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**Ascletis Pharma Inc.**

**歌禮製藥有限公司**

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

**(Stock Code: 1672)**

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

**PROPOSED ADOPTION OF THE 2025 SHARE OPTION SCHEME AND THE 2025  
SHARE AWARD SCHEME**

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

**CONDITIONAL GRANTS OF OPTIONS UNDER THE 2025 SHARE OPTION SCHEME  
AND SHARE AWARDS UNDER THE 2025 SHARE AWARD SCHEME**

On January 14, 2025, the Board resolved to, among other things, grant Awards pursuant to the 2025 Share Option Scheme and the 2025 Share Award Scheme.

**GENERAL**

A circular containing (among others): (i) proposed adoption of the 2025 Share Option Scheme and the 2025 Share Award Scheme; (ii) details of the conditional grant of Awards pursuant to the 2025 Share Option Scheme and the 2025 Share Award Scheme; and (iii) the notice convening the EGM, will also be published on the website of the Company at <https://www.ascletis.com> and on the website of the Stock Exchange at <http://www.hkexnews.hk>.

**As at the date of this announcement, the adoption of the 2025 Share Option Scheme and the 2025 Share Award Scheme and the conditional grant of Awards pursuant to the 2025 Share Option Scheme and the 2025 Share Award Scheme thereunder remain subject to the approval of the Shareholders. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities.**

## **INTRODUCTION**

This announcement is made by the Company in relation to: (1) the proposed adoption of the 2025 Share Option Scheme and the 2025 Share Award Scheme; and (2) the Conditional Grants of Options under the 2025 Share Option Scheme and Share Awards under the 2025 Share Award Scheme.

## **PROPOSED ADOPTION OF THE 2025 SHARE OPTION SCHEME AND THE 2025 SHARE AWARD SCHEME**

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

### **Termination of the Existing Share Option Scheme**

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

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

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

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

## **Proposed Adoption of the 2025 Share Option Scheme and the 2025 Share Award Scheme**

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

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

As of the Latest Practicable Date, the Company has 42,374,000 Treasury Shares as underlying shares available for grant under the 2025 Share Award Scheme. The Company will satisfy the vesting of Share Awards primarily by Treasury Shares in issue and to be brought back by the Company from time to time in accordance with the general mandate(s) to buy back Shares granted by the Shareholders at the annual general meeting(s) of the Company within the duration of the 2025 Share Award Scheme and by new Shares to be allotted and issued for the rest part.

### **Conditions to Adoption**

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

The 2025 Share Option Scheme is conditional upon:

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

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

The 2025 Share Award Scheme is conditional upon:

- (a) the passing of ordinary resolution(s) by the Shareholders at the EGM to approve the adoption of the 2025 Share Award Scheme, and to authorize the Directors to grant Share Awards under the 2025 Share Award Scheme and to allot and issue, procure the transfer of and otherwise deal with the Shares (including Treasury Shares) underlying the Share Awards granted in accordance with the terms and conditions the 2025 Share Award Scheme; and

- (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the new Shares to be allotted and issued underlying the Awards granted in accordance with the terms and conditions of the 2025 Share Award Scheme.

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

### **Duration of the Schemes**

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

### **Eligible Persons**

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

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

### **The limit of Share Schemes**

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

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

### **Individual Limit**

Where any grant of Awards to an Eligible Person would result in the Shares issued and to be issued in respect of all Awards under all Share Schemes granted to such Eligible Person in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of Shares in issue (excluding Treasury Shares) as at the date of such grant, such grant shall be approved by the Shareholders in general meeting with such Eligible Persons and his/her close associates (or associates if such Eligible Person is a connected person) abstaining from voting.

Where any grant of Share Awards (excluding grant of Options) to a Director (other than an independent non-executive Director) or chief executive of the Company, or their respective associates, would result in the Shares issued and to be issued in respect of all Share Awards granted (excluding any Share Awards lapsed in accordance with the terms of the 2025 Share Award Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of Shares in issue (excluding Treasury Shares) as at the date of such grant, such grant shall be approved by the Shareholders in general meeting with such persons, his/her associates and all core connected persons of the Company abstaining from voting.

Where any grant of Awards to a substantial shareholder or an independent non-executive Director of the Company (or any of their respective associates) would result in the number of Shares issued and to be issued in respect of all Awards granted (excluding any Options and Share Awards lapsed in accordance with the terms of the 2025 Share Option Scheme and the 2025 Share Award Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of Shares in issue (excluding Treasury Shares) as at the date of grant, such grant shall be approved by the Shareholders in general meeting with such persons, his/her associates and all core connected persons of the Company abstaining from voting.

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

### **Vesting Period**

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

## **Exercise Price of Options and Purchase Price of Share Awards**

A Grantee to whom an Option is granted under the 2025 Share Option Scheme is entitled to subscribe for Shares at the Exercise Price as determined by the Board on the date of grant. The basis of determining the Exercise Price is specified in the rules of the 2025 Share Option Scheme.

A Grantee to whom a Share Award is granted under the 2025 Share Award Scheme is not required to pay any purchase price to the Company to purchase any Shares underlying an Award granted or may only be required to pay a nominal value to purchase any Shares, unless otherwise determined by the Board at its sole discretion or as required by applicable law.

## **Performance Targets and Clawback Mechanism**

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

The 2025 Share Option Scheme and the 2025 Share Award Scheme will give the Board discretion (but not obligation) to impose that any Option or Award shall be subject to a clawback under certain circumstances. Upon the occurrence of such circumstances, the Board may (but is not obliged to) claw back a number of Options granted (to the extent not already exercised) or Share Awards (to the extent not already vested) as the Board may consider appropriate.

## **Voting of Unvested Share Awards**

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

## Administration

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

## CONDITIONAL GRANTS OF OPTIONS UNDER THE 2025 SHARE OPTION SCHEME AND SHARE AWARDS UNDER THE 2025 SHARE AWARD SCHEME

On January 14, 2025, the Board (including all the independent non-executive Directors) resolved to, among other things, grant Awards pursuant to the 2025 Share Option Scheme and the 2025 Share Award Scheme.

### Details of the Conditional Grants of Options

Details of the Options granted to the Grantees under the 2025 Share Option Scheme are set out below:

Grant Date	:	January 14, 2025
Name of Grantees	:	Dr. Wu, Mr. Gargiulo and Mrs. Wu
Number of Options granted	:	14,460,525 Options to Dr. Wu, 4,820,175 Options to Mr. Gargiulo, 3,856,140 Options to Mrs. Wu  (each Option shall entitle the holder thereof to subscribe for one Share)
Exercise price of the Options granted	:	HK\$3.340, which is the highest of:  (a) the closing price of HK\$3.340 per Share as stated in the Stock Exchange's daily quotations sheet on the date of grant; and  (b) the average closing price of HK\$3.084 per Share as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the date of grant.
Closing price of the Shares on the date of grant	:	HK\$3.340 per Share

- Exercise period of the Options : from the relevant date of vesting of the Options to ten (10) years from the Date of Grant
- Vesting period of the Options : The Options to be granted to Dr. Wu, Mr. Gargiulo and Mrs. Wu under the Conditional Grants are all time-based Options. There is no performance target attached to the Options to be granted to Dr. Wu, Mr. Gargiulo or Mrs. Wu.

**Dr. Wu:**

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

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

**Mr. Gargiulo:**

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

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

**Mrs. Wu:**

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



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

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

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

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

The Options granted under the Conditional Grants are subject to the terms and conditions of the 2025 Share Option Scheme.

**Number of Options Available for Future Grant**

After the Conditional Grants, 15,424,560 Options will be available for future grants under the 2025 Share Option Scheme.

## Purposes of the Conditional Grants Pursuant to the 2025 Share Option Scheme

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

## Details of the Conditional Grants of Share Awards

Details of the Share Awards granted to the Grantees under the 2025 Share Award Scheme are set out below:

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

### **Dr. Wu:**

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

<b>Number of Share Awards</b>	<b>Performance target</b>
0.5% (i.e. 4,820,175 Share Awards)	Completion of Phase III clinical trial of ASC40 for treatment of acne by December 31, 2025
0.4% (i.e. 3,856,140 Share Awards)	Completion of Phase I clinical trial of ASC30 for treatment of obesity by December 31, 2025
0.2% (i.e. 1,928,070 Share Awards)	Completion of a business development deal with a total amount of milestone payment's equal to or above US\$100 million, of which the upfront payment shall be not less than US\$10 million
1.3% (i.e. 12,532,455 Share Awards)	Completion of a business development deal with a total amount of milestone payment's equal to or above US\$1 billion, of which the upfront payment shall be not less than US\$100 million

**Mr. Gargiulo:**

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

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

**Mrs. Wu:**

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

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

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

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

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

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

The Share Awards granted under the Conditional Grants are subject to the terms and conditions of the 2025 Share Award Scheme.

#### **Number of Share Awards Available for Future Grant**

After the Conditional Grants, 24,100,875 Share Awards will be available for future grants under the 2025 Share Award Scheme.

#### **Purposes of the Conditional Grants Pursuant to the 2025 Share Award Scheme**

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

As of the Latest Practicable Date, the Company has 42,374,000 Treasury Shares as underlying shares available for grant under the 2025 Share Award Scheme. The Company will satisfy the vesting of Share Awards primarily by Treasury Shares in issue and to be brought back by the Company from time to time in accordance with the general mandate(s) to buy back Shares granted by the Shareholders at the annual general meeting(s) of the Company within the duration of the 2025 Share Award Scheme and by new Shares to be allotted and issued for the rest part.

## LISTING RULES IMPLICATIONS

Except for the Conditional Grants to Dr. Wu, Mr. Gargiulo and Mrs. Wu, to the best knowledge of the Company, none of the grants to a connected person under the 2025 Share Option Scheme and the 2025 Share Award Scheme would result in the Shares issued and to be issued in respect of all awards granted to a connected person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of Shares in issue (excluding Treasury Shares), and none of the grants to an Eligible Person (other than directors, chief executive of the Company or any of their associates) under the 2025 Share Option Scheme and the 2025 Share Award Scheme would result in the Shares issued and to be issued in respect of all awards granted to such connected person in the 12-month period up to and including the date of such grant representing in aggregate over 1% of Shares in issue (excluding Treasury Shares). In case there is any future grant that will trigger the individual limit under Rules 17.03D(1) or 17.04(2) and (3) of the Listing Rules, a general meeting will be held at that time for such grant.

The Conditional Grants are subject to the approval by the Independent Shareholders, where Dr. Wu, Mrs. Wu and their respective associates and all other core connected persons of the Company shall abstain from voting in favor on the relevant resolutions with respect to the Conditional Grants to Dr. Wu and Mrs. Wu, and Mr. Gargiulo and his associates shall abstain from voting in favor on the resolution with respect to the Conditional Grants to Mr. Gargiulo, at the EGM pursuant to the Listing Rules. Since Dr. Wu has irrevocably appointed his mother-in-law Ms. Heying YANG (楊荷英) as proxy to exercise all voting rights on the Shares held by JJW11 Limited, which is a Shareholder and wholly owned by Dr. Wu, in her absolute discretion, Ms. Yang will be required to abstain from voting in favor on the relevant resolutions with respect to the Conditional Grants to Dr. Wu and Mrs. Wu.

## EGM

The Company will convene and hold the EGM to consider and, if thought fit, approve, among other things, (1) proposed adoption of the 2025 Share Option Scheme and the 2025 Share Award Scheme; and (2) conditional grants of Options under the 2025 Share Option Scheme and Share Awards under the 2025 Share Award Scheme.

## DEFINITIONS

“2025 Share Option Scheme”	the 2025 Share Option Scheme proposed to be approved by the Shareholders at the EGM;
“2025 Share Award Scheme”	the 2025 Share Award Scheme proposed to be approved by the Shareholders at the EGM;
“Administrator”	the Board or any other person duly authorized by the Board to administer the 2025 Share Option Scheme (after its adoption) and the 2025 Share Award Scheme (after its adoption);
“Adoption Date”	being the date on which the 2025 Share Option Scheme or the 2025 Share Award Scheme (as the case may be) is conditionally adopted by the Shareholders;

“Applicable Laws”	all applicable laws, regulations, ordinances or requirements of the relevant regulatory authorities including without limitation the Company Ordinance (Chapter 622 of the laws of Hong Kong), the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) or the Listing Rules;
“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Award(s)”	the Option(s) to be granted to a grantee pursuant to the terms of the 2025 Share Option Scheme and the Share Award(s) to be granted to a grantee pursuant to the terms of the 2025 Share Award Scheme;
“Board”	the board of directors of the Company;
“Business Day(s)”	means any day on which securities are traded on the Stock Exchange;
“Company”	Asclethis Pharma Inc. (歌禮製藥有限公司), a company incorporated in the Cayman Islands with limited liability on February 25, 2014;
“Conditional Grant(s)”	The grants of 14,460,525 Options and 23,136,840 Share Awards to Dr. Wu, 4,820,175 Options and 5,784,210 Share Awards to Mr. Gargiulo and 3,856,140 Options and 4,820,175 Shares Awards to Mrs. Wu, which are subject to the approval of Independent Shareholders at the EGM;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise, refers to Dr. Wu, Mrs. Wu, JJW12 Limited, Lakemont Holding LLC, Lakemont Remainder Trust and Northridge Trust, as a group, or any member of them;
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Dr. Wu”	Dr. Jinzi Jason WU, the founder, chairman of the Board, chief executive officer, an executive Director and one of the Controlling Shareholders of the Company, and the spouse of Mrs. Wu;
“EGM”	the extraordinary general meeting of the Company to be convened and held at 11/F, Building D, 198 Qidi Road, HIPARK, Xiaoshan District, Hangzhou, Zhejiang Province, China on Monday, February 3, 2025 at 10:00 a.m., among others, the proposed adoption of the 2025 Share Option Scheme and the 2025 Share Award Scheme and the Conditional Grants;

“Eligible Person(s)”	include:  (a) any employee (whether full-time or part-time) of the Company or any of its subsidiaries; and  (b) any director (including executive, non-executive and independent non-executive directors) of the Company;  The basis of eligibility of Eligible Persons to the grant of any Awards shall be determined by the Board, in its sole discretion, on a case-by-case basis;
“Exercise Price”	the price per Share at which a Grantee may subscribe the Shares upon exercise of an Option pursuant to the terms of the 2025 Share Option Scheme;
“Existing Share Option Scheme”	the Share Option Scheme adopted by the Company on June 6, 2019;
“Grant Agreement”	with respect to an Eligible Person, a written agreement to be entered into between the Company and the Eligible Person in respect of the grant of Awards under the 2025 Share Option Scheme and/or the 2025 Share Award Scheme (as the case may be);
“Grant Date”	the date on which an Option is granted to an Eligible Person pursuant to the terms of the 2025 Share Option Scheme, which shall be a Business Day;
“Grantees”	means any Eligible Person who is granted an Offer in accordance with the terms of the 2025 Share Option Scheme or the 2025 Share Award Scheme;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong Special Administrative Region;
“Independent Shareholders”	The Shareholders of the Company, other than Dr. Wu and Mrs. Wu, their respective associates and other core connected persons of the Company;
“Latest Practicable Date”	January 8, 2025, being the latest practicable date prior to the printing of the circular on January 14, 2025 for ascertaining certain information;
“Listing Committee”	has the meaning ascribed to it under the Listing Rules;



“Listing Rules”	the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented, or otherwise modified from time to time;
“Mr. Gargiulo”	Mr. John P. GARGIULO, chief business officer of the Company;
“Mrs. Wu”	Mrs. Judy Hejingdao WU, an executive Director, senior vice president and one of our Controlling Shareholders, and the spouse of Dr. Wu;
“Offer”	means an offer of the grant of an Option made in accordance with the 2025 Share Option Scheme, or a Share Award made in accordance with the 2025 Share Award Scheme;
“Option(s)”	share option(s) granted to a grantee to subscribe for Shares pursuant to the terms of the 2025 Share Option Scheme;
“Option Period”	means a period to be determined and notified by the Board to a Grantee during which the Option may be exercised, which period shall expire in any event not later than the last day of the 10-year period after the date of grant of the Option (subject to the provisions for early termination contained in the 2025 Share Option Scheme);
“Remuneration Committee”	the remuneration committee of the Board;
“Share(s)”	ordinary shares in the share capital of our Company of US\$0.0001 each;
“Share Award(s)”	Share award(s) granted to a Grantee to subscribe for Shares pursuant to the terms of the 2025 Share Award Scheme;
“Share Schemes”	all effective share schemes of the Company which are governed by Chapter 17 of the Listing Rules, including the 2025 Share Option Scheme and the 2025 Share Award Scheme;
“Shareholder(s)”	holder(s) of our Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiaries”	has the meaning ascribed to it in the Listing Rules;
“US\$”	United States Dollars, the lawful currency of the United States of America;
“Treasury Shares”	has the meaning ascribed to it under the Listing Rules;

“Trustee” the trustee or trustee(s) (which is/are independent of and not connected with the Company) appointed or to be appointed by the Company for the administration of the 2025 Share Award Scheme;

“%” per cent.

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

Hangzhou, the People’s Republic of China  
January 14, 2025

*As at the date of this announcement, the Board comprises Dr. Jinzi Jason WU and Mrs. Judy Hejingdao WU, as executive Directors; and Dr. Yizhen WEI, Mr. Jiong GU and Ms. Lin HUA, as independent non-executive Directors.*