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

If you have sold or transferred all your shares in **PuraPharm Corporation Limited**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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PuraPharm

PURAPHARM CORPORATION LIMITED

培力控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1498)

**(I) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;
(II) PROPOSED GRANT OF GENERAL MANDATES
TO BUY BACK SHARES AND ISSUE NEW SHARES;
(III) PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT
UNDER THE SHARE OPTION SCHEME;
(IV) PROPOSED CHANGE OF COMPANY NAME;
(V) PROPOSED AMENDMENTS TO THE ARTICLES OF
ASSOCIATION OF THE COMPANY;
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of PuraPharm Corporation Limited to be held at 2/F, 50 Bonham Strand, Sheung Wan, Hong Kong on Friday, 28 May 2021 at 2:30 p.m. is set out on pages 28 to 34 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.purapharm.com).

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting or any adjournment thereof if they so wish.

22 April 2021

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PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In view of the ongoing COVID-19 epidemic (the “**Epidemic**”) and recent guidelines for prevention and control of its spread, the Company will implement the following precautionary measures at the Annual General Meeting to protect the Shareholders, staff and other stakeholders who attend the Annual General Meeting from the risk of infection:

(i) compulsory body temperature checks

Compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendee at the entrance of the Annual General Meeting venue. Any person with a body temperature of over 37.4 degrees Celsius will not be admitted to the Annual General Meeting venue;

(ii) health declarations

All Shareholders, proxies and other attendees are required to complete and submit at the entrance of the Annual General Meeting venue a health declaration form providing their names and contact details, and confirming that they have not travelled to, or to their best of knowledge had close contact with any person who has recently travelled to, any affected countries or areas outside of Hong Kong (as per guidelines published on the website of the Centre for Health Protection of Department of Health of Hong Kong at www.chp.gov.hk/en/features/102742.html) at any time in the preceding 21 days;

(iii) wearing of surgical face masks

The Company will require all attendees to wear surgical face masks (at the attendees’ own cost and no masks will be provided) at the venue before they are permitted to attend, and during their attendance of the Annual General Meeting at all times, and to maintain a safe distance between seats; and

(iv) no refreshment and drinks will be served and no gifts will be given at the Annual General Meeting

Any person who does not comply with above requirements may be denied entry into the Annual General Meeting venue or be required to leave the Annual General Meeting venue. To the extent permitted under law, the Company reserves the right to deny entry into the Annual General Meeting venue or require any person to leave the Annual General Meeting venue in order to ensure the safety of other attendees at the Annual General Meeting. In the interest of all attendees’ health and safety and in accordance with recent guidelines for prevention and control of the spread of the Epidemic, the Company reminds all Shareholders that physical attendance in person at the Annual General Meeting is not necessary for the purpose of exercising voting rights. The Company

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

strongly advise the Shareholders to complete the proxy forms and appoint the chairman of the Annual General Meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting instead of attending the Annual General Meeting in person in order to exercise their right to vote at the Annual General Meeting.

The Directors (including the chairman of the board of Directors (the “**Board**”) may attend the Annual General Meeting remotely through video or telephone conference facilities if needed. The chairman of the Board and chairmen of the Board committees will be available either in person or through video or telephone conference facilities to answer questions from Shareholders at the Annual General Meeting.

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at 2/F, 50 Bonham Strand, Sheung Wan, Hong Kong on Friday, 28 May 2021 at 2:30 p.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 28 to 34 of this circular, or any adjournment thereof;
“Articles of Association”	the articles of association of the Company currently in force;
“associate(s)” or “close associate(s)”	having the meaning ascribed to them in the Listing Rules;
“Board”	the board of Directors;
“Company”	PuraPharm Corporation Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	having the meaning ascribed to them in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Existing Scheme Mandate Limit”	the maximum number of Shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme, which was approved by the Shareholders by written resolutions on 12 June 2015;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

DEFINITIONS

“Issuance Mandate”	a general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting as set out on pages 28 to 34 of this circular;
“Latest Practicable Date”	12 April 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Option(s)”	share option(s) granted under the share option scheme adopted by the Shareholders of the Company on 12 June 2015;
“Proposed Refreshment”	the scheme mandate limit proposed to be refreshed by the Shareholders at the Annual General Meeting, representing not more than 10% of the total number of issued shares as at the date of passing of the proposed ordinary resolution contained in item 7 of the notice of the Annual General Meeting as set out on pages 28 to 34 of this circular;
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme as permitted under the Listing Rules;
“SFO”	The Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of US\$0.1 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;

DEFINITIONS

“Share Option Scheme”	the share option scheme approved and adopted by the Shareholders by written resolutions on 12 June 2015;
“Share Buy-back Mandate”	a general mandate proposed to be granted to the Directors to buy back Shares on the Stock Exchange, which shall not exceed 10% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 4 of the notice of the Annual General Meeting as set out on pages 28 to 34 of this circular;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Codes on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong as amended from time to time; and
“%”	per cent.

LETTER FROM THE BOARD



PuraPharm

PURAPHARM CORPORATION LIMITED

培力控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1498)

Executive Directors:

Mr. Chan Yu Ling, Abraham (*Chairman*)
Dr. Tsoi Kam Biu, Alvin (*Vice-Chairman*)
Ms. Man Yee Wai, Viola
Mr. Cheong Shin Keong
Dr. Norimoto Hisayoshi

Non-executive Directors:

Mr. Chow, Stanley
Mr. Chan Kin Man, Eddie

Independent non-executive Directors:

Dr. Chan Kin Keung, Eugene
Mr. Ho Kwok Wah, George
Dr. Leung Lim Kin, Simon
Prof. Tsui Lap Chee

Registered Office:

Offshore Incorporations (Cayman) Limited
P.O. Box 31119
Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman KY1-1205
Cayman Islands

*Headquarter and principal place of
business in Hong Kong:*

Suite 4002, Jardine House
1 Connaught Place, Central
Hong Kong

22 April 2021

To the Shareholders

Dear Sir/Madam,

**(I) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;
(II) PROPOSED GRANT OF GENERAL MANDATES
TO BUY BACK SHARES AND ISSUE NEW SHARES;
(III) PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT
UNDER THE SHARE OPTION SCHEME;
(IV) PROPOSED CHANGE OF COMPANY NAME;
(V) PROPOSED AMENDMENTS TO THE ARTICLES OF
ASSOCIATION OF THE COMPANY;
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting for, among other things, (i) the re-election of retiring Directors; (ii) the grant to the Directors of the Share Buy-back Mandate and the Issuance Mandate; (iii) refreshment of Scheme Mandate Limit; (iv) change of Company's dual foreign name in Chinese; and (v) amendments to the Articles of Association.

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 108 of the Articles of Association not less than one-third of the Directors shall be subject to retirement by rotation. As such, Dr. Tsoi Kam Biu, Alvin, Ms. Man Yee Wai, Viola, Mr. Chan Kin Man, Eddie and Dr. Chan Kin Keung, Eugene, shall retire at the Annual General Meeting. According to Article 112 of the Articles of Association, Dr. Norimoto Hisayoshi, who was appointed by the Board on 17 November 2020 as an executive Director, shall hold office until the first annual general meeting of the Company after his appointment and be subject to re-election at such meeting. Ms. Man Yee Wai, Viola and Dr. Norimoto Hisayoshi, being eligible, will offer themselves for re-election at the Annual General Meeting.

Pursuant to the Listing Rules, details of the retiring Directors, offering themselves for re-election, are set out in Appendix I to this circular.

Dr. Tsoi Kam Biu, Alvin, Mr. Chan Kin Man, Eddie and Dr. Chan Kin Keung, Eugene, although eligible, have informed the Company that they will not offer themselves for re-election due to their decision to devote more time to their personal endeavours. As such, they will retire as Directors after the conclusion of the Annual General Meeting. Dr. Tsoi Kam Biu, Avlin, Mr. Chan Kin Man, Eddie and Dr. Chan Kin Keung, Eugene have confirmed that they have no disagreement with the Board and there is no other matter in relation to their retirement that needs to be brought to the attention of the Shareholders and the Stock Exchange.

The nominations were made in accordance with the nomination policy of the Company and the objective criteria (including without limitation, skills, knowledge and experience, and potential time commitment for the board and/or committee responsibilities), with due regard for the benefits of diversity as set out under the board diversity policy of the Company, details of which are set out in the 2020 annual report of the Company. The Nomination Committee had also taken into account the respective contributions of Ms. Man Yee Wai, Viola and Dr. Norimoto Hisayoshi, to the Board and their commitment to their roles.

The Nomination Committee after considering the diverse and difference educational backgrounds and professional knowledge and experience of Ms. Man Yee Wai, Viola and Dr. Norimoto Hisayoshi, was of the view that they will bring valuable perspectives, knowledge, skills and experiences to the Board for its efficient and effective functioning and their appointments will contribute to the diversity of the Board appropriate to the requirements of the Group's business. The Board accepted Nomination Committee's nominations and recommended Ms. Man Yee Wai, Viola and Dr. Norimoto Hisayoshi to stand for re-election as executive Directors at the Annual General Meeting. Each of Ms. Man Yee Wai, Viola and Dr. Norimoto Hisayoshi abstained from discussion and voting at the Board meeting regarding their respective nominations.

LETTER FROM THE BOARD

3. PROPOSED GRANT OF GENERAL MANDATE TO BUY BACK SHARES

In order to give the Company the flexibility to buy back Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the grant of the Share Buy-back Mandate to the Directors to buy back Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 4 of the notice of the Annual General Meeting as set out on pages 28 to 35 of this circular (i.e. a total of 39,489,294 Shares on the basis that there is no change in the total number of issued Shares of the Company of 394,892,941 Shares before the Annual General Meeting). The Directors wish to state that the Board intends to exercise its power under the Share Buy-back Mandate from time to time but have no immediate plan to buy back any Shares pursuant to the Share Buy-back Mandate.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the grant of the Share Buy-back Mandate is set out in Appendix II to this circular.

The Share Buy-back Mandate will remain in effect until whichever is the earliest of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held; or (iii) the passing of an ordinary resolution of the Shareholders in general meeting revoking or varying the Share Buy-back Mandate.

4. PROPOSED GRANT OF GENERAL MANDATE TO ISSUE NEW SHARES

In order to give the Company the flexibility to issue Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the grant of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting as set out on pages 28 to 35 of this circular (i.e. a total of 78,978,588 Shares on the basis that there is no change in the total number of issued Shares of the Company of 394,892,941 Shares before the Annual General Meeting). An ordinary resolution to extend the Issuance Mandate by adding the number of Shares bought back by the Company pursuant to the Share Buy-back Mandate will also be proposed at the Annual General Meeting.

The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to the Issuance Mandate.

LETTER FROM THE BOARD

The Issuance Mandate will remain in effect until whichever is the earliest of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held; or (iii) the passing of an ordinary resolution of the Shareholders in general meeting revoking or varying the Issuance Mandate.

5. RE-APPOINTMENT OF THE AUDITOR

Ernst & Young will retire as the auditor of the Company at the Annual General Meeting and, being eligible, offer themselves for re-appointment as the auditor of the Company. Details of the re-appointment of auditor are set out in the proposed ordinary resolution contained in item 3 of the notice of the Annual General Meeting.

6. PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT

Background of the Share Option Scheme

The Share Option Scheme was approved and adopted by the Shareholders by the written resolutions on 12 June 2015 and became effective on the listing of the Shares on the Stock Exchange on 8 July 2015 (the “**Listing Date**”). The purpose of the Share Option Scheme is to enable the Company to grant Options to eligible participants as incentives and rewards for their contribution to the Group and to align the interest between the Group and the eligible participants for the betterment of business and profitability of the Group and the Shareholders as a whole. Other than the Share Option Scheme, the Company has no other share option scheme currently in force.

The subscription price for Shares under the Share Option Scheme will be a price determined by the Directors, but will be at least the highest of (i) the closing price of the Shares on the Stock Exchange as stated in the Stock Exchange’s daily quotations sheet on the date of grant of the Option, which must be a business day; (ii) the average closing price of the Shares on the Main Board as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

The Existing Scheme Mandate Limit

Pursuant to the Share Option Scheme and Chapter 17 of the Listing Rules, the total number of Shares which may be allotted and issued upon exercise of all share options to be granted by the Company under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue as at the Listing Date. As at the Listing Date, the Company had 225,000,000 Shares in issue and the Existing Scheme Mandate Limit is 22,500,000 Options.

LETTER FROM THE BOARD

The Scheme Mandate Limit may be refreshed by approval of the Shareholders in general meeting provided that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Group must not exceed 10% of the Shares in issue as at such date of approval. Share options lapsed in accordance with the terms of the Share Option Scheme shall not be counted for the purpose of calculating the Scheme Mandate Limit.

The Listing Rules also provide that the limit on the number of securities which may be issued upon exercise of all outstanding options granted and yet to be exercised under the scheme and any other schemes must not exceed 30% of the relevant class of securities of the listed issuer in issue from time to time.

During the period from the Listing Date up to the Latest Practicable Date, the Company granted an aggregate of 21,967,700 Options, details as follows:

Date of Grant	Total number of Options granted	Exercise Price	Total number of Options exercised, cancelled or lapsed as at the Latest Practicable Date	Total number of Options outstanding as at the Latest Practicable Date
9 May 2019	6,643,700 Options ^(Note 1) , out of which 5,758,012 Options ^(Note 1) were granted to Directors	HK\$2.3 per Option ^(Note 1)	170,000	6,473,700
24 July 2020	15,324,000 Options, out of which 13,924,000 Options were granted to Directors ^(Note 2)	HK\$0.8 per Option	Nil	15,324,000

Notes:

- (1) As a result of the completion of the rights issue on 28 February 2020 (the “**Rights Issue**”), according to the terms and conditions of the Share Option Scheme and Rule 17.03(13) of the Listing Rules, the exercise price of the Share Options and the number of Shares which may fall to be issued upon exercise of the rights attaching to the outstanding Options granted before the completion of the Rights Issue have been adjusted.
- (2) On 24 July 2020, 16,124,000 Options were conditionally granted to five directors and certain employees of the company, entitling them to subscribe for a total of 16,124,000 Shares at the exercise price of HK\$0.8 per Share, subject to the condition of the grantees accepting the grant. Among the options resolved to grant, four employees did not accept the grant and out of the 16,124,000 Options, 800,000 Options were not granted eventually. As a result, only 15,324,000 Options were granted.

LETTER FROM THE BOARD

Details of the Options granted since the Listing Date up to the Latest Practicable Date are set out below:

Capacity	Date of Grant	Exercise Price per Option (HK\$)	Granted	Number of Options		Outstanding as at the Latest Practicable Date
				Exercised	Lapsed or Cancelled	
Executive Directors						
Mr. Chan Yu Ling, Abraham	9 May 2019	2.3*	2,170,456*	—	—	2,170,456
	24 July 2020	0.8	3,480,000	—	—	3,480,000
Dr. Tsoi Kam Biu, Alvin	9 May 2019	2.3*	708,550*	—	—	708,550
	24 July 2020	0.8	1,742,000	—	—	1,742,000
Ms. Man Yee Wai, Viola	9 May 2019	2.3*	708,550*	—	—	708,550
	24 July 2020	0.8	3,480,000	—	—	3,480,000
Mr. Cheong Shin Keong	24 July 2020	0.8	3,480,000	—	—	3,480,000
Non-Executive Director						
Mr. Chan Kin Man, Eddie	9 May 2019	2.3*	2,170,456*	—	—	2,170,456
	24 July 2020	0.8	1,742,000	—	—	1,742,000
Employees and other participants						
	9 May 2019	2.3*	885,688*	—	170,000	715,688
	24 July 2020	0.8	1,400,000	—	—	1,400,000
Total			21,967,700	—	170,000	21,797,700

* As a result of the completion of the Rights Issue, according to the terms and conditions of the Share Option Scheme and Rule 17.03(13) of the Listing Rules, the exercise price of the Share Options and the number of Shares which may fall to be issued upon exercise of the rights attaching to the outstanding Options granted before the completion of the Rights Issue have been adjusted.

Since the Listing Date up to the Latest Practicable Date, a total of 21,967,700 Options were granted to the eligible participants under the Share Option Scheme, of which (i) none of the Options were exercised; (ii) 170,000 Options were lapsed or cancelled; and (iii) 21,797,700 Options, representing approximately 5.52% of the issued share capital of the Company as at the Latest Practicable Date, remain outstanding under the Share Option Scheme.

LETTER FROM THE BOARD

As at the Latest Practicable Date, only 702,300 Options are permitted to be granted by the Company under the Existing Scheme Mandate Limit to the eligible participants, representing approximately 0.18% of the issued share capital of the Company as at the Latest Practicable Date. The Directors consider that it is important for the Company to retain the flexibility to grant further Options under the Share Option Scheme to provide incentives and rewards to the eligible participants for their contribution or potential contribution to the Group in timely manner. As such, the Board proposes to seek the approval of the Shareholders to refresh the Scheme Mandate Limit to 10% of the total number of Shares in issue in order to increase the total number of Options that the Directors may grant under the Share Option Scheme. The refreshed Scheme Mandate Limit will provide the Company with greater flexibility on recruiting and retaining high calibre employees and attracting human resources that are valuable to the Group and providing incentives or rewards to eligible participants for their contribution to the Group. The Directors consider that the refreshment of the Scheme Mandate Limit is in the interest of the Company and Shareholders as a whole as it enables the Company to reward appropriately and motivate the eligible person.

The Board may grant Options to non-employees such as consultant or professional advisor to the Company for the operation of the Group from time to time. The Directors are of the view that the Share Option Scheme could align the interest of these external parties with the Company together with the Shareholders and motivate these external parties to contribute towards the development of the Group without affecting the operating cost of the Company. In determining the Options, the Company would consider, including but not limited to, the individual performance of the eligible participants and their contribution to the profits or business development of the Group.

Proposed Refreshment

If the refreshment of the Scheme Mandate Limit is approved by the Shareholders at the Annual General Meeting, based on the aggregate number of 394,892,941 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to and including the date of the Annual General Meeting, the Company will be allowed to grant further Options under the Share Option Scheme for subscription of up to a total of 39,489,294 Shares, representing 10% of the Shares in issue as at the date of passing the resolution (i.e. the date of the Annual General Meeting).

Pursuant to the Listing Rules, the Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme or other schemes at any time will not exceed 30% of the Shares in issue. Assuming the refreshment of the Scheme Mandate Limit is approved at the Annual General Meeting and no further Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to and including the date of the Annual General Meeting, the Company will be allowed to allot and issue a maximum of 61,286,994 Shares under the Share Option Scheme (comprising 39,489,294 Shares

LETTER FROM THE BOARD

upon exercise of the Options that may be granted under the refreshed Scheme Mandate Limit and 21,797,700 Shares upon full exercise of the outstanding Options), representing approximately 15.5% of the issued Share capital of the Company as at the Latest Practicable Date, which will not exceed the overall limit of 30% of the Shares in issue from time to time as required under the Listing Rules. The Board undertakes that no Option shall be granted under the Share Option Scheme or any scheme(s) of the Group if this will result in the 30% limit being exceeded.

At the Annual General Meeting, an ordinary resolution will be proposed to the Shareholders to approve the proposed refreshment of Scheme Mandate Limit so as to allow the Company to grant further Options under the Share Option Scheme for subscription of up to a total of 39,489,294 Shares, representing 10% of the Shares in issue as at the date of passing the resolution.

As at the Latest Practicable Date, the Company currently does not have any concrete plan to grant further Options under the existing Scheme Mandate Limit before the Annual General Meeting or under the refreshed Scheme Mandate Limit upon the refreshment of the Scheme Mandate Limit. The Board may however from time to time consider whether to grant any Options in order to provide the respective eligible participants. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

Conditions of the Proposed Refreshment

The Proposed Refreshment is conditional upon:

- (i) the passing of the relevant resolution by the Shareholders at the Annual General Meeting to approve the proposed refreshment of the Scheme Mandate Limit; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.

Listing Application

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries save as disclosed above, no Shareholder has a material interest in the proposed refreshment of the Scheme Mandate Limit and no Shareholder will be required to abstain from voting on the relevant resolution to be proposed at the Annual General Meeting.

LETTER FROM THE BOARD

7. PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the Company's dual foreign name in Chinese from “培力控股有限公司” to “培力農本方有限公司” (the “**Change of Company Name**”).

Conditions of the Proposed Change of Company Name

The proposed Change of Company Name will be subject to the following conditions:

1. the passing of a special resolution by the Shareholders at the Annual General Meeting approving the Change of Company Name; and
2. the approval being granted by the Registrar of Companies in Cayman Islands for the Change of Company Name.

Subject to the satisfaction of the conditions set out above, the proposed Change of Company Name will take effect from the date upon the issue of a certificate of incorporation on adoption of dual foreign name by the Registrar of Companies in the Cayman Islands confirming that the new dual foreign name has been registered. Upon receiving the requisite approval from the Registrar of Companies in the Cayman Islands, the Company will carry out all necessary filings with the Companies Registry in Hong Kong thereafter.

Reasons for the Proposed Change of Company Name

The Group is a leading Hong Kong-based Chinese medicine company primarily engaged in the research and development, production, marketing and sale of concentrated Chinese medicine granules (“CCMG”) products. The Board considers that the Change of Company Name will promote its brand Nong's® (農本方®) and enhance the corporate identity of the Group in engaging development, production, marketing and sale of CCMG products. The Board believes that the new Chinese names of the Company will provide the Company with a new corporate image which will benefit the Company's future business development. As such, the Board believes that the change is in the best interests of the Company and the Shareholders as a whole.

Effects of the Change of Company Name

The proposed Change of Company Name will not affect any rights of the existing holders of the Shares nor the Company's daily business operation and its financial position. All the existing share certificates of the Company in issue bearing the existing name of the Company will, upon the proposed Change of Company Name becoming effective, continue to be evidence of title to such Shares and will continue to be valid for trading, settlement, registration and delivery of such

LETTER FROM THE BOARD

Shares. There will not be any arrangement for free exchange of the existing share certificates of the Company for new share certificates printed in the new names of the Company. Upon the Proposed Change of Company Name becoming effective, all new share certificates will only be issued in the new Chinese name of the Company.

In addition, subject to the confirmation by the Stock Exchange, the Chinese stock short name for trading of the Shares in the Stock Exchange will also be changed after the proposed Change of Company Name has become effective.

8. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION IN RELATION TO THE MEANS OF RECEIPT OF CORPORATE COMMUNICATION

The Stock Exchange published amendments to the Listing Rules on 28 November 2008 in relation to, among others, Rule 2.07A of the Listing Rules in respect of an issuer's Corporate Communication (defined below) to the relevant holders of its securities using electronic means. The amendments to the Listing Rules will come into effect on 1 January 2009. Pursuant to the amendments to Rule 2.07A of the Listing Rules, to the extent that:

- (i) the shareholders of the listed issuer have resolved in general meeting that the listed issuer may send or supply corporate communication of the Company (the "**Corporate Communication**") to shareholders by making them available on the listed issuer's own website; or
- (ii) the listed issuer's constitutional documents contain provision to that effect,

a holder of the listed issuer's securities in relation to whom the following conditions are met is taken to have agreed that the listed issuer may send or supply Corporate Communication to him in that manner: (i) the holder has been asked individually by the listed issuer to agree that the listed issuer may send or supply Corporate Communication generally, or the Corporate Communication in question, to him by means of the listed issuer's own website; and (ii) the listed issuer has not received a response indicating the holder's objection within the period of 28 days beginning with the date on which the listed issuer's request was sent.

According to Article 180(A)(i) of the Articles of Association, it is provided, inter alia, that:

"Except where otherwise expressly stated, any notice or document to be given to or by any person pursuant to these Articles shall be in writing or, to the extent permitted by the Companies Law and the Listing Rules from time to time and subject to this Article, contained in an electronic communication"

LETTER FROM THE BOARD

However, according to Article 175(b) of the Articles of Association, it is provided, *inter alia*, that:

“Every balance sheet of the Company shall be signed on behalf of the Board by two of the Directors and a copy of every balance sheet (including every document required by law to be comprised therein or annexed thereto) and profit and loss account which is to be laid before the Company at its annual general meeting, together with a copy of the Directors’ report and a copy of the auditors’ report thereon, shall, not less than 21 days before the date of the meeting be delivered or sent by post together with the notice of annual general meeting to the registered address of every Shareholder and every debenture holder of the Company and every other person entitled to receive notices of general meetings of the Company under the provisions of these Articles”

As such, although the Company is allowed under the Articles of Association to send any notices or documents to Shareholders by electronic means, the Company is required under Article 175(b) of the Articles of Association to deliver or send by post the printed copy of the annual report, which contains the balance sheet, profit and loss account, the Directors’ report and the auditor’s report, together with the notice of the annual general meeting to Shareholders.

Subject to satisfaction of the requirements under Rule 2.07A of the Listing Rules, for the purpose of environmental protection and cost saving, the Directors consider that it is of the interests of the Company and the Shareholders as a whole if the Company would be able to send or supply Corporate Communication, including the annual reports and the notices of annual general meeting, to the Shareholders by simply making them available on the Company’s own website (www.purapharm.com). A special resolution will be proposed to be approved by the Shareholders at the Annual General Meeting that Article 175(b) of the Articles of Association is to be amended to allow the Company sending or supplying annual report and notice of annual general meeting to Shareholders in relation to whom certain conditions are met by making the Corporate Communication available on the Company’s own website.

The Company will make arrangements in due course to ask the Shareholders individually whether he/she/it agrees that the Company may send or supply Corporate Communication to him/her/it by means of the Company’s own website.

LETTER FROM THE BOARD

9. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 28 to 34 of this circular.

Pursuant to 13.39(4) of the Listing Rules, all votes of the Shareholders at a general meeting must be taken by poll except where the Chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. To the best of the knowledge, information and belief of the Directors, none of the Shareholders is required to abstain from voting on any of the resolutions to be proposed at the Annual General Meeting. An announcement on the poll results will be published by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.purapharm.com). The form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof if you so wish.

10. CLOSURE OF REGISTER OF MEMBERS

In order to ascertain the entitlement to attend and to vote at the Annual General Meeting, the register of members will be closed from Tuesday, 25 May 2021 to Friday, 28 May 2021 (both dates inclusive), the period during which no transfer of the Shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting, all completed share transfer instruments accompanied by the relevant share certificates shall be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 pm on Monday, 24 May 2021.

LETTER FROM THE BOARD

11. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors individually and collectively accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this circular misleading.

12. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Details of the Retiring Directors Proposed to be Re-elected at the Annual General Meeting) and Appendix II (Explanatory Statement on the Share Buy-back Mandate) to this circular.

13. RECOMMENDATION

The Directors consider that all resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of the Board
PuraPharm Corporation Limited
Chan Yu Ling, Abraham
Chairman

The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

Executive Directors

Ms. Man Yee Wai, Viola (文綺慧), age 55, is an Executive Director and has been with the Group since its founding in 1998. She is responsible for corporate and brand strategies, and the overall strategic planning of the Group's business. Ms. Man was the Key Account Manager and Group Product Manager of Nestle China Limited and the Consumer Marketing Manager of Coca-Cola China Ltd. and has over 20 years of experience in strategic planning, brand management, consumer and industrial marketing, key account management and new product development. Ms. Man was the Chairman (2012/13) of Tung Wah Group of Hospitals ("TWGHs"), one of the largest charitable organisations principally engaged in the provision of medical and health services, education and community services in Hong Kong and was a member of the Advisory Board of TWGHs (2013/14). Ms. Man was the Founding Chairman of the Board of Governors and College Council of Tung Wah College, and is currently the Council Chairman of Tung Wah College. She is currently a member of the HK Basic Law Promotion Steering Committee and a fellow of Hong Kong Institute of Directors. She was a member of the Council of the Education University of Hong Kong (2013-2019) and was a member of the Betting and Lotteries Commission (2013-2019). Ms. Man was a member of the Advisory Committee of the School of Chinese Medicine of Hong Kong Baptist University (2010 to 2016), and a member of the Risk Communication Advisory Group of the Centre for Health Protection of the Health Department (2013 to 2016). Ms. Man is a member of the Chinese People's Political Consultative Conference of Sichuan Province. She was awarded the Bronze Bauhinia Star by the Chief Executive of Hong Kong SAR in 2013. Ms. Man obtained her Bachelor's Degree in Science from The University of Western Ontario, Canada and her Master's Degree in Business Administration from The University of Windsor in Canada. She is the spouse of Mr. Chan Yu Ling, Abraham, the Group's Chairman, Chief Executive Officer and Executive Director.

Ms. Man did not hold any directorships in any other public companies the securities of which are listed in Hong Kong or overseas in the past three years.

Save as disclosed above, Ms. Man does not have relationships with other directors, senior management or substantial or controlling shareholders of the Company.

Ms. Man has entered into a service contract with the Company for a fixed term of three years commencing on 8 July 2018, unless terminated by either Ms. Man or the Company in accordance with the terms of the service agreement and she is subject to retirement by rotation and is eligible for re-election at least once every three years at the annual general meeting of the Company in accordance with Article 108 of the Articles of Association.

Ms. Man is entitled to receive director's remuneration in the amount of HK\$1,231,920 per annum. Ms. Man's remuneration has been determined by the Board based on the recommendation of the remuneration committee of the Company and with reference to the prevailing market practice, the Company's remuneration policy and Ms. Man's duties, responsibilities with the Company as well as her performance.

As at the date of this circular, Ms. Man was interested in 219,075,641 Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Save for the information disclosed above, there is no information which is discloseable nor is Ms. Man involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Ms. Man that need to be brought to the attention of the Shareholders.

Dr. Norimoto Hisayoshi (範本文哲), aged 51, was appointed as Executive Director on 17 November 2020. Dr. Norimoto is the chief research and development ("R&D") officer of the Group, the general manager of PuraPharm Japan Corporation and SODX Co., Ltd. in Osaka in Japan and the vice president of production and operation in China of the Group. Dr. Norimoto is primarily responsible for the management of the R&D, operation and production of the Group in China and Japan. Dr. Norimoto joined the Group in March 2016 as the general manager of PuraPharm Japan Corporation. Prior to joining the Group, from 2001 to 2016, Dr. Norimoto was the pharmacological head of R&D at Kracie Pharmaceutical, Ltd, a historical Kampo pharmaceutical manufacturer in Japan. Dr. Norimoto has been a director of Association for Promoting Sustainable Use of Medicinal Resources of Japan since 2018, a senior expert in the Committee of Planting and Breeding of China Association of Traditional Chinese Medicine in China since December 2019 and the chapter coordinator of Japan region for the Consortium for Globalisation of Chinese Medicine since 2018. Dr. Norimoto received a Master's Degree in pharmaceutical science and the Doctor of Philosophy in pharmaceutical science from the National Toyama Medical and Pharmaceutical University (now known as the University of Toyama) in Japan in 1998 and 2001, respectively.

Dr. Norimoto did not hold any directorships in any other public companies the securities of which are listed in Hong Kong or overseas in the past three years.

Dr. Norimoto does not have relationships with other directors, senior management or substantial or controlling shareholders of the Company.

Dr. Norimoto has entered into a service contract with the Company for a term of three years commencing on 17 November 2020 and he is subject to retirement by rotation and is eligible for re-election at least once every three years at the annual general meeting of the Company in accordance with Article 108 of the Articles of Association.

Dr. Norimoto is entitled to receive a director fee of Japanese Yen 1,231,920 (equivalent to approximately HK\$151,875) per month. The remuneration package of Dr. Norimoto was recommended by the remuneration committee of the Company with reference to his qualifications, duties, responsibilities and expertise expected to be devoted to the Company's affairs and the prevailing market conditions.

As at the date of this circular, Dr. Norimoto is beneficially interested in 370,000 shares which may fall to be issued upon exercise of the 370,000 options granted to him under the share option scheme of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save for the information disclosed above, there is no information which is discloseable nor is Dr. Norimoto involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Dr. Norimoto that need to be brought to the attention of the Shareholders.

This Appendix is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the grant of the Share Buy-back Mandate.

1. SHARES IN ISSUE

As at the Latest Practicable Date, the total number of issued Shares of the Company comprised 394,892,941 Shares in one class.

Subject to the passing of the ordinary resolution set out in item 4 of the notice of the Annual General Meeting in respect of the grant of the Share Buy-back Mandate and on the basis that there will be no change to the total number of issued Shares of the Company before the Annual General Meeting, i.e. being 394,892,941 Shares, the Directors would be authorised under the Share Buy-back Mandate to buy back, during the period in which the Share Buy-back Mandate remains in force, a total of 39,489,294 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting.

2. REASONS FOR SHARE BUYBACK

The Directors believe that the granting of the Share Buy-back Mandate is in the best interests of the Company and the Shareholders.

Shares buybacks may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a buyback will benefit the Company and the Shareholders.

3. FUNDING OF BUYBACK

In buying-back Shares, the Company may only apply the Company's available cash flow or working capital facilities which will be funds legally available for such purpose in accordance with its Memorandum and Articles of Association, the laws of the Cayman Islands and/or any other applicable laws, as the case may be.

The Directors propose that the buyback of Shares under the proposed Share Buy-back Mandate would be financed from the Company's internal resources.

4. IMPACT OF BUYBACK

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 31 December 2020) in the event that the Share Buy-back Mandate was to be carried out in full at any time during the proposed buyback period.

However, the Directors do not intend to exercise the Share Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange in each of the previous twelve months were as follows:

	Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2020	April	0.79	0.71
	May	0.73	0.64
	June	0.70	0.61
	July	0.74	0.64
	August	0.70	0.59
	September	1.04	0.68
	October	0.80	0.67
	November	0.77	0.71
	December	0.73	0.67
2021	January	0.72	0.66
	February	0.80	0.68
	March	0.75	0.69
	April (up to the Latest Practicable Date)	0.71	0.68

6. GENERAL

To the best of the knowledge of the Directors and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the grant of the Share Buy-back Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the grant of the Share Buy-back Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make buyback of Shares pursuant to the Share Buy-back Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

7. TAKEOVERS CODE AND PUBLIC FLOAT REQUIREMENT

If as a result of a Shares buyback pursuant to the Share Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge of the Company, as at the Latest Practicable Date, according to the register of interests kept by the Company pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, the following Shareholders were directly or indirectly interested in 5% or more of the issued Shares:

Name of Shareholders	Nature of Interest	Number of Shares held or interested ⁽¹⁾	Percentage of the Company's issued share capital
Mr. Chan Yu Ling, Abraham ("Mr. Abraham Chan")	Interest of controlled corporations	178,854,830	45.29%
	Beneficial owner	35,783,311	7.65%
	Interest of spouse	4,347,500	1.10%
	Beneficiary of a trust	90,000	0.02%
Ms. Man Yee Wai, Viola ("Ms. Viola Man")	Interest of a controlled corporation	77,349,750	19.59%
	Beneficial owner	4,302,500	1.09%
	Interest of spouse	137,378,391	34.79%
	Beneficiary of a trust	45,000	0.01%
PuraPharm Corporation Limited ("PuraPharm Corp")	Beneficial owner	77,349,750	19.59%
Joint Partners Investment Limited ("Joint Partners")	Interest of a controlled corporation	77,349,750	19.59%
Fullgold Development Limited ("Fullgold Development")	Beneficial owner	81,929,000	20.75%
Gold Sparkle Limited ("Gold Sparkle")	Beneficial owner	19,576,080	4.96%

Notes:

- (1) The letter “L” denotes the person’s long position in such securities.
- (2) Mr. Abraham Chan beneficially owns the 50% of the issued share capital of Joint Partners, which in turn wholly owns the issued capital of PuraPharm Corp, a limited liability company incorporated in the British Virgin Islands on 5 May 1998. PuraPharm Corp owns 77,349,750 Shares. By virtue of the SFO, Mr. Abraham Chan is deemed to be interested in the Shares held by PuraPharm Corp.
- (3) Mr. Abraham Chan wholly owns the issued share capital of Fullgold Development, which in turn owns 81,929,000 Shares. By virtue of the SFO, Mr. Abraham Chan is deemed to be interested in the Shares held by Fullgold Development.
- (4) Mr. Abraham Chan beneficially owns the entire issued share capital of Gold Sparkle, which in turn owns 19,576,080 Shares. By virtue of the SFO, Mr. Abraham Chan is deemed to be interested in the Shares held by Gold Sparkle.
- (5) Mr. Abraham Chan is the spouse of Ms. Viola Man. By virtue of the SFO, Mr. Abraham Chan is deemed to be interested in the Shares held by Ms. Viola Man.
- (6) Ms. Viola Man beneficially owns the 50% of the issued share capital of Joint Partners, which in turn wholly owns the issued capital of PuraPharm Corp. PuraPharm Corp owns 77,349,750 Shares. By virtue of the SFO, Ms. Viola Man is deemed to be interested in the Shares held by PuraPharm Corp.
- (7) Ms. Viola Man is the spouse of Mr. Abraham Chan. By virtue of the SFO, Ms. Viola Man is deemed to be interested in the Shares held by Mr. Abraham Chan.
- (8) PuraPharm Corp is wholly owned by Joint Partners. By virtue of the SFO, Joint Partners is deemed to be interested in the Shares held by PuraPharm Corp.
- (9) These Shares represent Shares granted to Mr. Abraham Chan and Ms. Viola Man pursuant to a share award scheme adopted by the Company on 22 February 2016 (the “**Share Award Scheme**”), which are held on trust by a trust set up by the Company for the purpose of administrating the Share Award Scheme Trust until the Shares are vested.

Assuming that no further Shares are issued between the Latest Practicable Date and the date of a buyback under the proposed Share Buy-back Mandate, in the event that the Directors exercise the power to buy back Shares in full in accordance with the proposed Share Buy-back Mandate, the aggregate shareholding of the above Shareholders in the issued share capital of the Company would be increased to:

Name of Shareholders	Nature of Interest	Percentage of the Company's issued share capital
Mr. Abraham Chan	Interest of controlled corporations	50.32%
	Beneficial owner	10.07%
	Interest of spouse	1.22%
	Beneficiary of a trust	0.03%
Ms. Viola Man	Interest of a controlled corporation	21.76%
	Beneficial owner	1.21%
	Interest of spouse	38.65%
	Beneficiary of a trust	0.01%
PuraPharm Corp	Beneficial owner	21.76%
Joint Partners	Interest of a controlled corporation	21.76%
Fullgold Development	Beneficial owner	23.05%
Gold Sparkle	Beneficial owner	5.51%

The Directors are not aware of the consequences of such increases or as a result of the buyback of Shares that would result in any of the aforesaid Shareholders or any Shareholder, or group of Shareholders acting in concert, becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code. Moreover, the Directors do not propose to exercise the Share Buy-back Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and/or result in the aggregate number of Shares held by the public shareholders falling below 25%, the prescribed minimum percentage required by the Stock Exchange.

8. BUYBACK OF SHARES MADE BY THE COMPANY

During the 12 months prior to the Latest Practicable Date, the Company had not bought back any of the Shares (whether on the Stock Exchange or otherwise).

NOTICE OF ANNUAL GENERAL MEETING



PuraPharm

PURAPHARM CORPORATION LIMITED

培力控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1498)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an Annual General Meeting of PuraPharm Corporation Limited (the “**Company**”) will be held at 2/F, 50 Bonham Strand, Sheung Wan, Hong Kong on Friday, 28 May 2021 at 2:30 p.m. for the following purposes:

ORDINARY RESOLUTIONS

To consider and, if thought fit, pass the following resolutions (with or without modifications) as ordinary resolutions of the Company:

1. To receive and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors of the Company (the “**Directors**”) and the auditor of the Company for the year ended 31 December 2020.
2. (a) To re-elect Ms. Man Yee Wai, Viola as an executive Director;

(b) To re-elect Dr. Norimoto Hisayoshi as an executive Director; and

(c) To authorise the board of Directors to fix the Directors’ remuneration.
3. To re-appoint Ernst & Young as auditor of the Company to hold office until conclusion of the next annual general meeting and to authorise the board of Directors to fix the auditor’s remuneration.

NOTICE OF ANNUAL GENERAL MEETING

4. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph 4(b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to buy back shares of the Company in accordance with all applicable laws, rules and regulations;
- (b) the total number of shares of the Company to be bought back pursuant to the mandate in paragraph 4(a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be bought back under the mandate in paragraph 4(a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and
- (c) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph 5(c) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company during the Relevant Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;
- (b) the mandate in paragraph 5(a) above shall authorise the directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph 5(a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company; and
 - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be issued under the mandate in paragraph 5(a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Right Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange).”

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

“**THAT** conditional upon the passing of the resolutions set out in items 4 and 5 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 5 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of the number of shares bought back by the Company pursuant to the mandate referred to in resolution set out in item 4 of the Notice, provided that such amount shall not exceed 10% of the total number of issued share of the Company as at the date of the passing of this resolution.”

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

“**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the additional shares of US\$0.1 each in the share capital of the Company to be issued pursuant to the exercise of the options

NOTICE OF ANNUAL GENERAL MEETING

which may be granted under the granted under the share option scheme adopted by the Company on 12 June 2015 (the “**Share Option Scheme**”), the refreshment of the limit in respect of the granting of options to subscribe for Shares under the Share Option Scheme be and is hereby approved, provided that:

- (a) the total number of Shares in respect of which options may be granted under the Share Option Scheme shall not exceed 10% of the total number of Shares in issue as at the date of passing this resolution (the “**Refreshed Limit**”);
- (b) options previously granted under the Share Option Scheme (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme) will not be counted for the purpose of calculating the Refreshed Limit;
- (c) the Directors be and are hereby unconditionally authorised to offer or grant options pursuant to the Share Option Scheme to subscribe for Shares up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with the Shares upon the exercise of such options; and
- (d) such increase in the Refreshed Limit shall in no event result in the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company exceed 30% of the Shares in issue from time to time.

SPECIAL RESOLUTIONS

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

“**THAT:**

- (a) subject to and conditional upon the necessary approval of the Registrar of Companies in the Cayman Islands being obtained, the dual foreign name in Chinese of the Company be changed from “培力控股有限公司” to “培力農本方有限公司” (the “**Change of Company Name**”), with effect upon the date of the issue of a certificate of incorporation on adoption of dual foreign name by the Registrar of Companies in the Cayman Islands; and

NOTICE OF ANNUAL GENERAL MEETING

- (b) any one of the Directors or the company secretary of the Company be and is hereby authorised to do all such acts and things and to sign all documents and to take any steps which in his/her absolute discretion considered to be necessary, desirable or expedient for the purpose of implementing and/or giving effect to the Change of Company Name.”
9. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

“**THAT** Article 175(b) of the Articles of Association be replaced in its entirety and amended as follows:

Subject to paragraph (c) below, every balance sheet of the Company shall be signed on behalf of the Board by two of the Directors and a copy of every balance sheet (including every document required by law to be comprised therein or annexed thereto) and profit and loss account which is to be laid before the Company at its annual general meeting, together with a copy of the Directors’ report and a copy of the Auditors’ report thereon, shall, not less than 21 days before the date of the meeting be made available by electronic means according to the requirements under the Listing Rules, or delivered or sent by post, together with the notice of annual general meeting to the registered address of every Shareholder and every Debenture Holder of the Company and every other person entitled to receive notices of general meetings of the Company under the provisions of these Articles, provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any Shares or Debentures, but any Shareholder or Debenture Holder to whom a copy of those documents has not been sent shall be entitled to receive a copy free of charge on application at the Head Office or the Registration Office. If all or any of the Shares or Debentures or other securities of the Company shall for the time being be (with the consent of the Company) listed or dealt in on any stock exchange or market, there shall be forwarded to such stock exchange or market such number of copies of such documents as may for the time being be required under its regulations or practice.”

By order of the Board
PuraPharm Corporation Limited
Chan Yu Ling, Abraham
Chairman

Hong Kong, 22 April 2021

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. All resolutions at the meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) except where the Chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the above meeting. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy.
3. The form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Tuesday, 25 May 2021 to Friday, 28 May 2021, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Monday, 24 May 2021.
5. A circular containing further details concerning items 2, 4, 5 and 6 set out in the above notice will be sent to all shareholders of the Company together with the annual report of the Company for the year ended 31 December 2020.
6. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

As at the date of this notice, the executive directors of the Company are Mr. Chan Yu Ling, Abraham, Dr. Tsoi Kam Biu, Alvin, Ms. Man Yee Wai, Viola, Mr. Cheong Shin Keong and Dr. Norimoto Hisayoshi; the non-executive directors of the Company are Mr. Chow, Stanley and Mr. Chan Kin Man, Eddie; and the independent non- executive directors of the Company are Dr. Chan Kin Keung, Eugene, Mr. Ho Kwok Wah, George, Dr. Leung Lim Kin, Simon and Prof. Tsui Lap Chee.