A summary of the principal terms of the Share Award Scheme is set out in Appendix I to this circular.

LETTER FROM THE BOARD

Conditions of the Share Award Scheme

The Share Award Scheme will take effect upon satisfaction of the following conditions:

- (a) the passing of ordinary resolution(s) by the Shareholders at a general meeting of the Company to approve the adoption of the Share Award Scheme, and to authorize the Directors to grant Awards under the Share Award Scheme and to allot and issue Shares pursuant to the exercise of any Award granted under the Share Award Scheme; and
- (b) the Listing Committee granting approval to the listing of, and permission to deal in, the new Shares to be allotted and issued pursuant to the Awards to be granted under the Share Award Scheme.

An application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the Awards to be granted under the Share Award Scheme.

So far as the Directors are aware and having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder is required to abstain from voting on the resolution to be proposed at the EGM to approve the adoption of the Share Award Scheme.

Purpose

The purpose of the Share Award Scheme is to (i) recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group and to incentivise and motivate them to further contribute towards the growth and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company; and (ii) attract suitable personnel for further development of the Group.

Administration

The Share Award Scheme shall be subject to the administration of the Board. The Board may delegate the authority to administer the Share Award Scheme to the Committee and may also appoint any Trustee to assist with the administration and vesting of the Awards granted pursuant to the Share Award Scheme. None of the Directors is a Trustee or has a direct or indirect interest in the Trustee, if any, of the Share Award Scheme.

To satisfy the Awards after vesting, the Company may (a) allot and issue new Shares to the Grantee directly; and/or (b) allot and issue new Shares to the Trustee, and/or instruct the Trustee to acquire existing Shares through on-market or off-market purchases in accordance with the Company's instructions and subject to the terms and conditions of the Trust Deed (if any), such new Shares to be held on trust for the Grantee and to be transferred to the Grantee after vesting.

LETTER FROM THE BOARD

As new Shares may be allotted and issued by the Company to satisfy the Awards after vesting under the Share Award Scheme, an application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be allotted and issued in respect of the Awards to be granted under the Share Award Scheme. For the purposes of the Share Award Scheme, new Shares include Treasury Shares and the issue of new Shares includes the transfer of Treasury Shares. The Company may use Treasury Shares, if any and to the extent permitted by the articles of association of the Company, to satisfy the Awards under the Share Award Scheme. As at the Latest Practicable Date, the Company did not hold any Treasury Share.

Duration

Subject to the satisfaction of the Adoption Conditions and any early termination as may be determined by the Board pursuant to the rules of the Share Award Scheme, the Share Award Scheme shall be valid and effective for a term of ten (10) years commencing on the Adoption Date and ending on the tenth (10th) anniversary of the Adoption Date.

Eligible Participants and basis for determining eligibility of participants

Eligible Participants under the Share Award Scheme include (i) the Employee Participants, (ii) the Service Providers and (iii) the Related Entity Participants, in each case provided that the Board or the Committee considers, in its sole discretion, have contributed or will contribute to the Group.

(i) Employee Participants

Employee Participants are Directors (including executive Directors, non-executive Directors and independent non-executive Directors) and employee (whether full-time or part-time) of the Company or any of its subsidiaries. In assessing their eligibility, the Board or the Committee will consider, in its sole discretion, on a case-by-case basis, the following factors, including but not limited to (i) contribution or potential contribution to the development, growth and performance of the Group; (ii) quality of work performed for the Group; (iii) initiative and commitment in performing his/her duties, responsibilities or employment conditions according to the prevailing market practice and industry standard; (iv) length of service or contribution of the Group; and (v) the amount of support, assistance, guidance, advice or efforts that has been given or will be given towards the Group's success.

As at the Latest Practicable Date, the Company has not formulated any plan or intention to grant any Award to the independent non-executive Directors or any of their respective associates under the Share Award Scheme.

LETTER FROM THE BOARD

However, the Board believes that the inclusion of independent non-executive Directors as Eligible Participants is justified for the following reasons: (i) equity-based remuneration is an effective tool to align the interests of Board members including the independent non-executive Directors with those of Shareholders; (ii) it is a common market practice among public companies; (iii) it is consistent with the scope of eligible participants under the 2024 Share Option Scheme; and (iv) the independent non-executive Directors make valuable contributions to the Group's corporate governance and business development. The inclusion gives the Company flexibility to grant Awards allowing the Company to keep its remuneration package competitive to attract and retain talent which is in line with the purpose of the Share Award Scheme.

The Board believes that possible grant of Awards to independent non-executive Directors will not impair their independence and impartiality, because: (i) the independent non-executive Directors must continue to comply with the independence requirements under Rule 3.13 of the Listing Rules; (ii) the rules of the Share Award Scheme provided that any grant causing an independent non-executive Director's (or any of their associates') total number of Shares issued and to be issued in respect of all the Awards granted under the Share Award Scheme and (if any) the share options and other share awards granted under any other share scheme(s) (excluding any Awards and any share options and other share awards lapsed in accordance with the terms of the share scheme(s)) to exceed 0.1% (or any higher permitted threshold under the Listing Rules) of issued Shares (excluding Treasury Shares, if any) in a 12-month period requires separate Shareholder approval; (iii) the Board will always be mindful of the recommended best practice E.1.9 of the Corporate Governance Code set out in Appendix C1 to the Listing Rules which recommends that issuers generally should not grant equity-based remuneration (e.g. share options or grants) with performance-related elements to independent non-executive directors when considering any future grants of options or Awards to the independent non-executive Directors.

The Board is of the view that the adoption of the Share Award Scheme is in line with current market practices of providing incentives to employees to motivate them to contribute to the growth of the organisation. By offering Awards to Employee Participants, the Share Award Scheme aims to align Employee Participants' interests with the overall objectives of the Group, by encouraging them to work towards enhancing the enterprise value, as well as achieving the long-term objectives set by the Group and ultimately benefiting the Group as a whole.

(ii) Service Providers

Service Providers are any person (natural person or corporate entity) who provides services to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long term growth of the Group. Such category of participants include (a) independent contractors and (ii) advisers or consultants.

LETTER FROM THE BOARD

In assessing the eligibility of the Service Providers, the Board or the Committee will consider, among others,

- (a) the individual performance of the Service Providers, which is assessed and measured by a combination of quantitative and qualitative criteria tailored to the nature of the services provided, for example, (i) the annual transaction amount; (ii) achievement of pre-agreed milestones, deliverables, or key performance indicators specified in the relevant engagement agreement; (iii) demonstration of expertise or in-sights in areas which materially advance the Group's drug pipeline, operational efficiency, or competitive positioning; (iv) quality, timeliness, and commercial impact of the services rendered, including contributions to research and development progress, manufacturing improvements or market access;
- (b) the frequency of collaboration and the length of business relationship;
- (c) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties);
- (d) the track record in the quality of services provided to and/or cooperation with the Group and the ability to maintain the quality of services;
- (e) the scale of business dealings and/or collaboration with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Providers;
- (f) the actual contribution or potential contribution towards the long-term development and success of the Group; and
- (g) the remuneration packages of comparable listed peers for similar service providers based on available information in the industry.

LETTER FROM THE BOARD

Further to the above criteria, set out below is the detailed basis of determining the eligibility of each category of the Service Providers:

Class of Service Providers	Contribution of the Service Providers	Criteria for determining eligibility under the Share Award Scheme
Independent contractors	<p>Independent contractors under this category are mainly third-party suppliers of service relating to research and development of medicines (including but not limited to oral drug for chronic kidney disease), who/which support, on a regular or recurring basis, the Group's day-to-day operation in the research, manufacturing and sale of pharmaceutical products in the PRC. Their services (including recurring and specialized tasks (e.g., preclinical studies, clinical trial support, or formulation development)) are integral to the Group's core day-to-day operations and directly drive the creation and advancement of its innovative drug pipeline (including innovative therapies for kidney disease), making them crucial to the sustained technological competitiveness and long-term growth of the Company's pharmaceutical business. As such, their contributions align fully with the objectives of the Share Award Scheme in incentivizing individuals who materially advance the Group's future value and development.</p> <p>The Group considers that it is important to maintain an ongoing collaborative relationship with the independent contractors as the Group may from time to time require their delivery of services for the Group to carry out its business activities. It would also be beneficial to the collaboration between the Group and the Service Provider if the Company grants such Service Providers proprietary ownership in the Company, which encourages the Service Provider to have a vested shareholding interest in the Group and the Group's future development.</p>	<p>The Board or the Committee will, on a case-by-case basis, take into account both qualitative and quantitative factors when determining the eligibility of such Service Providers, including:</p> <p class="list-item-l1">(a) the benefits and strategic value brought by the Service Providers to the Group's development and future prospects in terms of the profits and/or income attributable to the Service Providers' collaboration with the Group;</p> <p class="list-item-l1">(b) the business opportunities and external connections that the Service Providers have introduced or will potentially introduce to the Group.</p>

LETTER FROM THE BOARD

Class of Service Providers	Contribution of the Service Providers	Criteria for determining eligibility under the Share Award Scheme
<p>Advisers or consultants</p> <p>The Group may seek advisory services and consultancy services from consultants or advisers with the expertise, professional qualifications and industry experience, which can bring positive impacts or strategic benefits to the Group's business growth and development in light of the Group's business plan from time to time. Granting performance rewards in the form of Awards to such Service Providers will motivate them to continuously devote resources towards the Group and serves to bind their interests with the Group's interests in the long term.</p>	<p>Advisers and consultants under this category would be individuals and/or businesses which provide, on a regular or recurring basis, advisory services and consultancy services, to the Group on areas relating to the Group's principal business activities in operation of research, manufacturing and sale of pharmaceutical products in the PRC or the Group's business strategy, human resources and marketing activities.</p>	<p>The Board or the Committee will, on a case-by-case basis, take into account both qualitative and quantitative factors when determining the eligibility of such Service Providers, including:</p> <ul style="list-style-type: none"> (a) the expertise, professional qualifications and industry experience of the Service Providers; (b) the prevailing market fees chargeable by other services providers; (c) the Group's period of engagement of or collaboration with the Service Providers; and (d) the Service Providers' actual or potential contribution to the Group in terms of a reduction in costs or an increase in turnover or profit.

In assessing whether a Service Provider provides services to the Group on a continuing and recurring basis in its ordinary and usual course of business, the Board or the Committee will take into account the following factors:

- (a) the duration (i.e. whether the amount of time such as the number of working days each month required to render the services) and nature (i.e. whether such services form part of or are directly ancillary to the businesses conducted by the Group) of services provided to the Group in the past 12 months, and the frequency of recurrence and regularity of such services (i.e. whether the said amount of time required to render the services would be considered regular, continuous or recurring, and whether the Service Provider has previously provided services to the Group for a continuous period of time under the relevant engagement agreement);

LETTER FROM THE BOARD

- (b) the length of engagement of the Service Provider (i.e. whether the Service Provider has entered into an engagement agreement and whether such agreement is subject to any fixed term of service); and
- (c) the abovementioned selection criteria (i.e. duration and nature of services, length of engagement, frequency of recurrence and regularity of services) against comparable metrics used to determine other Eligible Participants who have been granted Awards under the Share Award Scheme (when applicable), as it is expected the same objective standards already used by the Board or the Committee for previously granted Awards under the Share Award Scheme (when applicable) should be applied when assessing whether the services provided is on a continuing and recurring basis in the Group's ordinary and usual course of business. Only Service Providers whose abovementioned metrics match or exceed those of prior Award recipients (when applicable) will be regarded as providing services on a continuing and recurring basis and thus eligible. This ensures consistent and fair application of the eligibility threshold across all Service Providers.

The qualified Service Providers shall 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. In particular, they shall be closely connected to and crucial to the Group's operations.

(iii) Related Entity Participants

Related Entity Participants are directors, chief executives and employees of the holding companies, fellow subsidiaries or associated companies of the Company. These participants provide essential support the Company's operations through strategic oversight and referral of collaboration opportunities with research and development experts, institutions and technology partners and distribution and marketing partners. Such collaborations generate significant synergistic effects within the Company's network, strengthening innovation capabilities, accelerating product pipeline development, and enhancing overall competitiveness and sustainable growth. The contributions from Related Entity Participants are both strategically and commercially vital to the Company which directly support the Group's competitive position and foster its long-term development. Accordingly, the Board believes that it is justified to include them as Eligible Participants.

In assessing the eligibility of the Related Entity Participant(s), the Board or the Committee will consider, in its sole discretion, on a case-by-case basis, including (a) the responsibility taken up or to be taken up by the Related Entity Participant(s) towards the success of the Group's operations or enhancing the value of the Company and its Shares; (b) the measurable positive contributions brought by, or expected to be brought by, the Related Entity Participant on the Group's business development in terms of financial performance or financial position; (c) whether the Related Entity Participant has referred or introduced opportunities to the Group which have materialised into further business relationships; (d) whether the Related Entity Participant has assisted the Group in tapping into new markets

LETTER FROM THE BOARD

and/or increased its market share; and (e) the materiality and nature of the business relations of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the principal businesses of the Group through a collaborative relationship.

As at the Latest Practicable Date, the Company did not grant any options or awards to Service Providers and Related Entity Participants under any share schemes of the Company. Having considered the basis of determining the eligibility of Service Providers and Related Entity Participants, the Board considers that (i) the proposed categories of the Service Providers and Related Entity Participants are in line with the Company's business needs and the industry norm of offering equity-based compensation to stakeholders; (ii) the success of the Group is not solely attributed to the contributions of employees and directors of the Group but also to the efforts and collaboration of non-employees, including Service Providers and Related Entity Participants, who contribute to the Group's development and ongoing success and may contribute in the future; and (iii) in order to foster a sustainable and stable relationship vital to the Group's business development, including Service Providers and Related Entity Participants are advantageous.

Particularly, the Board considers that the proposed categories of the Service Providers and Related Entity Participants are in line with the Company's business needs and the industry norm for the following reasons:

- (a) For Related Entity Participants, the Company recognises their significant contributions (or potential contributions) to the Group's long-term growth and sustainability through existing or prospective collaborations. Given the strategic and commercial value of these contributions, the Board considers it in the Company's best interests to retain flexibility to grant Awards to such participants. Such grants align the interests of the Group and these participants, incentivise continued collaboration and value creation, and conserve cash by using equity-based incentives. This also fosters greater ownership and commitment, which is necessary and crucial to driving the Group's sustained success.
- (b) For Service Providers:
 - (i) granting Awards to Service Providers is common industry practice in the pharmaceutical sector, where the principal business of the Group is the manufacturing and sale of pharmaceuticals and research and development of pharmaceutical products. Engaging research and development professionals and institutions with specialised skill and knowledge as independent contractors is common industry practice and essential to advancing the Group's drug pipeline development and the Group's business success;

LETTER FROM THE BOARD

- (ii) the Group has collaborated with consultants and advisors who provide specialised services in pharmaceutical research, manufacturing, sales in the PRC, business strategy, human resources and marketing. These Service Providers contribute critical expertise, industry experience, networks and strategic guidance that materially support the Group's development and operations; and
- (iii) granting Awards to Service Providers aligns their long-term interests with those of the Group and Shareholders, while preserving the Board's discretion to reward those who have made or will make significant contributions to the Group's sustained growth and value creation.

As such, it is considered the said proposed categories of the Service Providers and the Related Entity Participants are in line with the Company's business needs and the industry norm.

In light of the above, the Board (including the independent non-executive Directors) is of the view that the inclusion of the Employee Participants, Service Providers and Related Entity Participants in the Share Award Scheme and the basis of determining their respective eligibility are in line with the purpose of the Share Award Scheme, enabling the Group to attract and retain talented employees and valuable human resources from both within and outside the Group and promote its long-term growth, the adoption of the Share Award Scheme is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Company has not formulated any plan or intention to grant any Award to the Eligible Participants in the coming 12 months under the Share Award Scheme.

Scheme Mandate Limit and Service Provider Sublimit

The Company approved and adopted the 2024 Share Option Scheme at the extraordinary general meeting of the Company held on 31 May 2024. Pursuant to the 2024 Share Option Scheme, a scheme mandate limit of 84,281,191 Shares and a service provider sublimit of 8,428,119 Shares, which represents 10% and 1% of the total number of issued Shares as at the 2024 Date of Approval, respectively, were given to the Company to allot and issue new Shares in respect of any share options to be granted under the 2024 Share Option Scheme and all the share options and share awards to be granted under any other share scheme(s) of the Company.

Therefore, the total number of Shares which may be issued by the Company in respect of all the Awards to be granted under the Share Award Scheme and all the share options and share awards to be granted under any other share scheme(s) of the Company involving the issue of new Shares, including the 2024 Share Option Scheme, shall not in aggregate exceed 84,281,191 Shares (excluding options which are outstanding and granted and yet to be

LETTER FROM THE BOARD

exercised pursuant to the 2013 Share Option Scheme) or 10% of the total number of issued Shares (excluding Treasury Shares, if any) as at the relevant date of approval of the refreshment of the Scheme Mandate Limit.

The total number of Shares which may be issued by the Company in respect of all Awards to be granted under the Share Award Scheme to Service Providers and all the share options and share awards to be granted to eligible service provider participants under any other share scheme(s) of the Company involving the issue of new Shares, including the 2024 Share Option Scheme, shall not in aggregate exceed 8,428,119 Shares or 1% of the total number of issued Shares (excluding Treasury Shares, if any) as at the relevant date of approval of the refreshment of the Service Provider Sublimit.

After the resolution approving the adoption of the Share Award Scheme is passed at the EGM, the aggregate maximum number of Shares which may be allotted and issued in respect of the Awards to be granted under the Share Award Scheme and all the share options and share awards to be granted under any other share scheme(s) of the Company involving the issue of new Shares, including the 2024 Share Option Scheme, to the Eligible Participants and the Service Providers, will be 84,281,191 Shares and 8,428,119 Shares, representing approximately 9.94% and 0.99% of the total number of Shares (excluding Treasury Shares, if any) in issue as at the Latest Practicable Date, respectively. The Scheme Mandate Limit and the Service Provider Sublimit comply with the requirements of Chapter 17 of the Listing Rules.

The basis for determining the Service Provider Sublimit includes (i) the potential dilution effect arising from grants to the Service Providers; (ii) the importance of striking a balance between achieving the purpose of the Share Award Scheme and protecting Shareholders from the dilution effect from granting a substantial amount of Awards to the Service Providers; (iii) the extent of the use of Service Providers in the Group's business; and (iv) the fact that the Company expects that a majority of the Awards will be granted to Employee Participants and Related Entity Participants and as such there is a need to reserve a larger portion of the Scheme Mandate Limit for grants to the Employee Participants and Related Entity Participants. Given the above, the Board has made reference to the 1% Individual Limit (as defined in Appendix I) and considered that a sublimit of 1% would not lead to an excessive dilution of existing Shareholders' holdings.

If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit or the Service Provider Sublimit has been approved in general meeting of the Company, the maximum number of new Shares that may be issued in respect of all options and awards to be granted under the Share Award Scheme and any share scheme(s) of the Company under the Scheme Mandate Limit or the Service Provider Sublimit as a percentage of the total number of issued Shares as at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

LETTER FROM THE BOARD

Considering the Group's business model and human resources allocation strategy and that the Service Providers have contributed to the long-term growth of the Group's business development, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable given the Group's business needs, and such sublimit enables flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward persons who are not employees or officers of the Group, but who may have exceptional expertise in their field or who may be able to provide valuable contribution to the Group, which is in line with the purpose of the Share Award Scheme. The relatively low threshold sublimit of 1% can provide adequate safeguard against excessive dilution of existing Shareholders' holdings. The Service Provider Sublimit is subject to separate approval of the Shareholders at the EGM.

Vesting period

Except for certain circumstances as allowed under the Share Award Scheme (as set out in paragraphs 5.1(a) to (f) of Appendix I to this circular), the vesting period in respect of any Award granted shall be no less than twelve (12) months from (and including) the date of grant. To ensure the practicability in fully attaining the purpose of the Share Award Scheme, for Employee Participants, the Board (and the Remuneration Committee where the arrangements relate to grant of Awards to Directors and/or senior management of the Group) is of the view that (i) there are certain instances (e.g. death, disability or occurrence of any out of control event) where a strict 12-month vesting requirement would not work or would not be fair to the Employee Participants; (ii) there is a need for the Group to maintain flexibility in its remuneration package to attract and retain talented individuals facilitate succession planning and the effective transition of employee responsibilities and appropriately reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (iii) the Group should be allowed discretion to formulate its own talent recruitment and retention strategies (e.g. by the grant of "make-whole" Awards) to adapt to evolving market conditions and industry competition, and therefore should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances.

The Board (and the Remuneration Committee where the arrangements relate to grant of Awards to Directors and/or senior management of the Group) is of the view that the vesting period requirements (including the circumstances in which a shorter vesting period may apply) could motivate and provide incentives to the Employee Participants and to attract and retain the best available personnel for the Group, which aligns with the market practice, and are in line with the purpose of the Share Award Scheme.

Purchase Price

Unless otherwise determined by the Board or the Committee in its absolute discretion at the relevant time for each Award, a Selected Participant is not required to pay any grant or purchase price or make any other payment to the Company for accepting an offer of the Award granted, nor is the Selected Participant required to pay any subscription or purchase price for

LETTER FROM THE BOARD

the vesting of the Awards or the receipt of the Award Shares. The Board considers that it is consistent with the purpose of the Share Award Scheme for the Company to retain discretion to consider the purchase price, if any, for an Award and the underlying Award Shares so that meaningful reward may be provided to Selected Participants in recognition of their contribution or potential contribution to the Group.

Performance targets

The Share Award Scheme sets out the qualitative description of possible performance targets related to financial and non-financial parameters of the Group and/or individual performance indicators (as set out in Appendix I to this circular) and allows discretion for the Board or the Committee to determine whether any performance targets will be specified in respect of each Award on a case-by-case basis, for the purpose of motivating Selected Participants to strive for the future development and expansion of the Group, which are directly linked to the core purpose of the Share Award Scheme of rewarding contribution and driving the Group's growth as well as aligning incentives with the specific strategic contributions expected from each Selected Participant. As each Selected Participant has a different position or role with respect to the Group and may contribute to the Group differently in terms of nature, duration or significance, it may not always be appropriate to impose a generic set of performance targets for each Award. Therefore, the Share Award Scheme does not prescribe the performance targets that must be met before each Award may vest. However, the Board or the Committee shall specify the conditions including any performance targets for each Award in the Grant Notice (as defined in Appendix I to this circular).

The Board considers that it is more beneficial for the Company to have flexibility to determine whether and to what extent any performance targets will be attached to each Award in light of the specific circumstances of each Selected Participant and it is not practicable to expressly set out a generic set of performance targets in the rules of the Share Award Scheme, as each Selected Participant will play different roles and contribute in different ways to the Group. The Board or the Committee shall have regard to the purpose of the Share Award Scheme in making such determinations, and ensure that appropriate specific performance targets will be set under particular circumstances of the relevant Selected Participant(s). The Board believes that (i) setting specific performance targets ensures Awards are earned only through continued value creation, directly aligning with the Share Award Scheme's purpose of recognising past contributions while incentivising future growth; and (ii) the flexibility to set meaningful targets keeps the equity incentive competitive and attractive to diverse high-value contributors and supports the Share Award Scheme's objective of attracting suitable talent for the Group's further development.

LETTER FROM THE BOARD

Clawback mechanism

The Share Award Scheme provides for a clawback mechanism which sets out the circumstances in which the unvested Awards to a Grantee shall, among others, automatically lapse forthwith in the event that, (i) the Grantee commits any misconduct; or (ii) the granting of any Award, or its becoming vested was based on material misstatement in the financial statements of the Company or any other materially inaccurate performance metric criteria; or (iii) if the Grantee joins a company which the Board or the Committee believes in its sole and reasonable opinion to be a competitor of the Company; or (iv) if any other clawback event implicitly or explicitly characterised in the grant notice occurs.

The Board considers that such mechanism aligns with the purpose of the Share Award Scheme as it would not be beneficial to the Group for the Grantee to continue to benefit from the unvested Awards under the circumstances that would trigger the clawback mechanism.

Other Information

Pursuant to the note to Rule 17.03(2) of the Listing Rules, the Board has sought legal advice on the prospectus requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) in relation to the Share Award Scheme proposed to be adopted and understands that the adoption of the Share Award Scheme and the grant of the Awards thereunder, would not constitute an offer to public and the prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) are not applicable.

Document on Display

A copy of the rules of the Share Award Scheme will be published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.chinaconsun.com) for a period of not less than 14 days before the date of the EGM and will be made available for inspection at the EGM.

3. PROPOSED AMENDMENTS TO THE EXISTING MEMORANDUM AND ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 6 November 2025. As set out in the said announcement, the Board proposes to seek approval from the Shareholders at the EGM for the Proposed Amendments to enable the Company to hold and dispose of any repurchased Shares as Treasury Shares in accordance with applicable laws of the Cayman Islands and the recent amendments to the Listing Rules relating to Treasury Shares and make other housekeeping changes.

LETTER FROM THE BOARD

The Company has been advised by its legal advisers as to Hong Kong laws and the Cayman Islands laws, respectively, that the Proposed Amendments conform with the requirements of the Listing Rules (including the requirements of Appendix A1 to the Listing Rules) and the applicable laws of the Cayman Islands. The Company also confirms that there is nothing unusual about the Proposed Amendments for a company listed on the Stock Exchange.

Details of the Proposed Amendments are set out in Appendix II to this circular and the Proposed Amendments are subject to the approval of the Shareholders by way of a special resolution at the EGM.

4. EGM

A notice of the EGM is set out on pages EGM-1 to EGM-4 of this circular.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on the resolution(s) to be put forward at the EGM.

At the EGM, resolutions will be proposed to the Shareholders to be considered at the EGM, including: (a) the proposed adoption of the Share Award Scheme; (b) the proposed adoption of the Service Provider Sublimit; and (c) the Proposed Amendments and the adoption of the New Memorandum and Articles of Association.

A form of proxy for use at the EGM is enclosed herewith. Whether or not you intend to attend the EGM in person, you are requested to complete, sign and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

In addition to physical attendance at the EGM, you may also opt to attend the EGM via online platform by visiting the website at https://meetings.computershare.com/CPGL_202512EGM. For details, please refer to the notice of the EGM set out in this circular.

5. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules and article 79 of the Existing Memorandum and Articles of Association, all votes at the EGM will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

6. CLOSURE OF REGISTER OF MEMBERS FOR EGM

Reference is made to the announcement of the Company dated 2 December 2025. For the purpose of determining the Shareholders' eligibility to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 18 December 2025 to Tuesday, 23 December 2025 (both dates inclusive), during which period no transfer of Shares will be registered. The record date for determining the entitlement of the Shareholders to attend and vote at the EGM will be Tuesday, 23 December 2025. In order to qualify for attending and voting at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Wednesday, 17 December 2025.

7. RESPONSIBILITY STATEMENT

This circular, for which the directors of the issuer 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 issuer. 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.

8. RECOMMENDATION

The Directors consider the proposed adoption of the Share Award Scheme and the Proposed Amendments and the adoption of the New Memorandum and Articles of Association are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

9. GENERAL

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

Yours faithfully,
By Order of the Board of
Consun Pharmaceutical Group Limited
AN Meng
Chairman and Executive Director

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

1. PURPOSE OF THE SHARE AWARD SCHEME

The purpose of the Share Award Scheme is to (i) recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group and to incentivise and motivate them to further contribute towards the growth and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company; and (ii) attract suitable personnel for further development of the Group.

2. ELIGIBLE PARTICIPANTS OF THE SHARE AWARD SCHEME AND BASIS FOR DETERMINING THE ELIGIBILITY OF THE PARTICIPANTS

2.1 The Board or the Committee shall be entitled to, at its absolute discretion, grant an Award to any person belonging to any of the following classes of Eligible Participants, pursuant to which such Participant may receive such number of Shares as the Board or the Committee may determine:

- (a) an Employee Participant;
- (b) a Service Provider; and
- (c) a Related Entity Participant,

in each case provided that the Board or the Committee considers, in its sole discretion, have contributed or will contribute to the Group.

2.2 In the case of the Employee Participants, in assessing their eligibility, the Board or the Committee will consider, in its sole discretion, on a case-by-case basis, the following factors, including but not limited to (i) contribution or potential contribution to the development, growth and performance of the Group; (ii) quality of work performed for the Group; (iii) initiative and commitment in performing his/her duties, responsibilities or employment conditions according to the prevailing market practice and industry standard; (iv) length of service or contribution of the Group; and (v) the amount of support, assistance, guidance, advice or efforts that has been given or will be given towards the Group's success.

2.3 In assessing the eligibility of the Service Providers, the Board or the Committee will consider, among others,

- (a) the individual performance of the Service Providers, which is assessed and measured by a combination of quantitative and qualitative criteria tailored to the nature of the services provided, for example, (i) the annual transaction amount; (ii) achievement of pre-agreed milestones, deliverables, or key performance indicators specified in

the relevant engagement agreement; (iii) demonstration of expertise or in-sights in areas which materially advance the Group's drug pipeline, operational efficiency, or competitive positioning; (iii) quality, timeliness, and commercial impact of the services rendered, including contributions to research and development progress, manufacturing improvements or market access;

- (b) the frequency of collaboration and the length of business relationship;
- (c) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties);
- (d) the track record in the quality of services provided to and/or cooperation with the Group and the ability to maintain the quality of services;
- (e) the scale of business dealings and/or collaboration with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Providers;
- (f) the actual contribution or potential contribution towards the long-term development and success of the Group; and
- (g) the remuneration packages of comparable listed peers for similar service providers based on available information in the industry.

Further to the above criteria, set out below is the detailed basis of determining the eligibility of each category of the Service Providers:

Class of Service Providers	Contribution of the Service Providers	Criteria for determining eligibility under the Share Award Scheme
Independent contractors	<p>Independent contractors under this category are mainly third-party service providers relating to research and development of medicines (including but not limited to oral drug for chronic kidney disease), who/which Their services (including recurring and specialized tasks (e.g., preclinical studies, clinical trial support, or formulation development)) are integral to the Group's core day-to-day operations and directly drive the creation and advancement of its innovative drug pipeline (including innovative therapies for kidney disease), making them crucial to the sustained technological competitiveness and long-term growth of the Company's pharmaceutical business. As such, their contributions align fully with the objectives of the Share Award Scheme in incentivizing individuals who materially advance the Group's future value and development.</p> <p>The Group considers that it is important to maintain an ongoing collaborative relationship with the independent contractors as the Group may from time to time require their delivery of services for the Group to carry out its business activities. It would also be beneficial to the collaboration between the Group and the Service Provider if the Company grants such Service Providers proprietary ownership in the Company, which encourages the Service Provider to have a vested shareholding interest in the Group and the Group's future development.</p>	<p>The Board or the Committee will, on a case-by-case basis, take into account both qualitative and quantitative factors when determining the eligibility of such Service Providers, including:</p> <ul style="list-style-type: none"> (a) the benefits and strategic value brought by the Service Providers to the Group's development and future prospects in terms of the profits and/or income attributable to the Service Providers' collaboration with the Group; (b) the business opportunities and external connections that the Service Providers have introduced or will potentially introduce to the Group.

Class of Service Providers	Contribution of the Service Providers	Criteria for determining eligibility under the Share Award Scheme
Advisers or consultants	<p>Advisers and consultants under this category would be individuals and/or businesses which provide, on a regular or recurring basis, advisory services and consultancy services, to the Group on areas relating to the Group's principal business activities in operation of research, manufacturing and sale of pharmaceutical products in the PRC or the Group's business strategy, human resources and marketing activities.</p> <p>The Group may seek advisory services and consultancy services from consultants or advisers with the expertise, professional qualifications and industry experience, which can bring positive impacts or strategic benefits to the Group's business growth and development in light of the Group's business plan from time to time. Granting performance rewards in the form of Awards to such Service Providers will motivate them to continuously devote resources towards the Group and serves to bind their interests with the Group's interests in the long term.</p>	<p>The Board or the Committee will, on a case-by-case basis, take into account both qualitative and quantitative factors when determining the eligibility of such Service Providers, including:</p> <ul style="list-style-type: none"> (a) the expertise, professional qualifications and industry experience of the Service Providers; (b) the prevailing market fees chargeable by other services providers; (c) the Group's period of engagement of or collaboration with the Service Providers; and (d) the Service Providers' actual or potential contribution to the Group in terms of a reduction in costs or an increase in turnover or profit.

In assessing whether a Service Provider provides services to the Group on a continuing and recurring basis in its ordinary and usual course of business, the Board or the Committee will take into account the following factors:

- (a) the duration (i.e. whether the amount of time such as the number of working days each month required to render the services) and nature (i.e. whether such services form part of or are directly ancillary to the businesses conducted by the Group) of services provided to the Group in the past 12 months, and the frequency of recurrence and regularity of such services (i.e. whether the said amount of time required to render the services would be considered regular, continuous or recurring, and whether the Service Provider has previously provided services to the Group for a continuous period of time under the relevant engagement agreement);

- (b) the length of engagement of the Service Provider (i.e. whether the Service Provider has entered into an engagement agreement and whether such agreement is subject to any fixed term of service); and
- (c) the abovementioned selection criteria (i.e. duration and nature of services, length of engagement, frequency of recurrence and regularity of services) against comparable metrics used to determine other Eligible Participants who have been granted Awards under the Share Award Scheme (when applicable), as it is expected the same objective standards already used by the Board or the Committee for previously granted Awards under the Share Award Scheme (when applicable) should be applied when assessing whether the services provided is on a continuing and recurring basis in the Group's ordinary and usual course of business. Only Service Providers whose abovementioned metrics match or exceed those of prior Award recipients (when applicable) will be regarded as providing services on a continuing and recurring basis and thus eligible. This ensures consistent and fair application of the eligibility threshold across all Service Providers.

The qualified Service Providers shall 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. In particular, they shall be closely connected to and crucial to the Group's operations.

2.4 In assessing the eligibility of the Related Entity Participant(s), the Board or the Committee will consider, in its sole discretion, on a case-by-case basis, including (a) the responsibility taken up or to be taken up by the Related Entity Participant(s) towards the success of the Group's operations or enhancing the value of the Company and its Shares; (b) the measurable positive contributions brought by, or expected to be brought by, the Related Entity Participant on the Group's business development in terms of financial performance or financial position; (c) whether the Related Entity Participant has referred or introduced opportunities to the Group which have materialised into further business relationships; (d) whether the Related Entity Participant has assisted the Group in tapping into new markets and/or increased its market share; and (e) the materiality and nature of the business relations of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the principal businesses of the Group through a collaborative relationship.

3. SCHEME MANDATE LIMIT AND SERVICE PROVIDER SUBLIMIT

3.1 The total number of Shares which may be issued by the Company in respect of all the Awards to be granted under the Share Award Scheme and all the share options and share awards to be granted under any other share scheme(s) ("Scheme Mandate Limit") shall not in aggregate exceed 84,281,191 Shares, representing approximately 9.94% of the total

number of issued Shares (excluding Treasury Shares, if any) as at the Adoption Date, or 10% of the total number of issued Shares (excluding Treasury Shares, if any) as at the relevant date of approval of the refreshment of the Scheme Mandate Limit.

- 3.2 The sublimit (under the Scheme Mandate Limit) on the total number of Shares which may be issued in respect of all the Awards to be granted under the Share Award Scheme and all the share options and share awards to be granted under any other share scheme(s) (“**Service Provider Sublimit**”) shall not in aggregate exceed 8,428,119 Shares, representing approximately 0.99% of the total number of issued Shares (excluding Treasury Shares, if any) as at the Adoption Date, or 1% of the total number of issued Shares (excluding Treasury Shares, if any) as at the relevant date of approval of the refreshment of the Service Provider Sublimit.
- 3.3 Subject to the requirements set out in this paragraph, the Scheme Mandate Limit (and, where appropriate, the Service Provider Sublimit) may be refreshed by the Company as follows:
 - (a) the Company may refresh the Scheme Mandate Limit (and, where appropriate, the Service Provider Sublimit) by ordinary resolution of the Shareholders in general meeting after three (3) years from the Adoption Date (or from the date of Shareholders’ approval for the last refreshment) in accordance with the applicable Listing Rules; and
 - (b) any refreshment of the Scheme Mandate Limit (and, where appropriate, the Service Provider Sublimit) within the three-year period from the Adoption Date (or from the date of Shareholders’ approval for the last refreshment) must be approved by the Shareholders in general meeting subject to the following provisions:
 - (i) any controlling Shareholders (as defined in the Listing Rules) of the Company and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
 - (ii) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules,

provided that the requirements under sub-paragraphs (i) and (ii) above do not apply if the refreshment is made immediately after an issue of Shares 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 total number of issued Shares) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of Shares, rounded to the nearest whole Share.

3.4 The Scheme Mandate Limit so refreshed under paragraph 3.3 above shall not exceed 10% of the total number of issued Shares (excluding Treasury Shares, if any) as at the date of Shareholders' approval of the refreshment of the Scheme Mandate Limit. A circular regarding the proposed refreshment of the Scheme Mandate Limit must be despatched to the Shareholders containing the number of Awards and any other share options and share awards that were already granted under the existing Scheme Mandate Limit (and, where appropriate, the Service Provider Sublimit) and the reason for the refreshment.

3.5 Without prejudice to paragraphs 3.2 and 3.3 above, the Company may seek separate approval by the Shareholders in general meeting for granting Awards which will result in the Scheme Mandate Limit or, if applicable, the refreshed Scheme Mandate Limit under paragraph 3.2, being exceeded, provided that:

- (a) the Awards in excess of the limit are granted only to the Grantee(s) specifically identified by the Company before such approval is sought;
- (b) the Company must despatch a circular to the Shareholders containing such relevant information as required by the Listing Rules in relation to any such proposed grant to such Grantee(s); and
- (c) the number and terms of the Awards to be granted to such Grantee(s) are fixed before the Shareholders' approval.

4. MAXIMUM ENTITLEMENT OF EACH GRANTEE

4.1 No Award shall be granted to a Grantee if it would result in the total number of Shares issued and to be issued in respect of all the Awards granted under the Share Award Scheme and, if any, the share options and other share awards granted under any other share scheme(s) to such person (excluding any Awards and any share options and other share awards lapsed in accordance with the terms of the Share Award Scheme and any other share scheme(s)) in the 12-month period up to and including the date of such grant exceeding 1% (or such other higher percentage as the Listing Rules may prescribe or permit) of the total number of issued Shares (excluding Treasury Shares, if any) as at the date of such grant, unless:

- (a) such grant has been separately approved by the Shareholders in general meeting, with such Grantee and his close associates (or associates if such Grantee is a connected person) abstaining from voting;
- (b) the Company must despatch a circular to the Shareholders containing such relevant information as required by the Listing Rules in relation to any such proposed grant to such Grantee; and
- (c) the number and terms of the Awards to be granted to such Grantee are fixed before the Shareholders' approval.

4.2 Any grant of Awards to any Director, chief executive or substantial Shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates, shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of the Award). In addition:

- (a) where any grant of Awards to any Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all the Awards granted under the Share Award Scheme and (if any) the share awards granted under any other share scheme(s) (excluding any Awards and any other share awards lapsed in accordance with the terms of the share scheme(s)) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as the Listing Rules may prescribe or permit) of the total number of issued Shares (excluding Treasury Shares, if any) as at the date of such grant; or
- (b) where any grant of Awards to an independent non-executive Director or substantial Shareholder (as defined in the Listing Rules) of the Company (or any of their respective associates) would result in the number of Shares issued and to be issued in respect of all the Awards granted under the Share Award Scheme and (if any) the share options and other share awards granted under any other share scheme(s) (excluding any Awards and any share options and other share awards lapsed in accordance with the terms of the share scheme(s)) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as the Listing Rules may prescribe or permit) of the total number of issued Shares (excluding Treasury Shares, if any) as at the date of such grant,

such further grant of Awards must be approved by Shareholders in general meeting in the manner required, and subject to the requirements set out, in the Listing Rules. In particular, the Company must send a circular to the Shareholders, containing the following information:

- (a) the details of the number and terms of the Awards to be granted to each Grantee which must be fixed before the Shareholders' meeting. In respect of any Awards to be granted, the date of the Board meeting for proposing such further grant is to be taken as the date of grant;
- (b) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the relevant Grantee) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and its Shareholders as a whole, and their recommendation to the independent Shareholders as to whether to vote for or against the resolution relating to the grant of the Awards;

- (c) the information required under Rule 17.02(2)(c) of the Listing Rules;
- (d) the information as required under Rule 2.17 of the Listing Rules; and
- (e) any other information as may be required under the Listing Rules or by the Stock Exchange from time to time.

The Grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must comply with the relevant requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

5. VESTING PERIOD

- 5.1 The Board or the Committee may from time to time, in its absolute discretion, determine the Vesting Date upon which the Award may be vested in that Grantee in respect of all or a proportion of the Award Shares. The Vesting Period in respect of any Award shall be not less than twelve (12) months (or such other period as the Listing Rules may prescribe or permit), provided that where the Eligible Participant is an Employee Participant, the Board or the Committee shall have the authority to determine a shorter Vesting Period in its absolute discretion under the following specific circumstances:
 - (a) grants of “make-whole” Awards to any Employee Participants who are new joiners to replace the share awards or options they forfeited when leaving their previous employers;
 - (b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
 - (c) grants that are made in batches during a year for administrative or compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for a subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Award would have been granted;
 - (d) grants with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of twelve (12) months or where the Awards may vest by several batches with the first batch to vest within twelve (12) months of the date of grant and the last batch to vest twelve (12) months after the date of grant;
 - (e) grants with performance-based vesting conditions provided in the Share Award Scheme or as specified in the Grant Notice in lieu of time-based vesting criteria; or
 - (f) grants with a total vesting and holding period of more than twelve (12) months.

Any grant of Awards to any Director or senior manager of the Company which is made on terms with a Vesting Period of less than 12 months or without a performance target or without a clawback mechanism shall be reviewed by the Committee as to why the Vesting Period is appropriate and how the grant aligns with the purposes of the Share Award Scheme.

- 5.2 Within a reasonable time after the vesting conditions have been reached, fulfilled or satisfied and prior to the Vesting Date of an Award as set out in the related Grant Notice, the Board or the Committee shall notify the Grantee in writing by notice (the “**Vesting Notice**”) in respect of the intended vesting of such number of Award Shares underlying the Award as determined by the Board or the Committee in its absolute discretion, subject to the fulfilment of the requirements set out in paragraph 5.3 and the terms of the Vesting Notice. The Board or the Committee has the absolute discretion to determine whether and to what extent such vesting conditions or performance targets have been reached, fulfilled or satisfied and its decision shall, in the absence of manifest error, be final, conclusive and binding.
- 5.3 Upon the Grantee’s receipt of the Vesting Notice, the Grantee shall (i) duly execute and return the reply slip attached to the Vesting Notice and any transfer or subscription documents prescribed by the Board or the Committee for the relevant Award Shares; and (ii) pay the consideration (if any) for the transfer or subscription of the relevant Award Shares, in each case in the manner and within the period stipulated in the Vesting Notice (or such later date as may be determined by the Board or the Committee in its absolute discretion having regard to all relevant circumstances), failing which the corresponding portion of the Award Shares underlying the Awards shall automatically lapse forthwith in accordance with paragraph 11 below.

6. PERFORMANCE TARGETS

- 6.1 After the Board or the Committee has decided to select an Eligible Participant to be offered with the grant of an Award under the Share Award Scheme, the Board or the Committee shall notify the Selected Participant of such offer by a written notice (the “**Grant Notice**”) and the Board or the Committee shall specify in the Grant Notice, among other things, the conditions, including any performance targets which may include without limitation (i) financial parameters of the Group (such as the revenue, profits and general financial condition of the Group); (ii) non-financial parameters of the Group (such as the Group’s strategic objectives, operational targets and future development plan); and/or (iii) the key performance indicators of the Selected Participant’s departments and/or business units, and the Selected Participant’s position key performance indicators relevant to his roles and responsibilities and/or its annual appraisal results (in respect of Employee Participants); and/or (iv) the Selected Participant’s contribution to the Group’s financial and operating results (such as period of engagement, increase in revenue or profits, reduction in costs, product/service advancement) (in respect of Related Entity Participants and Service Provider), that must be duly fulfilled before the Award may be vested in such Selected Participant in respect of all or a proportion of the Award Shares.

6.2 During the Vesting Period, in respect of any performance targets as may be specified by the Board or the Committee in the Grant Notice that must be fulfilled before the Award may be vested in the relevant Grantee in respect of the relevant Award Shares, the Board or the Committee will conduct assessment at the end of such performance period as prescribed by the Board or the Committee, including the comparison of the performance of the Group and/or the individual performance of the Grantee with the pre-agreed targets, in order to determine whether the targets have been fulfilled and the extent to which such targets have been fulfilled. If the Board or the Committee determines in its absolute discretion that any condition(s) and/or performance target(s) to be duly fulfilled by the Grantee as specified in the related Grant Notice has not been duly fulfilled, the Board or the Committee shall determine in its absolute discretion whether such Award shall vest and the period within which such Award shall vest, subject to the requirements of the Listing Rules.

7. CLAWBACK MECHANISM

7.1 The Board may provide in the Grant Notice that any Award prior to it being vested in such Grantee in respect of all or a proportion of the Award Shares may be subject to clawback or a longer Vesting Period if any of the Clawback Events stated in subparagraph (b) below shall occur.

7.2 In respect of any Award which is performance linked, if any of the following events (“**Clawback Event**”) shall occur during a Vesting Period:

- (a) the Grantee commits any misconduct(s); or
- (b) the granting of any Award, or its becoming vested was based on material misstatement in the financial statements of the Company or any other materially inaccurate performance metric criteria; or
- (c) if the Grantee joins a company which the Board or the Committee believes in its sole and reasonable opinion to be a competitor of the Company; or
- (d) if any other clawback event implicitly or explicitly characterised in the Grant Notice occurs,

the Board may (but are not obliged to) by notice in writing to the Grantee concerned (aa) claw back such number of Awards (to the extent not being vested) granted as the Board may consider appropriate; or (bb) extend the Vesting Period (regardless of whether the initial Vesting Date has occurred) in relation to all or any of the Awards (to the extent not being vested) to such longer period as the Board may consider appropriate.

The above clawback mechanism applies to unvested Awards only.

8. PAYMENT ON ACCEPTANCE OF THE AWARD AND PURCHASE PRICE OF SHARES AWARDED

The Board or the Committee shall specify in the Grant Notice the amount, if any, payable by the relevant Selected Participant on acceptance of the Award and, if applicable, the period within which any such payments must or may be made or any loans for such purposes must be repaid. Unless otherwise determined by the Board or the Committee in its absolute discretion at the relevant time for each individual Award, a Selected Participant is not required to pay any grant or purchase price or make any other payment to the Company for accepting an offer of the Award granted pursuant to the Grant Notice, nor is the Selected Participant required to pay any subscription or purchase price for the vesting of the Awards or the receipt of the Award Shares.

9. RIGHTS ATTACHED TO THE AWARDS AND THE AWARD SHARES

- 9.1 Unless otherwise approved and authorised by the Board or the Committee, the Grantee shall not exercise any of the voting rights in respect of any Award Shares and shall not have any right whatsoever in any dividends and other distributions declared and made in respect of any Award Shares or otherwise (“**Other Distributions**”) unless and until the relevant Award Shares have been allotted and issued or transferred (as the case may be) to the Grantee in accordance with these rules of the Share Award Scheme and the applicable laws, rules and regulations. For the avoidance of doubt:
 - (a) a Grantee does not have legal and beneficial ownership of any Award Shares unless and until such Award Shares have been allotted and issued or transferred (as the case may be) to the Grantee in accordance with these rules of the Share Award Scheme and the applicable laws, rules and regulations; and
 - (b) where a Trustee is appointed, no instruction may be given by a Grantee to the Trustee in respect of the Award Shares and/or the Other Distributions and/or such other properties or assets of the trust constituted by the Trust Deed.
- 9.2 Subject to sub-paragraph (a) above, the Award Shares to be allotted and issued or transferred (as the case may be) to the Grantee after the vesting of the Award in the Grantee shall be subject to all the provisions of the Articles of Association for the time being in force and shall rank *pari passu* in all respects with, and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company, as existing fully paid Shares in issue on the date on which the Award Shares are allotted and issued or transferred (as the case may be) to the Grantee after the vesting of the Award and, without prejudice to the generality of the foregoing, shall entitle the holders of such Award Shares to participate in all Other Distributions paid or made on or after the date on which the Award Shares are so allotted and issued or transferred (as the case may be), other than any Other Distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be before the date on which the Award Shares are so allotted and issued or transferred (as the case may be).

10. LIFE OF THE SHARE AWARD SCHEME

Subject to the fulfilment of the condition set out in paragraph 17 below and the termination provisions under paragraph 14 below, the Share Award Scheme shall be valid and effective for a term of ten (10) years commencing on the Adoption Date and ending on the tenth (10th) anniversary of the Adoption Date.

11. LAPSE OF AWARDS

11.1 In the event that:

- (a) any Grantee is found to be an Excluded Participant or otherwise ceases to be an Eligible Participant (including the termination of his employment with the Company or any other member of the Group for any reason, other than for reason that a Grantee's employment with the Company or any other member of the Group is terminated by reason of retirement, death or Disability, the Board or the Committee shall determine in its absolute discretion whether such Award shall vest and the period within which such Award shall vest;
- (b) any Grantee makes any attempt or takes any action to sell, transfer, assign, charge, mortgage, encumber or otherwise dispose of or create any security or adverse interest whatsoever in favour of any third party over or in relation to any Award or any interests or benefits pursuant to the Award;
- (c) any Grantee commits any misconduct(s);
- (d) any Grantee joins a company which the Board or the Committee believes in its sole and reasonable opinion to be a competitor of the Company;
- (e) there is any material misstatement(s) in the financial statements of the Company or any other materially inaccurate performance metric criteria;
- (f) the Board or the Committee determines in its absolute discretion that any prescribed performance targets have not been met; or
- (g) any Awards are clawed back pursuant to paragraph 7(b) above,
(each of these, an event of "**Total Lapse**"), all unvested Awards to such Grantee shall automatically lapse forthwith upon the determination by the Board or the Committee that such event has occurred, and such Grantee shall have no right or claim whatsoever against the Company, any other member of the Group, the Board or the Committee in respect of those unvested Awards, the Award Shares underlying such unvested Awards or any right thereto or interest therein in any way.

11.2 In the event that:

- (a) the vesting conditions are not, in the sole opinion of the Board or the Committee, satisfied in respect of the relevant part of the Award; or
- (b) a Grantee fails to, in the manner and within the period stipulated in the Vesting Notice (or such later date as may be determined by the Board or the Committee in its absolute discretion having regard to all relevant circumstances), (i) duly execute and return the reply slip attached to the Vesting Notice or any transfer or subscription documents prescribed by the Board or the Committee in respect of the relevant Award Shares; or (ii) pay the consideration (if any) for the transfer or subscription of the relevant Award Shares,

(each an event of “**Partial Lapse**”), the relevant part of the Award in respect of which any event of Partial Lapse has occurred shall automatically lapse forthwith upon the determination by the Board or the Committee that such event has occurred, and the relevant Award Shares shall not vest on the relevant Vesting Date, and such Grantee shall have no right or claim whatsoever against the Company, any other member of the Group, the Board or the Committee in respect of such Award, the relevant Award Shares underlying such Award or any right thereto or interest therein in any way.

11.3 The Awards lapsed will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sublimit). The Board or the Committee has the absolute discretion to determine whether, when and to what extent an event of Total Lapse or Partial Lapse has occurred, and its decision is final, conclusive and binding.

12. CAPITALISATION ISSUE, RIGHTS ISSUE, SHARE CONSOLIDATION, SHARE SUBDIVISION OR CAPITAL REDUCTION

12.1 In the event of any alteration in the capital structure of the Company following the commencement of the Share Award Scheme from any capitalisation issue, rights issue, share consolidation, share subdivision or capital reduction, the Board or the Administration shall make corresponding adjustments to:

- (a) the purchase price (if any); and/or
- (b) the number of outstanding Award Shares that have been granted but unvested,

provided that any such adjustments made must:

- (a) give a Selected Participant the same proportion of the equity capital, rounded to the nearest whole Share, as that to which that person was previously entitled;

- (b) not be made to the extent that a Share would be issued at less than its nominal value (if any);
- (c) not be made to the advantage of the Selected Participant without specific prior approval from the Shareholders;
- (d) other than any made on a capitalisation issue, be confirmed by an independent financial adviser or auditors of the Company to the Directors in writing that the adjustments satisfy the requirements of Chapter 17 of the Listing Rules; and
- (e) be in accordance with the rules of the Share Award Scheme, the Listing Rules, the requirement under Appendix I to FAQ13 – No. 16, and any other applicable guidance/interpretation issued by the Stock Exchange from time to time.

12.2 For the avoidance of doubt, the issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. All fractional Shares (if any) arising out of such alteration in the capital structure of the Company in respect of the Award Shares of a Selected Participant shall be deemed forfeited and shall not be transferred to the relevant Selected Participant on the relevant Vesting Date.

12.3 In addition, in the event the Company conducts a share subdivision or consolidation, the number of shares comprising the Scheme Mandate Limit and the Service Provider Sublimit shall be adjusted to the effect that such limits as a percentage of the total number of issued Shares at the date immediately before and the date immediately after such share consolidation or subdivision shall be the same, rounded to the nearest whole Share.

13. CANCELLATION OF AWARDS

13.1 Subject to Chapter 17 of the Listing Rules, the Board or the Committee may in its absolute discretion cancel all or such proportion of the Awards granted but unvested, provided that:

- (a) the Company or any other member of the Group pay to the Grantee an amount equal to the fair value of the Award at the date of the cancellation as determined by the Board or the Committee, after consultation with the auditors of the Company or an independent financial adviser appointed by the Board or the Committee;
- (b) the Company or any other member of the Group provides to the Grantee a replacement Award (or a share option or share award under any other share scheme(s)) of equivalent value to the Award to be cancelled; or
- (c) the Board or the Committee makes any arrangement as the Grantee may agree in order to compensate him for the cancellation of the Awards.

13.2 Where the Company cancels any Awards granted to a Grantee and makes a new grant (whether under the Share Award Scheme or any other share scheme(s)) to the same Grantee, such new grant may only be made within the available Scheme Mandate Limit approved by the Shareholders. The Awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sublimit).

14. TERMINATION OF THE SHARE AWARD SCHEME

The Share Award Scheme shall terminate on the tenth (10th) anniversary date of the Adoption Date or such date of earlier termination as determined by the Board or the Committee. Upon the termination of the Share Award Scheme, no further offer of Awards may be made and no Awards offered shall be open for acceptance, but these rules of the Share Award Scheme shall remain in full force and effect to the extent necessary to give effect to any Awards which are granted and remain unvested prior to the termination of the operation of the Share Award Scheme. The Company shall notify all Grantees and (if applicable) the Trustee of such termination and of how any property held by the Trustee on trust for the Grantees (including, but not limited to, any Shares held) and the outstanding Awards shall be dealt with.

15. TRANSFERABILITY OF AWARDS

An Award shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any security or adverse interest whatsoever in favour of any third party over or in relation to an Award or any interests or benefits pursuant to the Award, nor shall any Grantee enter or purport to enter into any agreement to do so.

16. RESTRICTION ON THE TIME OF GRANT OF AWARDS

16.1 An Award may not be granted after inside information (as defined under Part XIVA of the SFO) has come to the knowledge of the Company until (and including) the trading day after such inside information has been announced in accordance with the Listing Rules and the SFO. In particular, no Award may be granted during the period commencing 30 days immediately before the earlier of:

- (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approving the Company's results for any year, half-year or quarterly-year period or any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to announce its results for any year, half-year or quarter-year period or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement. The period during which no Award may be granted will cover any period of delay in publishing a results announcement.

16.2 the Board or the Committee may not grant any Award to any Director or other Selected Participant during the periods or times when such an Award is prohibited under the Listing Rules, any corresponding code or securities dealing restrictions adopted by the Company and all applicable laws from time to time. Without limiting the generality of the foregoing, when an Award is proposed to be made to a Director who, because of his office or employment in the Company or any Subsidiary, is likely to be in possession of unpublished inside information (as defined under Part XIVA of the SFO) in relation to the Company, no Award may be granted during the following periods or times:

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

17. ALTERATION OF THE SHARE AWARD SCHEME

- 17.1 Subject to paragraphs 17.3 and 17.4 below, the Share Award Scheme may be altered in any respect by a resolution of the Board, save and except that (i) any alteration to the terms and conditions of the Share Award Scheme which are of a material nature; or (ii) any alteration to the provisions of the Share Award Scheme relating to the matters set out in Rule 17.03 of the Listing Rules to the extent that such alteration operates to the advantage of the Selected Participants or Grantees must be approved by the Shareholders in general meeting, provided that no such alteration shall operate to affect adversely the terms of any Awards granted which have not vested or lapsed or been cancelled prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the holders of the Shares under the Articles of Association for a variation of the rights attached to the Shares.
- 17.2 Subject to paragraph 17.4 below, any change to the terms of the Awards granted to a Grantee shall be approved by the Board, the Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Awards was approved by the Board, the Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alteration takes effect automatically under the existing terms of the Share Award Scheme.
- 17.3 Any change to the authority of the Directors or administrators of the Share Award Scheme (including, where applicable, the Trustee) in relation to any alteration to these rules of the Share Award Scheme shall be approved by the Shareholders in general meeting.
- 17.4 The amended terms of the Share Award Scheme or the Awards must comply with all applicable laws, rules and regulations (including Chapter 17 of the Listing Rules).

18. CONDITION OF THE SHARE AWARD SCHEME

The Share Award Scheme is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at a general meeting to approve the adoption of the Share Award Scheme; and
- (b) the Listing Committee of the Stock Exchange granting the approval for the listing of and permission to deal in such number of Shares to be allotted and issued by the Company in respect of the Awards to be granted in accordance with the terms and conditions of the Share Award Scheme.

The following are the Proposed Amendments. Unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers of the New Memorandum and Articles of Association.

Note: The New Memorandum and Articles of Association is prepared in English with no official Chinese version. Chinese translation is for reference only. In the event of any inconsistency, the English version shall prevail.

Clause No. **Provisions in the New Memorandum and Articles of Association (showing changes to the Existing Memorandum and Articles of Association and parts without changes in the following provisions are shown in “...”)**

Cover Page **SECOND THIRD AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION OF Consun Pharmaceutical Group Limited 康臣药业集團有限公司 (as adopted by a Special Resolution passed on 12 December 2024 23 December 2025)**

Table of contents **TREASURY SHARES** **16**
...

Title of the memorandum of association **THE COMPANIES ACT (AS REVISED)
EXEMPTED COMPANY LIMITED
BY SHARES
SECOND THIRD AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION
OF
Consun Pharmaceutical Group Limited
康臣药业集團有限公司
(the “Company”)
(adopted by a Special Resolution passed on 12 December 2024 23 December 2025)**

Title of the articles of association **THE COMPANIES ACT (AS REVISED)
EXEMPTED COMPANY LIMITED
BY SHARES
SECOND THIRD AMENDED AND RESTATED
ARTICLES OF ASSOCIATION
OF
Consun Pharmaceutical Group Limited
康臣药业集團有限公司
(adopted by a Special Resolution passed on 12 December 2024 23 December 2025)**

1. (b) Any marginal notes, titles or lead in references to Articles and the index of the Memorandum and Articles of Association shall not form part of the Memorandum or Articles of Association and shall not affect their interpretation. In interpreting these Articles of Association, unless there be something in the subject or context inconsistent therewith:

...

“Treasury Share” means a share of the Company that was previously issued but was purchased or redeemed by the Company or surrendered to the Company and not cancelled.

15. (a) ...

(b) Subject to the Companies Act, the Listing Rules and all applicable laws, rules and regulations, the Company is further authorised to hold any Shares that have been purchased or redeemed by the Company or surrendered to the Company in the name of the Company as Treasury Shares.

15A.

TREASURY SHARES

Subject to the Companies Act, Shares that have been purchased or redeemed by the Company or surrendered to the Company may not be treated as cancelled and may be held as Treasury Shares. In the event that the Board does not resolve or specify that the relevant Shares that have been purchased or redeemed by the Company or surrendered to the Company are to be held as Treasury Shares, such Shares shall be cancelled. Any Treasury Shares shall continue to be classified as Treasury Shares until such Treasury Shares are either cancelled or transferred in accordance with the Companies Act.

15B.

The Company shall be entered in the Register as the holder of the Treasury Shares provided that:

(a) the Company shall not be treated as a Shareholder for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void; and

(b) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued shares of the Company at any given time, whether for the purposes of these Articles or the Companies Act.

APPENDIX II

**PROPOSED AMENDMENTS TO THE EXISTING
MEMORANDUM AND ARTICLES OF ASSOCIATION**

15C. No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Shareholders on a winding up) may be declared or paid in respect of a Treasury Share.

15D. Nothing in Article 15B prevents an allotment of Shares as fully paid bonus shares in respect of a Treasury Share and Shares allotted as fully paid bonus shares in respect of a Treasury Share shall be treated as Treasury Shares.

15E. Subject to the Companies Act, the Listing Rules and all applicable laws, rules and regulations, Treasury Shares may be resold or disposed of by the Company on such terms and conditions as determined by the Board.

NOTICE OF EGM



康臣药业集團有限公司
CONSUN PHARMACEUTICAL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1681)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Consun Pharmaceutical Group Limited (the “Company”) will be held at 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong, on Tuesday, 23 December 2025, at 10:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

1. **“THAT:**

the proposed share award scheme of the Company (the “**Share Award Scheme**”), a copy of which is tabled at the meeting and marked “A” and signed by the chairman of the EGM for the purpose of identification, with the Scheme Mandate Limit (as defined in the Share Award Scheme) on the total number of Shares which may be issued by the Company in respect of all the Awards (as defined in the Share Award Scheme) to be granted under the Share Award Scheme and all the share options and share awards to be granted under any other share scheme(s) (as defined in the Share Award Scheme) of 84,281,191 Shares, be and is hereby approved and adopted; and the Directors and the company secretary of the Company be and are hereby authorised severally to do all such acts, to enter into all such transactions, arrangements and agreements and to take all actions as may be necessary or desirable to implement and give full effect to the Share Award Scheme, including but without limitation:

- (i) to administer the Share Award Scheme under which the Awards (as defined in the Share Award Scheme) may be granted to Eligible Participants (as defined in the Share Award Scheme);
- (ii) to modify and/or amend the Share Award Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Share Award Scheme relating to modification and/or amendment and is in compliance with Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time) (the “**Listing Rules**”);
- (iii) to grant the Awards to Eligible Participants under the Share Award Scheme and, subject to and conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares to be allotted and issued, to allot and issue from time to time such number of the shares of the Company as may be required to be allotted and issued in respect of the Awards to be granted under the Share Award Scheme and subject to the Listing Rules;

NOTICE OF EGM

- (iv) to make application at the 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 the listing of, and permission to deal in, any new Shares that may hereafter from time to time be allotted and issued in respect of the Awards to be granted under the Share Award Scheme and subject to the Listing Rules; and
- (v) to consent, if any Director or the company secretary of the Company 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 Share Award Scheme.”

2. “**THAT**, conditional upon the passing of ordinary resolution numbered 1, the sublimit (under the Scheme Mandate Limit (as defined in the Share Award Scheme)) of 8,428,119 Shares which may be issued in respect of all Awards (as defined in the Share Award Scheme) to be granted to Service Providers (as defined in the Share Award Scheme) under the Share Award Scheme be and is hereby approved and adopted.”

SPECIAL RESOLUTION

As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

3. “**THAT** (a) the proposed amendments (the “**Proposed Amendments**”) to the existing memorandum and articles of association of the Company adopted by a special resolution passed on 12 December 2024 (the “**Existing Memorandum and Articles of Association**”) as set out in the circular of the Company dated 8 December 2025 (the “**Circular**”) be and are hereby approved and the third amended and restated memorandum and articles of association of the Company (the “**New Memorandum and Articles of Association**”) incorporating the Proposed Amendments be and is hereby approved and adopted in substitution for and to the exclusion of the Existing Memorandum and Articles of Association with immediate effect upon approval by the Shareholders at the EGM; and (b) any one Director, registered office provider or company secretary of the Company be and is hereby authorised severally to do all such acts and things and execute all such documents and make all such arrangements as he shall, in his absolute discretion, deem necessary, desirable or expedient in connection with the implementation of or giving effect to the Proposed Amendments to the Existing Memorandum and Articles of Association and the adoption of the New Memorandum and Articles of Association, and to make relevant registrations and filings in accordance with the relevant requirements of the applicable laws, rules and regulations in the Cayman Islands and Hong Kong.”

Yours faithfully,
By Order of the Board of
Consun Pharmaceutical Group Limited
AN Meng
Chairman and Executive Director

Hong Kong, 8 December 2025

NOTICE OF EGM

Registered office:

Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Headquarters in the PRC:

71, Dongpeng Avenue
Eastern section, Guangzhou Economic
and Technological Development District
Guangzhou, PRC

Principal place of business in Hong Kong:

22nd Floor
World-Wide House
19 Des Voeux Road Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the EGM (or at any adjournment thereof) shall be entitled to appoint another person as his proxy to attend and, on a poll, vote in his stead. A member who is the holder of two or more Shares may appoint more than one proxy to represent him and, on a poll, vote on his behalf. A proxy need not be a member of the Company.
2. In order to be valid, a proxy form together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the EGM or any adjournment thereof.
3. The register of members of the Company will be closed from Thursday, 18 December 2025 to Tuesday, 23 December 2025, both days inclusive, during which period no transfer of shares will be registered. The record date for determining the entitlement of the Shareholders to attend and vote at the EGM will be Tuesday, 23 December 2025. In order to determine the eligibility of the Shareholders who are entitled to attend and vote at the EGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 17 December 2025.
4. According to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at general meeting of the Company must be taken by poll. Therefore, all proposed resolutions put to the vote at the EGM will be taken by way of poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.
5. A form of proxy for use at the EGM is enclosed. Such form of proxy is also published on the website of the Stock Exchange at www.hkexnews.hk. Whether or not a Shareholder is able to attend the EGM, he/she is requested to complete the form of proxy in accordance with the instructions printed thereon and return the same together with a power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.

NOTICE OF EGM

6. Completion and return of a form of proxy will not preclude a Shareholder from attending and voting in person or via online platform at the EGM or any adjournment thereof should he so wish.
7. The Company will conduct a hybrid EGM via online platform, which allows shareholders to participate in the EGM online in a convenient and efficient way from anywhere with an internet connection. Shareholders will be able to view the live video broadcast, communicate with each other simultaneously and instantaneously, and participate in voting and submit questions in written form to the EGM by visiting the website at https://meetings.computershare.com/CPGL_202512EGM via smartphones, tablets, or computers. Please refer to the Online User Guide at www.chinaconsun.com for assistance. The live broadcast option can also broaden the reach of the EGM to shareholders who are unable to attend in person.
8. If you have any queries on the above, please contact the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, via their hotline at (852) 2862 8555 from 9:00 a.m. to 6:00 p.m. (Monday to Friday, excluding Hong Kong public holidays).
9. Shareholders who wish to attend the EGM and exercise their voting rights can be achieved in one of the following ways:
 - (1) attend the EGM in person and vote at the EGM venue; or
 - (2) attend the EGM via online platform which enables live streaming and interactive platform for Q&A and vote online; or
 - (3) appoint chairman of the EGM or other persons as your proxy to vote on your behalf. Your proxy's authority and instruction will be revoked if you attend and vote in person or via online platform at the EGM.

Non-registered shareholders who wish to attend and participate in the EGM via online platform should liaise with your bank(s), broker(s), custodian(s), nominee(s) or HKSCC Nominees Limited through which your shares are held (collectively, the "**Intermediaries**") and provide your email addresses to your Intermediaries. Details regarding the arrangements of the EGM, including login details to access the online platform and online voting, will be sent by Computershare Hong Kong Investor Services Limited to the email addresses provided by the non-registered shareholders.

For corporate shareholders who wish to attend the EGM and vote online, please contact the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at (852) 2862 8555 on or before Friday, 19 December 2025 for arrangement.

10. Only light beverages will be served at the EGM.
11. As at the date of this notice, the Board comprises Mr. An Meng and Mr. Young Yuk Chuen David as executive Directors; Dr. Zhang Lihua and Professor Zhu Quan as non-executive Directors; Mr. Feng Zhongshi, Professor Li Yikai, Mr. Li Zhuoguang and Mr. Duan Weiwu as independent non-executive Directors.