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DAWNRAYS PHARMACEUTICAL (HOLDINGS) LIMITED

東瑞製藥(控股)有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2348)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A , 17.06B and 17.06C of the Listing Rules.

The Board hereby announces that on 2 October 2024, a total of 16,000,000 share options (the “Share Options”) were granted by the Company under the 2023 Share Option Scheme to certain eligible employees of the Group (the “Grantees”) to subscribe for Shares (subject to acceptance by the Grantees).

DETAILS OF THE SHARE OPTIONS GRANTED UNDER THE 2023 SHARE OPTION SCHEME

- Date of Grant : 2 October 2024
- Number of Grantees : 17 Grantees (including Ms. Yu Liwei, being the CEO, and other 16 employees of the Group)
- Exercise price of Share Options granted : Each Share Option shall entitle the holder to subscribe for one Share upon exercise of such Share Option at an exercise price of HK\$1.25 per Share, which represents the highest of :
- (i) the closing price of HK\$1.25 per Share as stated in the daily quotations sheet of the Stock Exchange on the Date of Grant;
 - (ii) the average closing price of HK\$1.144 per Share as stated in the daily quotations sheets of the Stock Exchange for five business days immediately preceding the Date of Grant; and
 - (iii) the nominal value of HK\$0.05 per Share

**for identification purpose only*

Number of Share Options granted : 16,000,000 Share Options, each Share Option shall entitle the Grantees to subscribe for one Share

Validity period of the Share Options : Six (6) years commencing from the Date of Grant

Vesting period of the Share Options : 20% shall vest on the date falling on the first, second, third, fourth and fifth anniversary from the Date of Grant, respectively:

Number of Share Options	Exercise period
3,200,000	From 2 October 2025 to 1 October 2030 (both dates inclusive)
3,200,000	From 2 October 2026 to 1 October 2030 (both dates inclusive)
3,200,000	From 2 October 2027 to 1 October 2030 (both dates inclusive)
3,200,000	From 2 October 2028 to 1 October 2030 (both dates inclusive)
3,200,000	From 2 October 2029 to 1 October 2030 (both dates inclusive)

If any Share Option(s) is/are not exercised within the relevant exercise periods set out above, such Share Option(s) lapse upon the expiry of the relevant exercise period.

Performance targets : The vesting of the Share Options is not subject to any performance targets.

The purpose of the 2023 Share Option Scheme is to provide incentives and rewards to the directors and employees of the Group for their contributions to, and continuing efforts to promote the interest of the Company. The Share Options to be granted will give the Grantees an opportunity to have a personal stake in the Company and will help motivate the Grantees in optimizing their performance and efficiency. The number of Share Options to be granted are based on the work performance and potential of the Grantees and no

additional performance target is imposed before the Share Options are vested to the Grantees. In view of the above, the Remuneration Committee considered the grant of Share Options to Ms. Yu Liwei aligned with the purpose of the 2023 Share Option Scheme, and the Board considered the grant of Share Options aligned with the purpose of the 2023 Share Option Scheme,

Clawback mechanism : The rules of the 2023 Share Option Scheme do not provide for any specific clawback mechanism but provides that in the event that the Grantee ceases to be an eligible participant (including employee participants and the service providers) under the 2023 Share Option Scheme other than death or termination of employment or on the grounds that he/she has been guilty of serious misconduct or other grounds as stated in the 2023 Share Option Scheme, his/her Share Options shall lapse automatically (to the extent not already exercised). Accordingly, the Remuneration Committee and the Board are of the view that no specific clawback mechanism is required to be included as a term of the grant of the Share Options.

Among the 16,000,000 Share Options granted above, 6,000,000 Share Options were granted to Ms. Yu Liwei, the CEO, and the remaining 10,000,000 Share Options were granted to other 16 employees of the Group, details of which are as follows:

<u>Name</u>	<u>Capacity</u>	<u>Number of Share Options</u>
Yu Liwei	chief executive officer of the Company	6,000,000
Other 16 employees of the Group		10,000,000

The grant of Share Options to Ms. Yu Liwei had been approved by the Board including independent non-executive Directors in accordance with Rule 17.04(1) of the Listing Rules. None of the grant of Share Options will be subject to approval by independent shareholders of the Company.

REASONS FOR AND BENEFITS OF THE GRANT OF SHARE OPTIONS

The grant of Share Options is to provide incentives and rewards to Grantees of the Share Options for their contributions to and continuing efforts to promote the interest of the Company, and the grant of Share Options aligns the interests of the Grantees of the Share Options with that of the Company and the shareholders of the Company and reinforces commitment of the Grantees of Share Options to the Group.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries: (i) save as disclosed in this announcement, none of the Grantees is a Director, chief executive or substantial shareholder of the Company or an associate (as defined under the Listing Rules) of any of them; (ii) none of the Grantee has been granted and will be granted options and awards which exceed the individual limit of 1% as required under the Listing Rules; (iii) none of the Grantee is a related entity participant or service provider (as defined under the Listing Rules); and (iv) no financial assistance was provided by the Company to the Grantees for the purchase of Shares under the 2023 Share Option Scheme.

NUMBER OF SHARES AVAILABLE FOR FUTURE GRANT

Subsequent to the above grant of Share Options, 133,970,500 Share underlying the Share Options will be available for future grants under the Scheme Mandate Limit and 7,498,525 Shares will be available for future grants under the Service Provider Sublimit.

DEFINITIONS

“Board”	the board of directors of the Company;
“Company”	Dawnrays Pharmaceutical (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange;
“CEO”	the chief executive officer of the Company;
“Director(s)”	the director(s) of the Company;
“Remuneration Committee”	the remuneration committee of the Company;
“Group”	the Company and its subsidiaries;
“subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules;
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules;
“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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Share Options”	share options granted or to be granted to subscribe for Shares pursuant to the 2023 Share Option Scheme;
“2023 Share Option Scheme”	the share option scheme adopted by the Company on 25 May 2023;
“Scheme Mandate Limit”	subject to the terms and conditions of the 2023 Share Option Scheme, the total number of Shares which to be issued to the eligible participants pursuant to the 2023 Share Option Scheme and other share schemes of the Company shall not in aggregate exceed 10% of the issued share capital of the Company as of 25 May 2023;

“Service Provider Sublimit:	a sublimit for the total number of Shares to be issued to the service providers pursuant to the 2023 Share Options Scheme and other share schemes of the Company shall not in aggregate exceed 7,498,525 Shares, representing approximately 0.5% of the total number of Shares as of 25 May 2023.
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

By Order of the Board of
Dawnrays Pharmaceutical (Holdings) Limited
Li Kei Ling
Chairman

Hong Kong, 2 October 2024

As at the date of this announcement, the Board of the Company comprises two executive directors, namely Ms. Li Kei Ling and Mr. Hung Yung Lai; one non-executive director, namely Mr. Leung Hong Man; three independent non-executive directors, namely Mr. Lo Tung Sing Tony, Mr. Ede, Ronald Hao Xi and Ms. Lam Ming Yee Joan.