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## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in InnoCare Pharma Limited, you should at once hand this circular 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 the transferee.

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**INNOCARE**

诺 诚 健 华

**InnoCare Pharma Limited**

**諾誠健華醫藥有限公司**

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

**(Stock code: 9969)**

- (1) PROPOSED ADOPTION OF THE 2024 RMB SHARE INCENTIVE SCHEME;**
- (2) PROPOSED GRANT OF RESTRICTED SHARES UNDER THE 2024 RMB SHARE INCENTIVE SCHEME TO A DIRECTOR;**
- (3) PROPOSED ADOPTION OF THE INCENTIVE SCHEME ASSESSMENT MANAGEMENT MEASURES;**
- (4) PROPOSED ISSUE AND GRANT OF NEW RMB SHARES UNDER THE 2024 RMB SHARE INCENTIVE SCHEME PURSUANT TO THE SCHEME MANDATE LIMIT;**
- (5) PROPOSED AUTHORIZATION TO THE BOARD TO HANDLE MATTERS PERTAINING TO THE 2024 RMB SHARE INCENTIVE SCHEME; AND**
- (6) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A notice to convening the EGM of InnoCare Pharma Limited to be held at Building 8, No. 8 Life Science Park Road, Zhongguancun Life Science Park, Changping District, Beijing, PRC on Tuesday, 17 December 2024 at 3:00 p.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.innocarepharma.com](http://www.innocarepharma.com)).

Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. by no later than 3:00 p.m. on Sunday, 15 December 2024). Please note that 15 December 2024 is not a working day in Hong Kong and Computershare Hong Kong Investor Services Limited's offices will not be open on this day for physical delivery of the form of proxy. For the voting instructions to be effective, all proxy appointments must be lodged with Computershare Hong Kong Investor Services Limited before the deadline. Completion and return of the form of proxy will not preclude Shareholders from attending and voting at the EGM or any adjournment thereof if they so wish and in such event, the form of proxy shall be deemed to be revoked. The Company will make further announcements on the website of the Shanghai Stock Exchange regarding the attendance of shareholders of RMB Shares listed on the STAR Market of the Shanghai Stock Exchange in accordance with the Shanghai Stock Exchange's regulations.

28 November 2024

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## VOTING ARRANGEMENT FOR THE EGM

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### VOTE BY APPOINTING THE CHAIRMAN OF THE EGM OR ANY OTHER PERSON AS PROXY

All resolutions at the EGM will be decided on a poll. Shareholders who, whether or not are able to attend the EGM, wish to vote on any resolution at the EGM should appoint the chairman of the EGM or any other person as his/her/its proxy to exercise the right to vote at the EGM in accordance with as his/her/its instructions. In appointing the chairman of the EGM or other person as proxy, Shareholders (whether individual or corporate) must give specific instructions as to vote in the proxy forms. Completion and return of the proxy form will not preclude Shareholders from attending and voting at the EGM or any adjournment thereof if they so wish and in such event, the form of proxy shall be deemed to be revoked.

The proxy form has been posted to Shareholders together with this circular. Such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and of the Company at [www.innocarepharma.com](http://www.innocarepharma.com). For Shareholders who are not a registered Shareholder (e.g. the Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), they should consult directly with their banks or brokers or custodians (as the case may be) for assistance in the appointment of a proxy.

The proxy form should be returned to the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the EGM (i.e. by no later than 3:00 p.m. on Sunday, 15 December 2024) or any adjournment thereof (as the case may be). Please note that 15 December 2024 is not a working day in Hong Kong and Computershare Hong Kong Investor Services Limited's offices will not be open on this day for physical delivery of the form of proxy.

If Shareholders have any questions relating to the EGM, please contact Computershare Hong Kong Investor Services Limited, the Company's share registrar in Hong Kong.

Address: Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East,  
Wanchai, Hong Kong  
Telephone: (852) 2862 8555  
Facsimile: (852) 2865 0990  
Website: [www.computershare.com/hk/contact](http://www.computershare.com/hk/contact)

Should any changes be made to the EGM arrangements, we will notify Shareholders via an announcement posted on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk), the website of the Shanghai Stock Exchange at [www.sse.com.cn](http://www.sse.com.cn) and the website of the Company at [www.innocarepharma.com](http://www.innocarepharma.com).

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## DEFINITIONS

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

|                                                         |                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “2023 RMB Share Incentive Scheme”                       | the 2023 STAR Market Restricted Share Incentive Scheme of the Company adopted on 2 June 2023, the full text of which is set out in Appendix IV to the circular of the Company dated 3 May 2023;                                                                                                                 |
| “2023 Share Award Scheme”                               | the share award scheme adopted by the Company on 31 August 2023, the details of which are set out in the circular of the Company dated 16 August 2023;                                                                                                                                                          |
| “2024 RMB Share Incentive Scheme” or “Incentive Scheme” | the 2024 STAR Market Restricted Share Incentive Scheme of the Company proposed to be considered and adopted at the EGM, the full text of which is set out in Appendix I to this circular;                                                                                                                       |
| “Administration Measures”                               | Measures for the Administration of Equity Incentives of Listed Companies (《上市公司股權激勵管理辦法》);                                                                                                                                                                                                                      |
| “Articles of Association”                               | the memorandum and articles of association of the Company as amended from time to time;                                                                                                                                                                                                                         |
| “associate(s)”                                          | has the meaning ascribed to it under Rule 14A.06(2) of the Hong Kong Listing Rules;                                                                                                                                                                                                                             |
| “Board”                                                 | the board of directors of the Company;                                                                                                                                                                                                                                                                          |
| “Committee” or “Compensation Committee”                 | the compensation committee of the Board from time to time;                                                                                                                                                                                                                                                      |
| “Company”                                               | InnoCare Pharma Limited, incorporated in the Cayman Islands as an exempted company with limited liability on 3 November 2015, whose Hong Kong Shares are listed on the Main Board of the Stock Exchange (Stock Code: 9969) and whose RMB Shares are listed on the Shanghai Stock Exchange (stock code: 688428); |
| “Company Law”                                           | the Company Law of the People’s Republic of China (《中華人民共和國公司法》);                                                                                                                                                                                                                                               |

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## DEFINITIONS

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|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “core connected person(s)”       | has the meaning ascribed to it under the Hong Kong Listing Rules;                                                                                                          |
| “CSDC”                           | China Securities Depository and Clearing Corporation Limited;                                                                                                              |
| “CSRC”                           | China Securities Regulatory Commission;                                                                                                                                    |
| “Director(s)”                    | the director(s) of the Company;                                                                                                                                            |
| “EGM”                            | the extraordinary general meeting to be convened and held by the Company on 17 December 2024 or any adjournment thereof;                                                   |
| “First Grant”                    | the proposed first grant of not more than 9,870,200 Restricted Shares, representing approximately 80% of the total number of Restricted Shares under the Incentive Scheme; |
| “Grant Date”                     | the date on which the Company grants the Restricted Shares to the Incentive Participants, which must be a trading date;                                                    |
| “Grant Price”                    | RMB6.65 per share, being the price at which Incentive Participants can purchase RMB Shares issued by the Company upon satisfaction of the Vesting Conditions;              |
| “Group”                          | the Company and its Subsidiaries;                                                                                                                                          |
| “Guidelines for Self-discipline” | the Guidelines for Self-discipline Supervision of Companies Listed on the STAR Market No. 4 — Disclosure of Information on Share Incentives (《科创板上市公司自律監管指南第4號—股權激勵信息披露》); |
| “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;                                                                                             |

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## DEFINITIONS

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|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Hong Kong Listing Rules”                         | the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange as supplemented and amended from time to time;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| “Hong Kong Share(s)”                              | ordinary share(s) in the share capital of the Company with a par value of US\$0.000002 each, which are listed on the Hong Kong Stock Exchange;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| “Hong Kong Shareholder(s)”                        | holder(s) of Hong Kong Shares;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| “Hong Kong Stock Exchange” or “Stock Exchange”    | The Stock Exchange of Hong Kong Limited;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| “Incentive Participant(s)”                        | the participant(s) of the 2024 RMB Share Incentive Scheme, including Directors, senior management and core technical personnel of the Company (including controlled subsidiaries and branch companies) and other employees that the Board considers necessary to be motivated, excluding independent non-executive directors, shareholders who individually or collectively hold more than 5% of the shares of the listed company (except Dr. Jisong Cui and Dr. Renbin Zhao) and their spouses, parents and children (for the avoidance of doubt, all Incentive Participants are employees of the Company and none of the Incentive Participants shall be service providers or related entity participants of the Company, as such terms are defined in the Hong Kong Listing Rules); |
| “Incentive Scheme Assessment Management Measures” | the Assessment Management Measures for the Implementation of the 2024 STAR Market Restricted Share Incentive Scheme of InnoCare Pharma Limited (《諾誠健華醫藥有限公司2024年科創板限制性股票激勵計劃實施考核管理辦法》);                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| “Independent Shareholder(s)”                      | Shareholders who are not (i) director(s) or chief executive being an incentive participant(s) the proposed grant to whom under this Incentive Scheme will exceed 0.1% of the total issued Shares of the Company in any 12-month period; (ii) his/her associates; or (iii) a core connected person, as determined in accordance with the Hong Kong Listing Rules;                                                                                                                                                                                                                                                                                                                                                                                                                       |

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## DEFINITIONS

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|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Inside Information”                    | price sensitive event in relation to the Shares or event which constitutes inside information (as defined in Part XIVA of the SFO and other applicable laws);                                                                                                           |
| “Latest Practicable Date”               | November 26, 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;                                                                                                                      |
| “PRC”                                   | the People’s Republic of China, but for the purpose of this circular and for geographical reference only and except where the context requires, references in this circular to the “PRC” do not apply to Hong Kong, the Macau Special Administrative Region and Taiwan; |
| “Reserved Grant”                        | the proposed reserved grant of not more than 2,467,550 Restricted Shares, representing approximately 20% of the total number of Restricted Shares under the Incentive Scheme;                                                                                           |
| “Restricted Share(s)”                   | the RMB Share(s) to be obtained in tranches and registered by the Incentive Participants who meet the conditions for grant under the Incentive Scheme after meeting the corresponding Vesting Conditions;                                                               |
| “RMB”                                   | Renminbi, the lawful currency of the PRC;                                                                                                                                                                                                                               |
| “RMB Share(s)” or “RMB ordinary Shares” | the RMB ordinary share(s) with a par value of US\$0.000002 each, which are listed on the STAR Market;                                                                                                                                                                   |
| “Scheme Mandate Limit”                  | has the meaning defined in the section headed “6. PROPOSED ISSUE AND GRANT OF NEW RMB SHARES UNDER THE 2024 RMB SHARE INCENTIVE SCHEME PURSUANT TO THE SCHEME MANDATE LIMIT”;                                                                                           |
| “Securities Law”                        | the Securities Law of the People’s Republic of China (《中華人民共和國證券法》);                                                                                                                                                                                                    |
| “SFC”                                   | the Securities and Futures Commission of Hong Kong;                                                                                                                                                                                                                     |

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## DEFINITIONS

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|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “SFO”                       | the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;                                                                                                                |
| “Share(s)”                  | ordinary share(s) in the share capital of the Company with a par value of US\$0.000002 each, comprising Hong Kong Share(s) and RMB Share(s);                                                                                                               |
| “Shareholder(s)”            | holder(s) of the Share(s);                                                                                                                                                                                                                                 |
| “STAR Market”               | the Science and Technology Innovation Board of the Shanghai Stock Exchange;                                                                                                                                                                                |
| “STAR Market Listing Rules” | the Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange;                                                                                                                                                               |
| “Subsidiary”                | a company which is a subsidiary (within the meaning given under Section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere and “Subsidiaries” are construed accordingly; |
| “Takeovers Code”            | the Codes on Takeovers and Mergers and Share Buybacks issued by the SFC, as amended, supplemented or otherwise modified from time to time;                                                                                                                 |
| “US\$”                      | United States dollar, the lawful currency of the United States;                                                                                                                                                                                            |
| “Vesting”                   | the act of registering the Restricted Shares by the Company to the account of an Incentive Participant after the Vesting Conditions having been satisfied by the Incentive Participant;                                                                    |
| “Vesting Conditions”        | the vesting conditions as stipulated under the Incentive Scheme which must be satisfied by an Incentive Participant in order to obtain the incentive shares;                                                                                               |

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## DEFINITIONS

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|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Vesting Date” | the date on which the registration of the granted Restricted Shares is completed after the Vesting Conditions having been satisfied by an Incentive Participant, which must be a trading day; |
| “%”            | per cent.                                                                                                                                                                                     |

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LETTER FROM THE BOARD

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**INNOCARE**

诺 诚 健 华

**InnoCare Pharma Limited**

**諾誠健華醫藥有限公司**

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

**(Stock code: 9969)**

*Executive Directors:*

Dr. Jisong Cui  
Dr. Renbin Zhao

*Non-executive Directors:*

Dr. Yigong Shi  
Mr. Ronggang Xie

*Independent non-executive Directors:*

Ms. Lan Hu  
Dr. Dandan Dong

*Registered office:*

Ogier Global (Cayman) Limited  
89 Nexus Way, Camana Bay  
Grand Cayman, KY1-9009  
Cayman Islands

*Head Office and Principal Place of  
Business in the PRC:*

Building 8, No. 8 Life Science Park Road  
Zhongguancun Life Science Park  
Changping District  
Beijing  
PRC

*Principal place of business in Hong Kong:*  
40th Floor, Dah Sing Financial Centre  
No. 248 Queen's Road East  
Wanchai, Hong Kong

28 November 2024

*To the Shareholders*

Dear Sir or Madam,

- (1) PROPOSED ADOPTION OF THE 2024 RMB SHARE  
INCENTIVE SCHEME;**
- (2) PROPOSED GRANT OF RESTRICTED SHARES UNDER THE 2024 RMB  
SHARE INCENTIVE SCHEME TO A DIRECTOR;**
- (3) PROPOSED ADOPTION OF THE INCENTIVE SCHEME ASSESSMENT  
MANAGEMENT MEASURES;**
- (4) PROPOSED ISSUE AND GRANT OF NEW RMB SHARES UNDER THE  
2024 RMB SHARE INCENTIVE SCHEME PURSUANT TO  
THE SCHEME MANDATE LIMIT;**
- (5) PROPOSED AUTHORIZATION TO THE BOARD TO HANDLE MATTERS  
PERTAINING TO THE 2024 RMB SHARE INCENTIVE SCHEME; AND**
- (6) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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## LETTER FROM THE BOARD

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### 1. INTRODUCTION

The purpose of this circular is to, among other things, provide the Shareholders with the notice of the EGM, which is set out on pages EGM-1 to EGM-2 of this circular and information of certain proposals to be considered by the Company so as to enable you to make an informed decision as to whether voting in favor of or against such resolutions.

Resolutions to be proposed at the EGM for the Shareholders' consideration and approval by way of ordinary resolutions include (1) the proposed adoption of the 2024 RMB Share Incentive Scheme and the Scheme Mandate Limit; (2) the proposed grant of Restricted Shares under the 2024 RMB Share Incentive Scheme to a Director; (3) the proposed adoption of the Incentive Scheme Assessment Management Measures; (4) the proposed issue and grant of new RMB Shares under the 2024 RMB Share Incentive Scheme pursuant to the Scheme Mandate Limit; and (5) proposed authorization to the Board to handle matters pertaining to the 2024 RMB Share Incentive Scheme.

### 2. THE CURRENT AGGREGATE EFFECTIVE MANDATE LIMIT

References are made to the Company's announcements on (i) the poll results of the extraordinary general meeting held on 31 August 2023, dated 31 August 2023 (the **"2023 Share Award Scheme Poll Results Announcement"**), (ii) the poll results of annual general meeting dated 2 June 2023 (the **"RMB Share Incentive Scheme Poll Results Announcement"**, together with the 2023 Share Award Scheme Poll Results Announcement, the **"Poll Results Announcements"**), and (iii) the proposed adoption of the 2023 RMB Share Incentive Scheme and its scheme mandate limit, dated 28 April 2023. Reference is also made to the Company's circulars on (i) the proposed adoption of the 2023 Share Award Scheme and its scheme mandate limit, dated 16 August 2023 (the **"2023 Share Award Scheme Circular"**) and (ii) the proposed adoption of the 2023 RMB Share Incentive Scheme and its scheme mandate limit, dated 3 May 2023 (the **"RMB Share Incentive Scheme Circular"**, together with the 2023 Share Award Scheme Circular, the **"Circulars"**).

Pursuant to the Circulars and Poll Results Announcements, the 2023 RMB Share Incentive Scheme and the 2023 Share Award Scheme was approved by the Shareholders, with an aggregate scheme mandate limit (as defined in the Hong Kong Listing Rules) of not more than 3.43% (60,430,357 Shares) of the then total Shares in issue, comprising (i) the scheme mandate limit under the 2023 Share Award Scheme (the **"2023 Share Award Scheme Mandate Limit"**) and (ii) the scheme mandate limit under the 2023 RMB Share Incentive Scheme (the **"2023 RMB Share Incentive Scheme Mandate Limit"**), representing approximately 2.92% (51,481,607 Shares) and

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## LETTER FROM THE BOARD

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0.51% (8,948,750 Shares) of the total number of issued shares of the Company, respectively, of the total Shares in issue as at the date of approval by the Company's shareholders of the 2023 Share Award Scheme (such 3.43% is herein after referred as the "**Current Aggregate Effective Mandate Limit**").

For the Shareholders' information, the then total Shares in issue as of the date of approving the Current Aggregate Effective Mandate Limit was 1,764,321,452 Shares; whereas the total Shares in issue as of the Latest Practicable Date was 1,762,567,202 Shares. Accordingly, the Current Aggregate Effective Mandate Limit would account for approximately 3.43% of the total issued Shares as of the Latest Practicable Date.

As of the Latest Practicable Date, the 2023 RMB Share Incentive Scheme Mandate Limit was fully utilized. Specifically, (i) 7,209,000 restricted shares were granted under the first grant; (ii) 1,737,000 restricted shares were granted under the reserved grant; with (iii) the remaining 2,750 restricted shares lapsed in accordance with (a) the terms of the 2023 RMB Share Incentive Scheme and (b) the relevant requirements under the Administration Measures, as no specified incentive participants were identified for such number of restricted shares during the 12-month period following the Shareholders' approval date of the 2023 RMB Share Incentive Scheme.

As a result, for any Hong Kong listed issuers subject to STAR Market Listing Rules (including the Administration Measures) seeking adoption of RMB Share-based incentive schemes, each of such incentive scheme's mandate limits cannot survive after 12 months (with respect to any further grants under the relevant scheme mandate limits) since the respective shareholders' approval date thereof.

### 3. PROPOSED ADOPTION OF THE 2024 RMB SHARE INCENTIVE SCHEME

Reference is further made to the Company's announcement dated November 26, 2024 (the "**2024 RMB Share Incentive Announcement**") in relation to, among others, the proposed adoption of the 2024 RMB Share Incentive Scheme and the proposed issue and grant of new RMB Shares under the 2024 RMB Share Incentive Scheme pursuant to the Scheme Mandate Limit.

To achieve and realize the purpose of the 2024 RMB Share Incentive Scheme as set out in the paragraph headed "I. Purpose and Principle of the 2024 RMB Share Incentive Scheme" below, the Board passed the resolution on November 26, 2024 on the proposed adoption of the 2024 RMB Share Incentive Scheme. An ordinary resolution will be proposed at the EGM to consider, and if thought fit, approve the adoption of the draft 2024 RMB Share Incentive Scheme.

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## LETTER FROM THE BOARD

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The full text of the 2024 RMB Share Incentive Scheme is set out in Appendix I to this circular. The 2024 RMB Share Incentive Scheme was prepared in Chinese. In the event of any discrepancy between the English translation and the Chinese version of the 2024 RMB Share Incentive Scheme, the Chinese version shall prevail.

The principal terms of the 2024 RMB Share Incentive Scheme are summarized as follows:

### **I. Purpose and Principle of the 2024 RMB Share Incentive Scheme**

Following the full utilization of the 2023 RMB Share Incentive Scheme Mandate Limit, to continue to improve the Company's long-term incentive mechanism, attract and retain outstanding personnel, fully mobilise the enthusiasm of the Company's employees, effectively bring together the interests of shareholders, the Company and core teams, enable all parties share a common concern for the long-term development of the Company, and under the premise of fully safeguarding the interests of shareholders, the 2024 RMB Share Incentive Scheme is formulated following the principle of income equivalent to contribution in accordance with the relevant laws, regulations and regulatory documents, including the Securities Law, the Administration Measures, the STAR Market Listing Rules, the Guidelines for Self-discipline and the Hong Kong Listing Rules, as well as the relevant provisions of the Articles of Association.

The Scheme Mandate Limit for the 2024 RMB Share Incentive Scheme is 12,337,750 Restricted Shares, which is expected to represent not more than 0.70% of the total issued Shares of the Company as of the date of the EGM. For the avoidance of doubts, the Scheme Mandate Limit is in addition to the Current Aggregate Effective Mandate Limit. For details of the relevant resolutions, please see "6. PROPOSED ISSUE AND GRANT OF NEW RMB SHARES UNDER THE 2024 RMB SHARE INCENTIVE SCHEME PURSUANT TO THE SCHEME MANDATE LIMIT" in this Letter from the Board. The Company expects that there is no difference between the total number of issued shares as at the date on which the Incentive Scheme is approved at the general meeting and the total number of issued shares as at the Latest Practicable Date.

The total number of underlying shares involved in all share incentive schemes of the Company within the validity period shall not exceed 20% of the total number of issued shares of the Company as at the date on which the 2024 RMB Share Incentive Scheme is approved at the general meeting, and the total number of shares available for issue under all incentive schemes shall not exceed 10% of the total number of issued shares of the Company as at the date on which the 2024 RMB Share Incentive Scheme is approved at the general meeting. Under the 2024 RMB Share Incentive Scheme, the number of issued Shares granted to any Incentive Participant through all share incentive schemes of the Company within the validity

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## LETTER FROM THE BOARD

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period does not exceed 1% of the total issued Shares of the Company as at the Latest Practicable Date. In addition, for the Incentive Participants who are Directors or chief executives of the Company, or any of their respective associates, the grant of share awards to such persons must be approved by the independent non-executive Directors, and the grant of share awards to such persons in any 12-month period will be subject to the approval of the Independent Shareholders if such grant exceeds 0.1% of the total issued Shares of the Company.

### **II. Incentive Method and Source of Shares under the Incentive Scheme**

#### ***(I) Share Incentive Method***

The incentive instruments adopted in the Incentive Scheme are Class-II Restricted Shares.

#### ***(II) Source of the Underlying Shares***

The source of the underlying shares is the RMB ordinary Shares to be issued to the Incentive Participants by the Company.

### **III. Number of Restricted Shares to be Granted**

The number of Restricted Shares to be granted to the Incentive Participants under the Incentive Scheme is 12,337,750 shares, representing approximately 0.70% of the total issued shares of the Company of 1,762,567,202 shares under the Incentive Scheme as at the Latest Practicable Date, among which 9,870,200 shares will be granted under the First Grant, representing approximately 0.56% of the total issued shares of the Company of 1,762,567,202 shares under the Incentive Scheme as at the Latest Practicable Date, and the portion granted under the First Grant will account for 80.00% of the total equity interest under this grant; 2,467,550 shares will be reserved, representing approximately 0.14% of the total issued shares of the Company of 1,762,567,202 shares under the Incentive Scheme as at the Latest Practicable Date, and the reserved portion will account for 20.00% of the total equity interest under this grant.

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## LETTER FROM THE BOARD

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### **IV. Basis for Determination and Scope of the Incentive Participants and their Respective Amount of Interests Granted**

#### ***(I) Basis for determination of the Incentive Participants***

##### *1. Legal basis for determining the Incentive Participants*

The Incentive Participants of the Incentive Scheme are determined after taking into account the actual circumstances of the Company and in accordance with the relevant laws, regulations, regulatory documents including the Company Law, the Securities Law, the Administration Measures, the STAR Market Listing Rules, the Guidelines for Self-discipline and the Hong Kong Listing Rules, as well as the relevant provisions of the Articles of Association.

##### *2. Functional basis for determining the Incentive Participants*

The Incentive Participants of the First Grant under the Incentive Scheme are the Directors, senior management and core technical personnel of the Company (including its controlled subsidiaries and branch companies) and other employees (excluding independent non-executive Directors and other shareholders who individually or jointly hold 5% or more of the Shares of the Company and their spouses, parents and children, except Dr. Jisong Cui and Dr. Renbin Zhao) whom the Board considers necessary to be incentivised. For the avoidance of doubt, all Incentive Participants are employees of the Company and none of the Incentive Participants shall be service providers or related entity participants of the Company, as such terms are defined in the Hong Kong Listing Rules.

The Directors (including the independent non-executive Directors) consider the proposed scope for determining the Incentive Participants to be appropriate and aligns with the purpose of the 2024 RMB Share Incentive Scheme, as the scope is consistent with the scope of grantees under the 2023 RMB Share Incentive Scheme, as well as the practices of peer companies that operate in similar or comparable markets to that of the Group or other listed companies in Hong Kong. Accordingly, the Directors (including the independent non-executive Directors) consider it appropriate to enhance the long-term relationship with these Incentive Participants by aligning their interests with that of the Company and the Shareholders.

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## LETTER FROM THE BOARD

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### *(II) Scope of the Incentive Participants*

The total number of Incentive Participants proposed for the First Grant under the Incentive Scheme is 79, representing approximately 7.25% of the total number of 1,089 employees of the Company as at 31 December 2023, including:

1. the Directors, senior management and core technical personnel;
2. other employees whom the Board considers necessary to be incentivised.

All Incentive Participants must have an employment or labor relationship with the Company (including its controlled subsidiaries and branch companies) at the time of the grant of the Restricted Shares and during the assessment period specified in the Incentive Scheme. If the circumstances of the Incentive Participants change before the actual grant of the Restricted Shares by the Board, the Board may make appropriate adjustments to the actual Incentive Participants. For the avoidance of doubt, all Incentive Participants are employees of the Company and none of the Incentive Participants shall be service providers or related entity participants of the Company, as such terms are defined in the Hong Kong Listing Rules.

Among the Incentive Participants of the First Grant, Dr. Jisong Cui and Dr. Renbin Zhao are shareholders holding more than 5% of the shares of the Company. Dr. Jisong Cui and Dr. Renbin Zhao are the Chairperson of the Board and an Executive Director of the Company, respectively, both of whom are key members of the Board of the Company, fully responsible for the operation management and research and development of the Company, setting the management objectives and operating policies of the Company, ensuring the healthy and sustainable development of the Company, and playing an important role in the future operation and development of the Company. It is necessary and reasonable for the Incentive Scheme to include Dr. Jisong Cui and Dr. Renbin Zhao as Incentive Participants to be in line with the actual situation and development needs of the Company and the requirements of the STAR Market Listing Rules and other relevant laws and regulations.

Incentive Participants for the Reserved Grant shall be determined within 12 months from the date on which the Incentive Scheme is considered and approved at the general meeting. Upon the proposal by the Board, the professional opinions of the lawyers and the issuance of legal opinions, the Company shall disclose the relevant information of the Incentive Participants on the designated website in a timely and accurate manner as required. For the Incentive Participants who are Directors or chief executives of the Company, or any of their respective associates, the grant of share awards to such

## LETTER FROM THE BOARD

persons must be approved by the independent non-executive Directors. If the Incentive Participants are not determined for more than 12 months, the reserved interests shall lapse. The basis for determining the Incentive Participants of the Reserved Grant shall refer to the basis of the First Grant.

### *(III) Allocation of the Restricted Shares Granted to the Incentive Participants*

Other than Dr. Jisong Cui, no Directors or chief executives of the Company who is an Incentive Participant under the Incentive Scheme shall be granted Restricted Shares under the First Grant that will exceed 0.1% of the total issued Shares of the Company. For more details of the proposed grants to be made to Dr. Jisong Cui, see “4. PROPOSED GRANT OF RESTRICTED SHARES UNDER THE 2024 RMB SHARE INCENTIVE SCHEME TO A DIRECTOR” and “8. HONG KONG LISTING RULES IMPLICATIONS AND WAIVERS FROM STRICT COMPLIANCE WITH CERTAIN PROVISIONS OF THE HONG KONG LISTING RULES — (i) Compliance with Chapter 17 of the Hong Kong Listing Rules relating to the Incentive Scheme” in the “Letter from the Board” in this circular. Allocation of Restricted Shares to be granted to each Incentive Participant under the Incentive Scheme is as follows:

|                                                              |             |                                                                                |                                                             |                                                          | Percentage of<br>the total<br>number of<br>issued Shares<br>under the<br>Incentive<br>Scheme as at<br>the Latest<br>Practicable<br>Date |
|--------------------------------------------------------------|-------------|--------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Name                                                         | Nationality | Position(s)                                                                    | Number of<br>Restricted<br>Shares granted<br>(0'000 shares) | Percentage of<br>the total<br>interests to be<br>granted |                                                                                                                                         |
| 1. Directors, Senior Management and Core technical personnel |             |                                                                                |                                                             |                                                          |                                                                                                                                         |
| Dr. Jisong Cui<br>(崔霽松博士)                                    | American    | Chairman of the Board,<br>Executive Director, CEO,<br>core technical personnel | 258.00                                                      | 20.91%                                                   | 0.15%                                                                                                                                   |
| Dr. Xiangyang Chen<br>(陳向陽博士)                                | American    | Chief Technology Officer, core<br>technical personnel                          | 70.00                                                       | 5.67%                                                    | 0.04%                                                                                                                                   |

## LETTER FROM THE BOARD

| Name                                                                                  | Nationality | Position(s)                                                                                                           | Number of<br>Restricted<br>Shares granted<br>(0'000 shares) | Percentage of<br>the total<br>interests to be<br>granted | Percentage of<br>the total<br>number of<br>issued Shares<br>under the<br>Incentive<br>Scheme as at<br>the Latest<br>Practicable<br>Date |
|---------------------------------------------------------------------------------------|-------------|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                       |             |                                                                                                                       |                                                             |                                                          |                                                                                                                                         |
| Dr. Renbin Zhao<br>(趙仁濱博士)                                                            | American    | Executive Director, Vice<br>President of Clinical<br>Development and Medical<br>Research, core technical<br>personnel | 60.00                                                       | 4.86%                                                    | 0.03%                                                                                                                                   |
| Mr. Xin Fu (傅欣)                                                                       | Chinese     | Chief Financial Officer                                                                                               | 10.00                                                       | 0.81%                                                    | 0.01%                                                                                                                                   |
| <b>Total</b>                                                                          |             |                                                                                                                       | <b>398.00</b>                                               | <b>32.26%</b>                                            | <b>0.23%</b>                                                                                                                            |
| <b>2. Other Incentive Participants</b>                                                |             |                                                                                                                       |                                                             |                                                          |                                                                                                                                         |
| Other employees whom the Board considers necessary to be incentivized<br>(75 persons) |             |                                                                                                                       | 589.02                                                      | 47.74%                                                   | 0.33%                                                                                                                                   |
| <b>Total of the First Grant</b>                                                       |             |                                                                                                                       | <b>987.02</b>                                               | <b>80.00%</b>                                            | <b>0.56%</b>                                                                                                                            |
| <b>3. Reserved Grant</b>                                                              |             |                                                                                                                       | 246.755                                                     | 20.00%                                                   | 0.14%                                                                                                                                   |
| <b>Total</b>                                                                          |             |                                                                                                                       | <b>1,233.775</b>                                            | <b>100.00%</b>                                           | <b>0.70%</b>                                                                                                                            |

*Note 1:* The number of shares of the Company to be granted to any one of the above Incentive Participants under all share incentive schemes of the Company within the validity period does not exceed 1% of the total number of issued shares of the Company as at the Latest Practicable Date. For the Incentive Participants who are Directors or chief executives of the Company, or any of their respective associates, the grant of share awards to such persons in any 12-month period will be subject to the approval of the Independent Shareholders if such grant exceeds 0.1% of the total issued Shares. The total number of underlying shares involved in all the share incentive schemes of the Company within the validity period shall not exceed 20% of the total number of issued shares

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## LETTER FROM THE BOARD

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of the Company as at the Latest Practicable Date, and the total number of shares available for issue under all the incentive schemes (including the 2023 RMB Share Incentive Scheme and 2023 Share Award Scheme) shall not exceed 10% of the total number of issued shares of the Company as at the Latest Practicable Date.

*Note 2:* Incentive Participants in the Incentive Scheme exclude independent non-executive Directors and other shareholders who individually or jointly hold 5% or more of the Shares and their spouses, parents and children, except Dr. Jisong Cui and Dr. Renbin Zhao.

*Note 3:* Any difference between the total number and the sum of the breakdowns in the above table is due to rounding.

### ***(IV) Verification of Incentive Participants***

1. After the Incentive Scheme has been reviewed and approved by the Board, the Company shall publish a public notice containing the names and positions of the Incentive Participants within the Company via the Company's website or other means for a period of not less than 10 days.
2. After the end of the public notice period, the Company will make an announcement on the results of the public notice based on internal feedback 5 days prior to the consideration of the Incentive Scheme at the general meeting.

## **V. Validity Period, Grant Date, Vesting Arrangement and Black-Out Period of Incentive Scheme**

### ***(I) Validity Period of the Incentive Scheme***

The validity period of the Incentive Scheme (the “**Validity Period**”) commences from the date of the First Grant of the Restricted Shares until the date on which all Restricted Shares granted to the Incentive Participants have been vested or cancelled. The Validity Period shall not exceed 77 months.

### ***(II) Grant Date of the Incentive Scheme***

The Grant Date shall be determined by the Board after the Incentive Scheme is considered and approved at the general meeting of the Company. The Company shall, within 60 days after the consideration and approval at the general meeting, convene a Board meeting to make grants to the Incentive Participants under the First Grant in accordance with the relevant requirements, and complete the announcement(s) and other relevant procedures. If the Company fails to complete the above work within the 60-day

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## LETTER FROM THE BOARD

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period, it shall disclose the reasons for such failure and terminate the implementation of the Incentive Scheme, and the Restricted Shares that have not been granted shall lapse. Pursuant to the Administrative Measures, the period during which a listed company shall not make grant is not counted within the 60 days. The Reserved Grant shall be determined within 12 months after the Incentive Scheme is considered and approved at the general meeting of the Company. If the Incentive Participants are not determined for more than 12 months, the Reserved Grant shall lapse. The Grant Date must be a trading day and no grants shall be made during the following periods:

1. The Company shall not grant the relevant interests after Inside Information has come to its knowledge until (and including) the trading day after the announcement of the relevant information. In particular, no such interest shall be granted within 30 days immediately before the earliest of:

- (1) the date of the Board meeting (as such date is first notified to the Hong Kong Stock Exchange in accordance with the Hong Kong Listing Rules) for approving any annual, half-year, quarterly or any other interim results of the Company (whether or not required under the Hong Kong Listing Rules); and
- (2) the deadline by which the Company is required to announce its annual, half-year results under the Hong Kong Listing Rules, or the deadline for announcing quarterly or any other interim results (whether or not required under the Hong Kong Listing Rules). The relevant restrictions end on the date of the announcement of the results. No interest may be granted for the period during which the announcement of the results is delayed.

The Company shall not grant any interests to the Incentive Participants who are Directors 60 days before and including the date of publishing the annual results.

2. Other periods as prescribed by the Hong Kong Stock Exchange and the Shanghai Stock Exchange.

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## LETTER FROM THE BOARD

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### *(III) Vesting arrangements of the Incentive Scheme*

The Restricted Shares granted under the Incentive Scheme may be vested in tranches as per the agreed proportions upon the Incentive Participants satisfying the corresponding Vesting Conditions. The Vesting Date must be a trading day, and the period during which Vesting is not permitted under the listing rules of the stock exchanges is not included.

The Restricted Shares granted to the Incentive Participants shall not be vested in the following periods:

1. Within 15 days prior to the announcement of the annual reports and of the semi-annual reports prepared by the Company in accordance with the Securities Law, the STAR Market Listing Rules and other laws, regulations, regulatory documents and rules, or in the event of postponement in publishing the foresaid annual reports and the semi-annual reports for special reasons, from 15 days prior to the original announcement date and ending on the day prior to the announcement date;
2. Within 5 days prior to the release of the quarterly reports, results forecast or preliminary report prepared by the Company in accordance with the Securities Law, the STAR Market Listing Rules and other laws, regulations, regulatory documents and rules;
3. From the date of a significant event which may have a material impact on the trading price of the Company's securities and derivatives or during the process of decision making until the date of disclosure of such significant event in accordance with laws;
4. Other periods as prescribed by the Hong Kong Stock Exchange and the Shanghai Stock Exchange.

If the relevant regulations of the stock exchanges regarding the vesting period change during the Validity Period of the Incentive Scheme, the Vesting Date shall comply with the relevant amended laws, regulations and regulatory documents.

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## LETTER FROM THE BOARD

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The Vesting terms and Vesting arrangements for the Restricted Shares of the First Grant under the Incentive Scheme are as follows:

| <b>Vesting arrangement</b>               | <b>Time of Vesting</b>                                                                                                                           | <b>Percentage of the vesting interests to the total interests granted under the First Grant</b> |
|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| First Vesting Period of the First Grant  | The first trading day after 17 months from the date of the First Grant to the last trading day within 29 months from the date of the First Grant | 25%                                                                                             |
| Second Vesting Period of the First Grant | The first trading day after 29 months from the date of the First Grant to the last trading day within 41 months from the date of the First Grant | 25%                                                                                             |
| Third Vesting Period of the First Grant  | The first trading day after 41 months from the date of the First Grant to the last trading day within 53 months from the date of the First Grant | 25%                                                                                             |
| Fourth Vesting Period of the First Grant | The first trading day after 53 months from the date of the First Grant to the last trading day within 65 months from the date of the First Grant | 25%                                                                                             |

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## LETTER FROM THE BOARD

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If the Restricted Shares of the Reserved Grant are granted before the disclosure of the third quarterly report for 2025, the Vesting period and Vesting arrangement of the Restricted Shares of the Reserved Grant under Incentive Scheme are as follows:

| <b>Vesting arrangement</b>                  | <b>Time of Vesting</b>                                                                                                                                 | <b>Percentage of the vesting interests to the total interests granted under the Reserved Grant</b> |
|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| First Vesting Period of the Reserved Grant  | The first trading day after 12 months from the date of the Reserved Grant to the last trading day within 24 months from the date of the Reserved Grant | 25%                                                                                                |
| Second Vesting Period of the Reserved Grant | The first trading day after 24 months from the date of the Reserved Grant to the last trading day within 36 months from the date of the Reserved Grant | 25%                                                                                                |
| Third Vesting Period of the Reserved Grant  | The first trading day after 36 months from the date of the Reserved Grant to the last trading day within 48 months from the date of the Reserved Grant | 25%                                                                                                |
| Fourth Vesting Period of the Reserved Grant | The first trading day after 48 months from the date of the Reserved Grant to the last trading day within 60 months from the date of the Reserved Grant | 25%                                                                                                |

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## LETTER FROM THE BOARD

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If the Restricted Shares of the Reserved Grant are granted after the disclosure of the third quarterly report for 2025, the Vesting period and Vesting arrangement of the Restricted Shares of the Reserved Grant under Incentive Scheme are as follows:

| <b>Vesting arrangement</b>                  | <b>Time of Vesting</b>                                                                                                                                 | <b>Percentage of the vesting interests to the total interests granted under the Reserved Grant</b> |
|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| First Vesting Period of the Reserved Grant  | The first trading day after 17 months from the date of the Reserved Grant to the last trading day within 29 months from the date of the Reserved Grant | 25%                                                                                                |
| Second Vesting Period of the Reserved Grant | The first trading day after 29 months from the date of the Reserved Grant to the last trading day within 41 months from the date of the Reserved Grant | 25%                                                                                                |
| Third Vesting Period of the Reserved Grant  | The first trading day after 41 months from the date of the Reserved Grant to the last trading day within 53 months from the date of the Reserved Grant | 25%                                                                                                |
| Fourth Vesting Period of the Reserved Grant | The first trading day after 53 months from the date of the Reserved Grant to the last trading day within 65 months from the date of the Reserved Grant | 25%                                                                                                |

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## LETTER FROM THE BOARD

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Prior to the Vesting, the Restricted Shares granted to the Incentive Participants under the Incentive Scheme shall not be transferred or used as security or debt repayment. For the Restricted Shares granted to the Incentive Participants but not yet vested, shares increased due to reasons such as capitalisation issue, bonus issue, are also subject to the Vesting Conditions and shall not be transferred or used as security or debt repayment prior to the Vesting. Where the Restricted Shares are not allowed to be vested at that time, shares obtained for the aforementioned reasons shall also not be vested.

The Directors are of the view that the vesting period as detailed above enables the Company to offer competitive remuneration and reward packages to Incentive Participants, on an ad hoc basis, in such circumstances that would be justified and reasonable, which is also compliant with the relevant listing rules and other relevant regulations and the established corporate practice of the Company and its peer companies in the Group's industry. Accordingly, the above vesting period is considered appropriate and aligns with the purpose of the 2024 RMB Share Incentive Scheme.

### ***(IV) Black-out period under the Incentive Scheme***

The black-out period refers to the period during which the Restricted Shares granted to the Incentive Participants are restricted to be sold after Vesting. There is no black-out period for the shares granted under the Incentive Scheme after they are vested. For the Incentive Participants who are Directors and senior management of the Company, the black-out provisions shall be implemented in accordance with the Securities Law, the Interim Measures for the Administration of Shareholding Reduction by Shareholders of Listed Companies (《上市公司股東減持股份管理暫行辦法》), the Rules on the Administration of Shares held by Directors, Supervisors and Senior Management of Listed Companies and the Changes of Such Shares (《上市公司董事、監事和高級管理人員所持本公司股份及其變動管理規則》) and the Guidelines No. 15 of Shanghai Stock Exchange for Self-Regulation of Listed Companies — Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Management (《上海證券交易所上市公司自律監管指引第15號 — 股東及董事、監事、高級管理人員減持股份》) and other relevant laws, regulations and regulatory documents as well as the Articles of Association, including but not limited to:

1. Where the Incentive Participant is a Director and a member of the senior management of the Company, the number of RMB ordinary shares which may be transferred each year during his/her term of office shall not exceed 25% of the total number of RMB ordinary shares held by him/her in the Company. No RMB ordinary shares held by him/her may be transferred within 6 months after his/her termination of office.

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## LETTER FROM THE BOARD

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2. For Incentive Participants who are Directors and members of the senior management of the Company, if they sell the Shares held by them within 6 months after purchasing such Shares, or if they purchase the Shares within 6 months after the sale, the gains obtained therefrom shall be attributed to the Company and the Board shall take back the gains.

During the Validity Period of the Incentive Scheme, if the relevant laws, regulations, regulatory documents including the Securities Law, the Interim Measures for the Administration of Shareholding Reduction by Shareholders of Listed Companies (《上市公司股東減持股份管理暫行辦法》), the Rules on the Administration of Shares held by Directors, Supervisors and Senior Management of Listed Companies and the Changes of Such Shares (《上市公司董事、監事和高級管理人員所持本公司股份及其變動管理規則》) and the Guidelines No. 15 of Shanghai Stock Exchange for Self-Regulation of Listed Companies — Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Management (《上海證券交易所上市公司自律監管指引第15號 — 股東及董事、監事、高級管理人員減持股份》) as well as the relevant provisions of the Articles of Association regarding the transfer of shares held by the Directors and senior management of the Company are changed, the transfer of the Shares held by these Incentive Participants shall comply with the amended requirements at the time of transfer.

### **VI. Grant Price of the Restricted Shares and the Basis For Determination Thereof**

#### ***(I) Grant Price of the Restricted Shares***

The Grant Price of the Restricted Shares under the Incentive Scheme (including the Reserved Grant) shall be RMB6.65 per share, which means the Incentive Participants can purchase the RMB ordinary Shares issued by the Company to the Incentive Participants at the price of RMB6.65 per Share upon satisfaction of the Vesting Conditions. Other than the payment of the Grant Price, Incentive Participants are not obligated to pay any other amounts to the Company upon purchase of the Restricted Shares issued by the Company.

#### ***(II) Basis for determining the Grant Price of the Restricted Shares***

The Grant Price of the Restricted Shares under the Incentive Scheme shall be not less than par value of the Shares and shall not be lower than the highest of:

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## LETTER FROM THE BOARD

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1. 50.00% of the average trading price of the RMB ordinary Shares of the Company on the last trading day preceding the date of the announcement of the draft Incentive Scheme (the total transaction value of the shares on the last trading day divided by the total transaction volume of the shares on the last trading day) (i.e. RMB12.95 per share), which is RMB6.47 per Share;
2. 50.00% of the average trading price of RMB ordinary Shares of the Company for the 20 trading days preceding the date of announcement of the draft Incentive Scheme (the total transaction value of the shares for the 20 trading days divided by the total transaction volume of the shares for the 20 trading days) (i.e. RMB13.30 per share), which is RMB6.65 per Share;
3. 50.00% of the average trading price of RMB ordinary Shares of the Company for the 60 trading days preceding the date of announcement of the draft Incentive Scheme (the total transaction value of the shares for the 60 trading days divided by the total transaction volume of the shares for the 60 trading days) (i.e. RMB12.54 per share), which is RMB6.27 per Share;
4. 50.00% of the average trading price of RMB ordinary Shares of the Company for the 120 trading days preceding the date of announcement of the draft Incentive Scheme (the total transaction value of the shares for the 120 trading days divided by the total transaction volume of the shares for the 120 trading days) (i.e. RMB10.81 per share), which is RMB5.40 per Share.

The above flexibility and discretion allows the Company to (i) manage the costs incurred by the Company from the grant of Restricted Shares under the 2024 RMB Share Incentive Scheme and (ii) take into account the nature and degree of value benefiting the Group from granting Restricted Shares to each specified individual Incentive Participant, which is aligned with the purpose of the 2024 RMB Share Incentive Scheme.

### **VII. Grant and Vesting Conditions of the Restricted Shares**

#### ***(I) Conditions for grant of the Restricted Shares***

The Company shall grant the Restricted Shares to the Incentive Participants upon satisfaction of all of the following granting conditions; or conversely, if any of the following granting conditions has not been satisfied, no Restricted Shares shall be granted to the Incentive Participants.

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## LETTER FROM THE BOARD

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1. None of the following circumstances has occurred on the part of the Company:
  - (1) an audit report on the financial accounting report for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
  - (2) an audit report on internal control over financial reporting for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
  - (3) in the most recent 36 months upon listing, there have been cases of failure to distribute profits according to laws and regulations, the Articles of Association and public undertakings;
  - (4) laws and regulations stipulate that share incentives shall not be implemented;
  - (5) other circumstances as determined by the CSRC.
2. None of the following circumstances has occurred on the part of the Incentive Participants:
  - (1) being identified as an inappropriate candidate by the Shanghai Stock Exchange within the most recent 12 months;
  - (2) being identified as an inappropriate candidate by the CSRC and its delegated institutions within the most recent 12 months;
  - (3) being subject to administrative penalties or market ban measures by the CSRC and its delegated institutions due to material non-compliance with laws and regulations within the most recent 12 months;
  - (4) being prohibited from acting as a director or a member of the senior management of a company under the Company Law;
  - (5) being prohibited from participation in share incentive schemes of listed companies by laws and regulations;
  - (6) other circumstances as determined by the CSRC.

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## LETTER FROM THE BOARD

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### *(II) Conditions for Vesting of the Restricted Shares and Clawback Mechanism*

Restricted Shares granted to the Incentive Participants shall satisfy all of the following Vesting Conditions (the “**Clawback Events**”) before they are vested in tranches:

1. None of the following circumstances has occurred on the part of the Company:
  - (1) an audit report on the financial accounting report for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
  - (2) an audit report on internal control over financial reporting for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
  - (3) in the most recent 36 months upon listing, there have been cases of failure to distribute profits according to laws and regulations, the Articles of Association and public undertakings;
  - (4) laws and regulations stipulate that share incentives shall not be implemented;
  - (5) other circumstances as determined by the CSRC.
2. None of the following circumstances has occurred on the part of the Incentive Participants:
  - (1) being identified as an inappropriate candidate by the Shanghai Stock Exchange within the most recent 12 months;
  - (2) being identified as an inappropriate candidate by the CSRC and its delegated institutions within the most recent 12 months;
  - (3) being subject to administrative penalties or market ban measures by the CSRC and its delegated institutions due to material non-compliance with laws and regulations within the most recent 12 months;

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## LETTER FROM THE BOARD

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- (4) being prohibited from acting as a director or a member of the senior management of a company under the Company Law;
- (5) being prohibited from participation in share incentives of listed companies by laws and regulations;
- (6) other circumstances as determined by the CSRC.

In the event that any one of the Clawback Events specified in the above subparagraph 1 arises, the Restricted Shares that have been granted but have not yet been vested to all of the Incentive Participants under the Incentive Scheme shall not be vested and shall be cancelled. In the event that the Restricted Shares shall not be granted to an Incentive Participant as specified in the above subparagraph 2, the Restricted Shares that have been granted but have not yet been vested to such Incentive Participant shall not be vested and shall be cancelled.

The Directors are of the view that the above clawback mechanism enables the Company to clawback Restricted Shares received by those Incentive Participants that have, for example, seriously violated the policies of the Group, put the Group into disrepute, adversely harmed the Group, or otherwise exposed the Group to significant risk. In these circumstances, the Company would not consider it in the Company's and Shareholders' best interests to incentivise them with proprietary interests of the Company under the 2024 RMB Share Incentive Scheme, nor would the Company consider such Incentive Participants benefiting under the 2024 RMB Share Incentive Scheme to align with the purpose of the 2024 RMB Share Incentive Scheme.

- 3. Incentive Participants satisfying the requirements on length of employment in each Vesting period

Before each tranche of Restricted Shares granted to the Incentive Participants is vested, the length of employment of the Incentive Participant must be more than 12 months in the Company.

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## LETTER FROM THE BOARD

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### 4. Performance assessment requirements at the Company level

The assessment year for the Restricted Shares of the First Grant under the Incentive Scheme shall be the four accounting years from 2025 to 2028. The assessment shall be conducted once in each accounting year. The specific assessment targets are set out below:

| Vesting Arrangements                     | Assessment year | Performance assessment target A 100% shares to be vested by the Company                                                                                                                                                                                                                                                                                                                                        | Performance assessment target B 80% shares to be vested by the Company                                                                                                                                                                                                                                                                                                                                            | Performance assessment target C 70% shares to be vested by the Company                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| First Vesting Period of the First Grant  | 2025            | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>The operating revenue for 2025 shall not be less than RMB2 billion</li> <li>8 new clinical trials are initiated in 2025 (including phase I, phase II and phase III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol>                                   | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>The operating revenue for 2025 shall not be less than RMB1.75 billion</li> <li>7 new clinical trials are initiated in 2025 (including phase I, phase II and phase III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol>                                   | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>The operating revenue for 2025 shall not be less than RMB1.5 billion</li> <li>6 new clinical trials are initiated in 2025 (including phase I, phase II and phase III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol>                                   |
| Second Vesting Period of the First Grant | 2026            | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2026, the accumulated operating revenue shall not be less than RMB6 billion</li> <li>From 2025 to 2026, 16 new clinical trials are initiated (including phase I, phase II and phase III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2026, the accumulated operating revenue shall not be less than RMB4.75 billion</li> <li>From 2025 to 2026, 14 new clinical trials are initiated (including phase I, phase II and phase III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2026, the accumulated operating revenue shall not be less than RMB3.5 billion</li> <li>From 2025 to 2026, 12 new clinical trials are initiated (including phase I, phase II and phase III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> |

## LETTER FROM THE BOARD

| Vesting Arrangements                     | Assessment year | Performance assessment target A 100% shares to be vested by the Company                                                                                                                                                                                                                                                                                                                                         | Performance assessment target B 80% shares to be vested by the Company                                                                                                                                                                                                                                                                                                                                             | Performance assessment target C 70% shares to be vested by the Company                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Third Vesting Period of the First Grant  | 2027            | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2027, the accumulated operating revenue shall not be less than RMB11 billion</li> <li>From 2025 to 2027, 24 new clinical trials are initiated (including phase I, phase II and phase III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2027, the accumulated operating revenue shall not be less than RMB8.75 billion</li> <li>From 2025 to 2027, 21 new clinical trials are initiated (including phase I, phase II and phase III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol>  | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2027, the accumulated operating revenue shall not be less than RMB6.5 billion</li> <li>From 2025 to 2027, 18 new clinical trials are initiated (including phase I, phase II and phase III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol>  |
| Fourth Vesting Period of the First Grant | 2028            | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2028, the accumulated operating revenue shall not be less than RMB17 billion</li> <li>From 2025 to 2028, 32 new clinical trials are initiated (including phase I, phase II and phase III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2028, the accumulated operating revenue shall not be less than RMB13.75 billion</li> <li>From 2025 to 2028, 28 new clinical trials are initiated (including phase I, phase II and phase III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2028, the accumulated operating revenue shall not be less than RMB10.5 billion</li> <li>From 2025 to 2028, 24 new clinical trials are initiated (including phase I, phase II and phase III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> |

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## LETTER FROM THE BOARD

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*Note:*

The above “operating revenue” is calculated based on the data set out in the consolidated statements audited by the accounting firm engaged by the Company. (same below)

If the Restricted Shares under the Reserved Grant are granted before the disclosure of the third quarterly report for 2025, the assessment year for the Restricted Shares under the Reserved Grant shall be the four accounting years from 2025 to 2028. The assessment shall be conducted once in each accounting year. The specific assessment targets shall be consistent with those of the First Grant.

If the Restricted Shares under the Reserved Grant are granted after the disclosure of the third quarterly report for 2025, the assessment year for the Restricted Shares under the Reserved Grant shall be the four accounting years from 2026 to 2029. The assessment shall be conducted once in each accounting year. The specific assessment targets are set out below:

| Vesting Arrangements                       | Assessment year | Performance assessment target A 100% shares to be vested by the Company                                                                                                                                                                                                                                                                                                                                        | Performance assessment target B 80% shares to be vested by the Company                                                                                                                                                                                                                                                                                                                                            | Performance assessment target C 70% shares to be vested by the Company                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| First Vesting Period of the Reserved Grant | 2026            | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2026, the accumulated operating revenue shall not be less than RMB6 billion</li> <li>From 2025 to 2026, 16 new clinical trials are initiated (including phase I, phase II and phase III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2026, the accumulated operating revenue shall not be less than RMB4.75 billion</li> <li>From 2025 to 2026, 14 new clinical trials are initiated (including phase I, phase II and phase III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2026, the accumulated operating revenue shall not be less than RMB3.5 billion</li> <li>From 2025 to 2026, 12 new clinical trials are initiated (including phase I, phase II and phase III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> |

## LETTER FROM THE BOARD

| <b>Vesting Arrangements</b>                 | <b>Assessment year</b> | <b>Performance assessment target A 100% shares to be vested by the Company</b>                                                                                                                                                                                                                                                                                                                                  | <b>Performance assessment target B 80% shares to be vested by the Company</b>                                                                                                                                                                                                                                                                                                                                      | <b>Performance assessment target C 70% shares to be vested by the Company</b>                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Second Vesting Period of the Reserved Grant | 2027                   | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2027, the accumulated operating revenue shall not be less than RMB11 billion</li> <li>From 2025 to 2027, 24 new clinical trials are initiated (including phase I, phase II and phase III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2027, the accumulated operating revenue shall not be less than RMB8.75 billion</li> <li>From 2025 to 2027, 21 new clinical trials are initiated (including phase I, phase II and phase III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol>  | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2027, the accumulated operating revenue shall not be less than RMB6.5 billion</li> <li>From 2025 to 2027, 18 new clinical trials are initiated (including phase I, phase II and phase III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol>  |
| Third Vesting Period of the Reserved Grant  | 2028                   | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2028, the accumulated operating revenue shall not be less than RMB17 billion</li> <li>From 2025 to 2028, 32 new clinical trials are initiated (including phase I, phase II and phase III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2028, the accumulated operating revenue shall not be less than RMB13.75 billion</li> <li>From 2025 to 2028, 28 new clinical trials are initiated (including phase I, phase II and phase III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2028, the accumulated operating revenue shall not be less than RMB10.5 billion</li> <li>From 2025 to 2028, 24 new clinical trials are initiated (including phase I, phase II and phase III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> |

## LETTER FROM THE BOARD

| Vesting Arrangements                        | Assessment year | Performance assessment target A 100% shares to be vested by the Company                                                                                                                                                                                                                                                                       | Performance assessment target B 80% shares to be vested by the Company                                                                                                                                                                                                                                                                           | Performance assessment target C 70% shares to be vested by the Company                                                                                                                                                                                                                                                                          |
|---------------------------------------------|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                             |                 | The Company satisfies any one of the following conditions:                                                                                                                                                                                                                                                                                    | The Company satisfies any one of the following conditions:                                                                                                                                                                                                                                                                                       | The Company satisfies any one of the following conditions:                                                                                                                                                                                                                                                                                      |
| Fourth Vesting Period of the Reserved Grant | 2029            | <ol style="list-style-type: none"> <li>From 2025 to 2029, the accumulated operating revenue shall not be less than RMB24 billion</li> <li>From 2025 to 2029, 40 new clinical trials are initiated (including phase I, phase II and phase III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> | <ol style="list-style-type: none"> <li>From 2025 to 2029, the accumulated operating revenue shall not be less than RMB19.75 billion</li> <li>From 2025 to 2029, 35 new clinical trials are initiated (including phase I, phase II and phase III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> | <ol style="list-style-type: none"> <li>From 2025 to 2029, the accumulated operating revenue shall not be less than RMB15.5 billion</li> <li>From 2025 to 2029, 30 new clinical trials are initiated (including phase I, phase II and phase III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> |

If the Company fails to meet the above performance indicators, all the Restricted Shares that are not vested to the Incentive Participants for the current period shall not be vested or deferred to the next Vesting Period and shall be cancelled.

### 5. Performance assessment requirements at the Incentive Participant's individual level

The Company conducts individual performance assessment on the Incentive Participants during the assessment year and determines the actual number of Restricted Shares to be vested to the Incentive Participants based on their assessment results. The performance assessment results of the Incentive Participants are divided into three levels, namely ME & ME Above, ME- and BE, and the actual number of Shares to be vested to the Incentive Participants will be determined according to the proportion of Vesting at the individual level corresponding to the following assessment rating table:

| Assessment results             | ME & ME Above | ME- | BE |
|--------------------------------|---------------|-----|----|
| Individual-level Vesting ratio | 100%          | 80% | 0  |

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## LETTER FROM THE BOARD

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The actual number of Restricted Shares to be vested to the Incentive Participants in the current year = the number of Restricted Shares planned to be vested to individuals in the current year × Company-level Vesting ratio × Individual-level Vesting ratio.

If the Restricted Shares planned to be vested to the Incentive Participants for the current period cannot be vested or cannot be fully vested due to assessment reasons, the Restricted Shares shall be cancelled and shall not be deferred to the following years.

### ***(III) Explanation on the scientificity and reasonableness of the assessment indicators***

The assessment indicators of the Incentive Scheme are divided into two levels, namely performance assessment at the Company level and performance assessment at the individual level.

The performance indicators at the Company level include operating revenue and number of clinical trials. Operating revenue indicators can truly reflect the Company's operating conditions and market conditions, and are effective indicators for predicting the trend of business expansion and measuring the growth of the Company. The long R&D cycle of proprietary innovative drugs, large capital investment, high technical barriers, and the number of clinical trials can truly reflect the Company's R&D progress, which is an important indicator to measure the Company's future development potential. The Company has set the performance assessment indicators for the Incentive Scheme after taking into account the macroeconomic environment, the Company's historical performance, industry development, market competition and the Company's future development plan and other relevant factors. The assessment indicators set in the Incentive Scheme are challenging to a certain extent, which will help enhance the Company's competitiveness and motivate the employees, ensure the materialization of the Company's future development strategy and business objectives, and bring more efficient and lasting returns to the Shareholders.

In addition to performance assessment at the Company level, the Company has also set up a strict performance assessment system for individuals, which can make a relatively accurate and comprehensive evaluation of the work performance of the Incentive Participants. The Company will determine whether each of the Incentive Participant has met the Vesting Conditions based on their performance assessment results for the previous year.

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## LETTER FROM THE BOARD

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In summary, the Board considers that the assessment system of the Incentive Scheme is all-round, comprehensive and practicable, and the assessment indicators are scientific and reasonable, which are binding on the Incentive Participants and aligns with the purpose of the 2024 RMB Share Incentive Scheme.

### **VIII.Procedures for the Implementation of the Restricted Share Incentive Scheme**

#### ***(I) Procedures for the implementation of the Restricted Share Incentive Scheme***

1. The Compensation Committee of the Board is responsible for preparing the draft and summary of the Incentive Scheme.
2. The Board shall resolve on the Incentive Scheme in accordance with the laws. When the Board considers the Incentive Scheme, the Directors who are the Incentive Participants or related thereto shall abstain from voting. The Board shall submit the Incentive Scheme to the general meeting for consideration after considering and approving the Incentive Scheme and performing the publicity and announcement procedures and propose to the general meeting to authorize the Board (and its authorized person) to implement the Grant and Vesting (registration) of the Restricted Shares.
3. The Company will engage an independent financial adviser with securities qualifications to give its professional opinion on the feasibility of the Incentive Scheme, whether the Incentive Scheme is conducive to the sustainable development of the Company, and whether it is detrimental to the interests of the Company, and the impact on the interests of shareholders. The law firm shall issue a legal opinion on the Incentive Scheme.
4. The Company shall carry out self-examination on the trading of RMB ordinary shares of the Company and their derivatives by insiders within 6 months prior to the announcement of the draft Incentive Scheme.
5. The Incentive Scheme shall be subject to the consideration and approval at the general meeting of the Company. Before convening the general meeting, the Company shall publish a public notice on the names and positions of the Incentive Participants internally through the Company's website or other channels for a period of not less than 10 days. After the end of the public notice period, the Company will make an announcement on the results of the public notice based on internal feedback 5 days prior to the consideration of the Incentive Scheme at the general meeting.

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## LETTER FROM THE BOARD

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6. The independent non-executive Directors shall solicit proxy voting rights from all shareholders in respect of the Incentive Scheme.
7. The general meeting of the Company shall vote by ballot on the Incentive Scheme and shall be approved by more than half of the voting rights held by the shareholders present at the meeting. The voting of the shareholders of RMB ordinary shares (other than the directors, senior management of the Company and shareholders individually or collectively holding more than 5% of the shares of the Company) shall be separately counted and disclosed.

When the Incentive Scheme is considered at the Company's general meeting, shareholders who are Incentive Participants or shareholders who are related to the Incentive Participants shall abstain from voting thereon.

If the grant of share awards to an Incentive Participant who is our Director, chief executive or any of their respective associates exceeds 0.1% of the total issued Shares of the Company in any 12-month period, such grant will be subject to the approval of the Independent Shareholders.

8. The Company shall grant the Restricted Shares to the Incentive Participants within the prescribed period upon consideration and approval of the Incentive Scheme at the general meeting of the Company and the fulfillment of grant conditions stipulated under the Incentive Scheme. The Board (and their authorized person) shall be responsible for the grant and Vesting of the Restricted Shares in accordance with the mandate granted at the general meeting.

### ***(II) Procedures for granting the Restricted Shares***

1. Upon consideration and approval of the Incentive Scheme at the general meeting and passing the resolution of granting interests to the Incentive Participants at the board meeting, the Company shall sign an "Agreement on the Grant of Restricted Shares" with the Incentive Participants in order to set out their respective rights and obligations.
2. The Board shall consider and announce whether the conditions of a grant of interests to an Incentive Participant as set out in the Incentive Scheme have been satisfied before the Company makes a grant of interests to such Incentive Participant, and the Reserved Grant of Restricted Shares shall be determined, considered and approved by the Board. For the Incentive

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## LETTER FROM THE BOARD

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Participants who are Directors or chief executives of the Company, or any of their respective associates, the grant of share awards to such persons must be approved by the independent non-executive Directors, who shall concurrently provide its views on the grant according to the Hong Kong Listing Rules. The law firm shall issue legal opinions on whether the conditions of a grant of interests to the Incentive Participants are fulfilled or not.

3. Where there is any discrepancy between the grant of interests by the Company to the Incentive Participants and the arrangement of the Incentive Scheme, the law firm shall express clear opinions.
4. The Company shall grant Restricted Shares to Incentive Participants under the First Grant and make an announcement within 60 days after the Incentive Scheme is considered and approved at the general meeting of the Company. In the event the Company fails to make the First Grant within 60 days, the Incentive Scheme shall be terminated, and the Board shall disclose the reason for such failure in a timely manner and announce the termination of the Incentive Scheme, and shall be prohibited from considering a share incentive scheme again within three months commencing from the date of such announcement.

Incentive Participants eligible for Reserved Grant shall be determined within 12 months after the Incentive Scheme is considered and approved at the general meeting. If Incentive Participants are not determined within 12 months, the Reserved Grant will lapse.

### ***(III) Procedures for the Vesting of the Restricted Shares***

1. Before the Vesting of the Restricted Shares, the Board of the Company shall consider whether the Vesting Conditions of the Incentive Participants as set out in the Incentive Scheme have been fulfilled, and the law firm shall issue legal opinions on whether the conditions for the exercise of interests by the Incentive Participants have been fulfilled. For the Incentive Participants who have fulfilled the Vesting Conditions, the Company shall handle the Vesting in a unified manner, and for the Incentive Participants who have not fulfilled the Vesting Conditions, the Restricted Shares in the relevant tranche shall not be vested and shall be cancelled. The Company shall disclose the announcement of the resolutions of the Board in a timely manner after the Vesting of the Incentive Participants and announce the opinions of the law firm and the relevant implementation thereof.

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## LETTER FROM THE BOARD

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2. Before handling the Vesting of the Restricted Shares in a unified manner, the Company shall apply to the Shanghai Stock Exchange. The securities depository and clearing institution shall handle the vesting of the Shares after confirmation by the Shanghai Stock Exchange.

### *(IV) Procedures for amendments to the Incentive Scheme*

1. In the event that the Company intends to amend the Incentive Scheme before it is considered and approved at the general meeting, such amendment shall be considered and approved by the Board.
2. In the event that the Company intends to amend the Incentive Scheme after it is considered and approved at the general meeting, such amendment shall be considered and determined at the general meeting given that such amendment shall not result in the following:
  - (1) accelerating the Vesting;
  - (2) reducing the Grant Price (except for circumstances where the Grant Price is lowered due to capitalisation issue, bonus issue, rights issue and other reasons).
3. The law firm shall issue professional opinions on whether the amended scheme complies with the provisions of the Administration Measures and relevant laws and regulations, and whether it is obviously detrimental to the interests of the Company and its Shareholders as a whole.

### *(V) Procedures for Termination of the Incentive Scheme*

1. If the Company intends to terminate the implementation of the Incentive Scheme before it is considered at the general meeting, such termination shall be considered and approved by the Board.
2. If the Company intends to terminate the implementation of the Incentive Scheme after it is considered and approved at the general meeting, such termination shall be considered and determined at a general meeting.

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## LETTER FROM THE BOARD

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3. The law firm shall issue professional opinions on whether the Company's termination of the Incentive Scheme complies with the provisions of the Administration Measures and relevant laws and regulations, and whether it is obviously detrimental to the interests of the Company and its Shareholders as a whole.

Since the date when the Company considered and approved to terminate the implementation of the Incentive Scheme at the general meeting, the Restricted Shares outstanding under the Incentive Scheme shall not be granted, and the granted but not vested Restricted Shares shall not be vested and become invalid.

### **IX. Adjustment Method and Procedures of the Restricted Share Incentive Scheme**

#### ***(I) Adjustment method of the number of Restricted Shares granted and the number vested***

In the event of any capitalisation issue, bonus issue, sub-division, rights issue or share consolidation of the Company in the period from the date of announcement of the Incentive Scheme to the completion of Vesting and registration of Restricted Shares by the Incentive Participants, the number of Restricted Shares granted/vested shall be adjusted accordingly. The adjustment method is as follows:

1. Capitalisation issue, bonus issue and sub-division of share capital

$$Q = Q_0 \times (1 + n)$$

Where:  $Q_0$  represents the number of Restricted Shares granted/vested before the adjustment;  $n$  represents the ratio of increase per Share resulting from the capitalisation issue, bonus issue or sub-division of share capital (i.e., the number of Shares increased per Share upon capitalisation issue, bonus issue or sub-division of Shares);  $Q$  represents the adjusted number of Restricted Shares granted/vested.

2. Rights issue

$$Q = Q_0 \times P_1 \times (1 + n) \div (P_1 + P_2 \times n)$$

Where:  $Q_0$  represents the number of Restricted Shares granted/vested before the adjustment;  $P_1$  represents the closing price as at the record date;  $P_2$  represents the price of the rights issue;  $n$  represents the ratio of the rights issue (i.e., the ratio of the number

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of Shares to be issued under the rights issue to the total share capital of the Company before the rights issue); Q represents the adjusted number of Restricted Shares granted/vested.

### 3. Share consolidation

$$Q = Q_0 \times n$$

Where:  $Q_0$  represents the number of Restricted Shares granted/vested before the adjustment; n represents the ratio of consolidation of shares (i.e., one share shall be consolidated into n shares); Q represents the adjusted number of Restricted Shares granted/vested.

### 4. New issue of shares

In the event of issue of new shares, no adjustment shall be made to the number of Restricted Shares granted/vested.

## ***(II) Adjustment method of the Grant Price of the Restricted Shares***

In the event of any capitalisation issue, bonus issue, sub-division, rights issue, share consolidation or dividend distribution of the Company in the period from the date of announcement of the Incentive Scheme to the completion of Vesting and registration of Restricted Shares by the Incentive Participants, an adjustment to the Grant Price of Restricted Shares shall be made by the Company accordingly. The adjustment method is as follows:

### 1. Capitalisation issue, bonus issue and sub-division of share capital

$$P = P_0 \div (1 + n)$$

Where:  $P_0$  represents the Grant Price before the adjustment; n represents the ratio of increase per share resulting from the capitalisation issue, bonus issue and sub-division of share capital; P represents the adjusted Grant Price.

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## LETTER FROM THE BOARD

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### 2. Rights issue

$$P = P_0 \times (P_1 + P_2 \times n) \div [P_1 \times (1 + n)]$$

Where:  $P_0$  represents the Grant Price before the adjustment;  $P_1$  represents the closing price as at the record date;  $P_2$  represents the price of the rights issue;  $n$  represents the ratio of the rights issue (i.e., the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue);  $P$  represents the adjusted Grant Price.

### 3. Share consolidation

$$P = P_0 \div n$$

Where:  $P_0$  represents the Grant Price before the adjustment;  $n$  represents the ratio of share consolidation;  $P$  represents the adjusted Grant Price.

### 4. Dividend distribution

$$P = P_0 - V$$

Where:  $P_0$  represents the Grant Price before the adjustment;  $V$  represents the dividend per share;  $P$  represents the adjusted Grant Price.  $P$  shall be greater than 1 after the dividend distribution.

### 5. Additional issue of new shares

Under the circumstance of additional issue of new shares, no adjustment will be made on the Grant Price of the Restricted Shares.

### ***(III) Adjustment procedures of the Restricted Share Incentive Scheme***

In the event of the above circumstances, the Board of the Company shall consider and approve the resolution on the adjustment of the number of Restricted Shares to be granted/vested and the Grant Price (if the number and price of Restricted Shares to be granted/vested needs to be adjusted for matters other than the above circumstances, such resolution shall be submitted to the general meeting of the Company for consideration, in addition to the Board's consideration of the relevant resolution). The Company shall engage a law firm to issue professional opinions to the Board on whether the above adjustments are in compliance with the Administration Measures, the Articles of

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## LETTER FROM THE BOARD

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Association and the Incentive Scheme. After the adjustment proposal is considered and approved by the Board, the Company shall timely make an announcement on the resolutions of the Board and the legal opinions.

### **X. Accounting Treatment on the Restricted Shares**

In accordance with the requirements of the Accounting Standards for Business Enterprises No. 11 — Share-based Payments (《企業會計準則第11號 — 股份支付》) and the Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments (《企業會計準則第22號 — 金融工具確認和計量》), the Company shall, on each balance sheet date during the period from the Grant Date to the Vesting Date, revise the number of Restricted Shares expected to be vested according to the latest information such as the change in the number of persons entitled to be vested and the completion of performance indicators, and recognise the services obtained in the current period in relevant costs or expenses and capital reserve according to the fair value of the Restricted Shares on the Grant Date.

#### ***(I) Fair value of the Restricted Shares and the determination method***

With reference to the “Application of Share-based Payment Standards — Grant of Restricted Shares (《股份支付準則應用案例 — 授予限制性股票》)” issued by the Accounting Department of the Ministry of Finance of the People’s Republic of China, the measurement of the share-based payment expenses for Class-II Restricted Shares is based on share options. In accordance with the relevant requirements of the Accounting Standards for Business Enterprises No. 11 — Share-based Payments (《企業會計準則第11號 — 股份支付》) and the Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments (《企業會計準則第22號 — 金融工具確認和計量》), the Company selected the Black-Scholes model to calculate the fair value of the Class-II Restricted Shares, and measured the fair value of the 9,870,200 Restricted Shares under the First Grant on November 26, 2024. Specific parameters are as follows:

1. Underlying share price: RMB12.81/share (assuming the closing price on the date of the First Grant is the closing price on 26 November 2024);
2. Validity Period: 17 months, 29 months, 41 months and 53 months (the period from the Grant Date of the Restricted Shares to the Vesting Date of each tranche);

## LETTER FROM THE BOARD

3. Historical volatility: 35.2014%, 33.7426%, 34.8850% and 35.5328% (adopting the volatility rate of peer companies for the past 17 months, 29 months, 41 months and 53 months, respectively);
4. Risk-free interest rate: 1.3603%, 1.3852%, 1.4451% and 1.5554% (using the 1-year, 2-year, 3-year and 4-year yield maturity of treasury bonds, respectively).

### ***(II) Estimated impact on operating performance in each period due to implementation of the Restricted Shares***

The fair value of the Restricted Shares on the Grant Date will be determined by the Company in accordance with the requirements of accounting standards, and the share-based payments under the Incentive Scheme will be further determined accordingly, which will be amortized according to the percentage as set out in the Vesting arrangement during the implementation of the Incentive Scheme. The costs of incentives arising from the Incentive Scheme will be charged to the recurring profit and loss.

According to the requirements of the PRC Accounting Standards, the impact of the Restricted Shares under the First Grant of the Incentive Scheme on the accounting costs for each period is as follows (assuming the Company makes the grant in mid-December 2024):

| Number of<br>Restricted<br>Shares under<br>the First<br>Grant<br>(0'000 shares) | Total costs to<br>be amortized<br>(RMB0'000) | 2024<br>(RMB0'000) | 2025<br>(RMB0'000) | 2026<br>(RMB0'000) | 2027<br>(RMB0'000) | 2028<br>(RMB0'000) | 2029<br>(RMB0'000) |
|---------------------------------------------------------------------------------|----------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 987.02                                                                          | 6,657.45                                     | 111.57             | 2,677.56           | 1,984.11           | 1,148.13           | 586.08             | 150.01             |

*Note:*

1. The above calculation results do not represent the final accounting costs. The actual accounting costs are related to the Grant Date, the Grant Price and the number of Restricted Shares vested. If an Incentive Participant resigns before Vesting, or the Company or the Incentive Participant fails to meet the corresponding performance assessment standards, the actual number of shares vested will be reduced accordingly and thus the share-based payment will be lowered. Besides, the possible dilutive effects are brought to the attention of Shareholders.

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## LETTER FROM THE BOARD

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2. The final result of the above impact on the Company's operating results will be subject to the annual audit report issued by the accounting firm.

The above calculation does not include the Reserved Grant of Restricted Shares, and additional share-based payment expenses will be incurred when the Restricted Shares under the Reserved Grant are granted.

According to the preliminary evaluation by the Company based on the information available, the amortisation of expenses of the Restricted Shares will have an impact on the net profit each year within the Validity Period. But at the same time, the implementation of the Incentive Scheme will further enhance the cohesion of employees and team stability, and effectively motivate the management team, thereby improving operating efficiency and bringing higher operating performance and intrinsic value to the Company.

### **XI. Rights and Obligations of the Company/Incentive Participants**

#### ***(I) Rights and obligations of the Company***

1. The Company shall have the right to construe and execute the Incentive Scheme and shall appraise the performance of Incentive Participants based on the requirements under the Incentive Scheme. If an Incentive Participant fails to fulfil the Vesting Conditions determined under the Incentive Scheme, according to the principles of the Incentive Scheme, the Restricted Shares that have been granted to Incentive Participants but not yet vested shall not be vested and shall be cancelled.
2. The Company undertakes not to provide loans and any other forms of financial assistance, including providing guarantee for their loans, to the Incentive Participants to obtain relevant Restricted Shares according to the Incentive Scheme.
3. The Company shall make timely, true, accurate and complete disclosure of information disclosure documents related to the Incentive Scheme in accordance with relevant laws, regulations and regulatory documents, and ensure that there are no false records, misleading statements or material omissions, and timely fulfil the relevant reporting obligations of the Incentive Scheme.

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## LETTER FROM THE BOARD

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4. The Company shall proactively procure the Vesting of Restricted Shares for Incentive Participants who have satisfied the Vesting Conditions pursuant to the Incentive Scheme and the relevant requirements of the CSRC, the Shanghai Stock Exchange and the Shanghai Branch of CSDC. The Company shall not be held liable for losses incurred by the Incentive Participants who fail to complete the Vesting of their Restricted Shares due to reasons caused by the CSRC, the Shanghai Stock Exchange and CSDC.
5. If the Incentive Participants violate the laws or professional ethics, disclose confidential information of the Company, or involve in dereliction of duty or malfeasance and other acts which may cause serious damage to the interests or reputation of the Company, upon being reviewed by the Compensation Committee of the Board and reported to the Board of the Company for approval, the Restricted Shares that have been granted to such Incentive Participants but not yet vested shall not be vested and shall be cancelled. At the same time, in the event of serious circumstances, the Company may also recover the losses suffered by the Company in accordance with relevant laws and regulations.
6. In accordance with the relevant provisions of the national tax laws and regulations, the Company shall withhold and pay the individual income tax and other taxes payable by the Incentive Participants for participation in the Incentive Scheme.
7. The Company's determination of the Incentive Participants under the Incentive Scheme does not imply a guarantee of the Incentive Participants right to continue to serve the Company and does not constitute the Company's commitment to the term of employment of employees. The Company's employment and employment management of employees are still implemented in accordance with the employment contract or labor contract signed between the Company and the Incentive Participants.
8. Other relevant rights and obligations as stipulated by laws, administrative regulations and regulatory documents.

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## LETTER FROM THE BOARD

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***(II) Rights (including rights attaching to the Restricted Shares) and obligations of the Incentive Participants***

1. Incentive Participants shall, based on the requirement of the position, perform their responsibilities diligently in compliance with professional ethic and strive to contribute to the development of the Company.
2. The source of funding of Incentive Participants shall derive from their own or self-raised funds.
3. Prior to the Vesting, the Restricted Shares granted to the Incentive Participants shall not be transferred or used as security or debt repayment.
4. The Restricted Shares granted to the Incentive Participants according to the requirements of the Incentive Scheme do not carry any voting rights before Vesting and registration.
5. Any Restricted Shares vested and registered to an Incentive Participant shall be subject to the provisions of the Articles and will rank pari passu with the fully paid Shares in issue of the Company on the date of the registration or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members, and accordingly will entitle the Incentive Participant to participate in all dividends or other distributions paid or made of the Company on or after the date of registration or, if that date falls on a day when the register of members of the Company closed, the first day of the reopening of the register of members. An Incentive Participant will not be entitled to participate in the foregoing dividends or other distributions before vesting of any Restricted Shares.
6. The gains acquired by the Incentive Participants as a result of the Incentive Scheme shall be subject to individual income tax and other taxes and fees according to tax laws and regulations of the PRC.
7. Incentive Participants undertake that where false statements or misleading representations in or material omissions from the information disclosure documents of the Company result in non-compliance with condition of grant or Vesting arrangements, the Incentive Participants concerned shall return to the Company all interests gained through the Incentive Scheme after the relevant information disclosure documents of the Company are confirmed to contain false statements or misleading representations or material omissions.

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## LETTER FROM THE BOARD

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8. Upon consideration and approval of the Incentive Scheme at the general meeting and passing of the resolution on granting interest to the Incentive Participants at the Board meeting, the Company shall sign an “Agreement on the Grant of Restricted Shares” with the Incentive Participants in order to set out their respective rights and obligations as well as other relevant matters.
9. Other relevant rights and obligations under the laws, regulations and the Incentive Scheme.

### **XII. Handling Unusual Changes to the Company/the Incentive Participants**

#### ***(I) Handling unusual changes to the Company***

1. In the event that any of the circumstances below occurs to the Company, the Incentive Scheme shall be terminated and the Restricted Shares that have been granted to the Incentive Participants but not yet vested shall not be vested:
  - (1) an audit report on the financial accounting report for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
  - (2) an audit report on internal control over financial reporting for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
  - (3) in the last 36 months after listing, there have been cases of failure to distribute profits according to laws and regulations, the Articles of Association and public undertakings;
  - (4) laws and regulations stipulate that share incentives shall not be implemented;
  - (5) other circumstances where the Incentive Scheme should be terminated as determined by the CSRC.
2. The Incentive Scheme shall remain unchanged if any of the following events occurs to the Company:
  - (1) a change of control of the Company;

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## LETTER FROM THE BOARD

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- (2) a merger or division of the Company.
3. Where false statements or misleading statements in or material omissions from the information disclosure documents of the Company result in non-compliance with conditions for the grant or Vesting of Restricted Shares, the Restricted Shares granted to Incentive Participants but not yet vested shall not be vested and shall lapse. In respect of the Restricted Shares already vested, the Incentive Participants concerned shall return to the Company all interests granted. The Board shall recover the proceeds of Incentive Participants in accordance with the provisions of the preceding paragraph. The Incentive Participants who bear no responsibility for the aforesaid matters and who incur losses as a result of the return of interests granted may seek compensation from the Company or responsible parties.

***(II) Change in personal particulars of the Incentive Participants leading to cancellation of the Restricted Shares***

1. If an Incentive Participant ceases to be eligible to participate in the Incentive Scheme due to the occurrence of any of the following circumstances, the Board may decide that the Restricted Shares granted to the Incentive Participant but not yet vested shall not be vested and shall be cancelled on the date of occurrence of the circumstances under the Incentive Scheme:
  - (1) being identified as an inappropriate candidate by the Shanghai Stock Exchange within the most recent 12 months;
  - (2) being identified as an inappropriate candidate by the CSRC and its delegated institutions within the most recent 12 months;
  - (3) subject to administrative penalties or market ban measures by the CSRC and its delegated institutions due to material non-compliance with laws and regulations within the most recent 12 months;
  - (4) being prohibited from acting as a director or a member of the senior management of a company under the Company Law;
  - (5) being prohibited from participation in share incentive of listed companies by laws and regulations;
  - (6) other circumstances as determined by the CSRC.

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## LETTER FROM THE BOARD

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2. If an Incentive Participant's position(s) has been changed but he/she still works in the Company, the Restricted Shares granted to him/her shall be carried out in full accordance with the procedures stipulated in the Incentive Scheme prior to the change of his/her position(s); however, if the Incentive Participant's position(s) has been changed due to his/her incompetence to his/her position, violation of laws, violation of professional ethics, leakage of confidential information of the Company, dereliction of duty or malfeasance, serious violation of the Company's system and other acts that damage the interests or reputation of the Company, or the Company terminates his/her labor relationship or employment relationship with the Incentive Participant due to the above reasons, the Restricted Shares that have been granted to the Incentive Participant but not yet vested shall not be vested and shall be cancelled.
3. Where an Incentive Participant resigns, including voluntary resignation, resignation due to layoffs of the Company, labor contract/employment agreement being expired and not renewed, dismissal by the Company due to personal fault, negotiated termination of labor contract or employment agreement, the Restricted Shares that have been granted to the Incentive Participant but not yet vested shall not be vested and shall be cancelled since the date of resignation. The Incentive Participant shall pay the Company the individual income tax involved in the vested Restricted Shares before resignation.

The Company has the right to recover the losses incurred from an Incentive Participant in accordance with the provisions of relevant laws, depending on the seriousness of the circumstances when he/she has personal faults including but not limited to:

Violation of the labor contract, employment contract, employee manual, confidentiality agreement, non-competition agreement or any other similar agreements signed with the Company or its affiliates; violation of the laws of the country of residence, resulting in criminal offenses or other bad conditions that affect the work performance.

4. If an Incentive Participant retires normally in accordance with national regulations and the Company's requirements and maintains a full-time employment relationship with the Company, the Restricted Shares granted to him/her shall remain valid and shall be vested in accordance with the procedures stipulated in the Incentive Scheme.

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## LETTER FROM THE BOARD

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5. The resignation of an Incentive Participant due to his/her incapacity shall be dealt with in the following two circumstances:
  - (1) When an Incentive Participant resigns due to incapacity in performing his/her duties, the Restricted Shares granted to him/her shall be carried out in accordance with the procedures stipulated in the Incentive Scheme prior to the incapacity. The Board of the Company may determine that his/her personal performance assessment conditions shall not be included in the Vesting Conditions. The Incentive Participants shall pay to the Company the individual income tax in relation to the Restricted Shares that have been vested before they leave the Company and shall pay the individual income tax in relation to the Restricted Shares that will be vested for the current period for each Vesting thereafter.
  - (2) When an Incentive Participant leaves the Company due to incapacity not resulting from performance of duties, the Restricted Shares that have been granted to the Incentive Participant but not yet vested shall not be vested and shall be cancelled. Prior to the resignation of the Incentive Participants, the Incentive Participants shall pay to the Company the individual income tax involved in the Restricted Shares that have been vested.
6. The death of an Incentive Participant shall be dealt with in two ways:
  - (1) If an Incentive Participant dies in the course of performing his/her duties, the Restricted Shares granted to him/her shall be inherited by his/her successor and shall be vested in accordance with the procedures stipulated in the Incentive Scheme prior to his/her death. The Board of the Company may determine that his/her personal performance assessment conditions shall no longer be included in the Vesting Conditions. The successor shall pay to the Company the individual income tax in respect of the Restricted Shares vested before the inheritance and shall pay the individual income tax in respect of the Restricted Shares vested for the current period in advance of each Vesting thereafter.
  - (2) If an Incentive Participant dies not due to performance of his/her duties, the Restricted Shares that have been granted to the Incentive Participant but have not yet been vested shall not be vested and shall be cancelled on the date of occurrence of such event. If the Board, at its discretion,

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## LETTER FROM THE BOARD

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allows the Restricted Shares that have been granted but have not yet been vested to be carried out in accordance with the procedures stipulated in the Incentive Scheme prior to the death of the Incentive Participants, the Board may determine that their personal performance assessment will no longer be included in the Vesting Conditions, and the successors shall pay the individual income tax in respect of the Restricted Shares that have been vested before the inheritance, and shall pay the individual income tax in respect of the Restricted Shares that will be vested in the current period in advance of each Vesting thereafter.

If there is any inability to inherit or register the Restricted Shares in the above-mentioned manner caused by the CSRC, the Shanghai Stock Exchange, or the CSDC, the relevant Restricted Shares will be cancelled and the Company shall not bear any responsibility for any consequent losses to the Incentive Participant or his/her successor.

7. Other unspecified circumstances and the handling method shall be determined by the Board.

### ***(III) Settlement mechanism for relevant disputes between the Company and Incentive Participants***

The disputes between the Company and the Incentive Participants arising from the execution of the Incentive Scheme and/or the “Agreement on the Grant of Restricted Shares” signed by the parties or in relation to the Incentive Scheme and/or the “Agreement on the Grant of Restricted Shares” shall be solved through negotiation and communication by both parties or through mediation by the Compensation Committee of the Board. If relevant disputes are not solved through the above-mentioned methods within 60 days from the date of occurrence of the disputes, either party is entitled to file a lawsuit with the people’s court with jurisdiction in the PRC.

## **4. PROPOSED GRANT OF RESTRICTED SHARES UNDER THE 2024 RMB SHARE INCENTIVE SCHEME TO A DIRECTOR**

As set out in the 2024 RMB Share Incentive Announcement, it was proposed to grant Restricted Shares under the 2024 RMB Share Incentive Scheme to an executive Director, namely Dr. Jisong Cui. As the total number of Restricted Shares to be granted to Dr. Jisong Cui under the First Grant would, in a 12-month period up to and including the date of such grant, represent over 0.1% of the Shares in issue, the proposed grant to Dr. Jisong Cui is conditional on and subject to

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## LETTER FROM THE BOARD

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the approval of the Independent Shareholders at the EGM pursuant to Hong Kong Listing Rules, and Dr. Jisong Cui's affiliates shall abstain from voting in favour of the relevant resolution(s). Therefore, Dr. Jisong Cui and her associates and affiliates, along with the other Shareholders who are not Independent Shareholders shall abstain from voting in favour of the relevant resolution(s) on the grant to Dr. Jisong Cui at the EGM.

Details of the grant of Restricted Shares to Dr. Jisong Cui under the First Grant are set out in "3. PROPOSED ADOPTION OF THE 2024 RMB SHARE INCENTIVE SCHEME" in the "Letter from the Board" in this circular and are extracted below in accordance with the relevant requirements set out in Chapter 17 of the Hong Kong Listing Rules to facilitate the Independent Shareholders' consideration:

|                                                                                          |                                                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Date of grant of Restricted Shares to Director</b>                                    | To be determined by the Company at a Board meeting convened within 60 days after the consideration and approval of the 2024 RMB Share Incentive Scheme at the general meeting.                                                                                                       |
| <b>Total number of the Restricted Shares granted to Director</b>                         | 2,580,000 Restricted Shares                                                                                                                                                                                                                                                          |
| <b>Purchase price of the Restricted Shares granted</b>                                   | RMB6.65 per Share                                                                                                                                                                                                                                                                    |
| <b>Closing price of Shares on the date of the Grant of Restricted Shares to Director</b> | (i) HK\$6.16 per Hong Kong Share; and<br>(ii) RMB12.81 (approximately HK\$13.86) per RMB Share.                                                                                                                                                                                      |
| <b>Vesting period</b>                                                                    | 25% shall vest on the first trading day after 17 months from the Grant Date of the First Grant and every anniversary of such date thereafter for the following three years, subject to the satisfaction of the vesting conditions stipulated in the 2024 RMB Share Incentive Scheme. |
| <b>Performance targets</b>                                                               | The Vesting of Restricted Shares is subject to Company-level and Individual-level performance assessment targets.                                                                                                                                                                    |

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## LETTER FROM THE BOARD

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Company-level performance assessment targets permit vesting of different proportions of the Restricted Shares based on the Company's cumulative operating revenue or number of clinical trials from 2025 to the year of assessment.

Individual-level performance assessment targets permit vesting of different proportions of the Restricted Shares based on three levels of individual assessment grades.

### **Clawback mechanism**

The grant of Restricted Shares to Dr. Jisong Cui is subject to the clawback mechanism under the 2024 RMB Share Incentive Scheme. Restricted Shares granted but have not yet been vested would be cancelled if certain events occur, which include circumstances occurring on the part of the Company and on the part of the Incentive Participant.

Circumstances occurring on the part of the Company that will trigger a clawback include, among others, an audit report in the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion.

Circumstances occurring on the part of the Incentive Participant that will trigger a clawback include, among others, the Incentive Participant being identified as an inappropriate candidate by the Shanghai Stock Exchange or the CSRC or being prohibited from acting as a director or a member of senior management of a company under the Company Law.

There are no arrangements for the Company or any of its subsidiaries to provide financial assistance to any of the Incentive Participants to facilitate the purchase of Restricted Shares under the 2024 RMB Share Incentive Scheme. The Restricted Shares to be allotted and issued shall be identical to the then existing issued shares of the Company and will rank pari passu in all respects with the other fully paid Shares in issue on the date the name of the Incentive Participant is registered on the register of members of the Company, save that before Vesting and registration, the Incentive Participant shall not have any voting rights, or rights to participate in any dividends

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## LETTER FROM THE BOARD

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or distributions (including those arising on a liquidation of the Company) attributable to Restricted Shares declared or recommended or resolved to be paid to the Shareholders on the register on a date prior to such registration.

### **(i) Reasons for and Benefits of the Grant of Restricted Shares to the Director**

The independent non-executive Directors consider that the 2024 RMB Share Incentive Scheme provides the Group with flexible means of utilizing equity-based incentives to retain, incentivize and motivate its employees. The aforementioned grant of Restricted Shares to Incentive Participants including Dr. Jisong Cui is to recognize herself as a key member of the Board of the Company, who has been fully responsible for the operation management and research and development of the Company, setting the management objectives and operating policies of the Company, ensuring the healthy and sustainable development of the Company, and playing an important role in the future operation and development of the Company. Hence, the independent non-executive Directors are of the view that the grant of Restricted Shares to Incentive Participants including Dr. Jisong Cui is fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

The grant of Restricted Shares to Dr. Jisong Cui is subject to Independent Shareholders' approval. In the event that Independent Shareholders' approval in the EGM is not obtained, the Company shall revoke the grant of Restricted Shares to Dr. Jisong Cui and publish further announcements where appropriate.

### **(ii) Implications under the Hong Kong Listing Rules**

For implications under the Hong Kong Listing Rules with respect to the proposed grant of Restricted Shares to Dr. Jisong Cui under the 2024 RMB Incentive Scheme, see "8. HONG KONG LISTING RULES IMPLICATIONS AND WAIVERS FROM STRICT COMPLIANCE WITH CERTAIN PROVISIONS OF THE HONG KONG LISTING RULES — (i) Compliance with Chapter 17 of the Hong Kong Listing Rules relating to the Incentive Scheme" in the "Letter from the Board" in this circular.

## **5. PROPOSED ADOPTION OF THE INCENTIVE SCHEME ASSESSMENT MANAGEMENT MEASURES**

An ordinary resolution will be proposed at the EGM to consider and approve the Incentive Scheme Assessment Management Measure, the full text of which is set out in Appendix II to this circular.

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## LETTER FROM THE BOARD

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### 6. PROPOSED ISSUE AND GRANT OF NEW RMB SHARES UNDER THE 2024 RMB SHARE INCENTIVE SCHEME PURSUANT TO THE SCHEME MANDATE LIMIT

Subject to the approval of the Shareholders at the EGM of the Incentive Scheme, the Scheme Mandate Limit thereof is 12,337,750 Restricted Shares, representing approximately 0.70% of the total issued shares of the Company as at the Latest Practicable Date.

For the avoidance of doubt, and for Shareholders' information only, the total scheme mandate limit (as defined under the Hong Kong Listing Rules) for all share schemes of the Company will be not more than 4.13% (which is the sum of the Current Aggregate Effective Mandate Limit and the Scheme Mandate Limit) of the total issued Shares of the Company as of the date of the EGM.

In addition to the principal terms of the proposed 2024 RMB Share Incentive Scheme summarized in the section headed "3. PROPOSED ADOPTION OF THE 2024 RMB SHARE INCENTIVE SCHEME" in the "Letter from the Board" in this circular, further information in relation to the issue and allotment of the Restricted Shares under the Incentive Scheme are set out below:

**The total funds to be raised and the proposed use of proceeds:** Not more than RMB82,046,037.50, being the aggregate Grant Price, will be paid by the Incentive Participants to subscribe for 12,337,750 Restricted Shares under the Incentive Scheme. The proceeds obtained by the Company from the 2024 RMB Share Incentive Scheme shall be applied towards the replenishment of the Group's liquidity.

**Grant Price:** The Grant Price of the Restricted Shares under both the First Grant and the Reserved Grant shall be RMB6.65 per RMB Share which was determined with reference to the basis set out in the paragraph headed "VI. Grant Price of the Restricted Shares and the Basis for Determination Thereof" above. An Incentive Participant who has satisfied the conditions for grant and vesting may subscribe new RMB Shares issued by the Company at such Grant Price.

**Aggregate nominal value:** The nominal value of the RMB Shares of the Company is US\$0.000002 per RMB Share. The aggregate nominal value of the Restricted Shares to be granted under the Incentive Scheme (including the First Grant and the Reserved Grant) is not more than US\$24.6755.

## LETTER FROM THE BOARD

**Dilution effect:** The shareholding structure of the Company before and after the Vesting of the Restricted Shares granted under the Incentive Scheme to the Incentive Participants is set out as follows:

|                            | <b>As at the Latest<br/>Practicable Date</b> | <b>Assuming full<br/>Vesting and issue<br/>of the Restricted<br/>Shares under the<br/>Incentive Scheme<sup>(1)</sup></b> |
|----------------------------|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Number of RMB Shares       | 266,282,967                                  | 278,620,717                                                                                                              |
| Number of Hong Kong Shares | <u>1,496,284,235</u>                         | <u>1,496,284,235</u>                                                                                                     |
| Total                      | <u><u>1,762,567,202</u></u>                  | <u><u>1,774,904,952</u></u>                                                                                              |

*Note:*

1. Assuming that no other Shares are issued or repurchased by the Company.

To the best knowledge and belief of the Company based on publicly available information, the public float of the Company before and after the Vesting of the Restricted Shares granted under the Incentive Scheme to the Incentive Participants is set out as follows:

|              | <b>As at the Latest<br/>Practicable Date</b> | <b>Assuming full<br/>Vesting and issue<br/>of the Restricted<br/>Shares under the<br/>Incentive Scheme<sup>(1)</sup></b> |
|--------------|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Public float | 75.83%                                       | 75.82%                                                                                                                   |

*Note:*

1. Assuming that no other Shares are issued or repurchased by the Company.

**Fund raising activities in the past 12 months:** The Company has not conducted any fund-raising activities involving the issuance of share capital within 12 months immediately preceding the date of this circular.

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## LETTER FROM THE BOARD

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The Company will seek the approval of the Incentive Scheme and the Scheme Mandate Limit from the Shareholders at the EGM for the issue and allotment of the Restricted Shares under the Incentive Scheme and an ordinary resolution will be proposed at the EGM to consider and, if thought fit, approve the issue and grant of new RMB Shares under the Incentive Scheme pursuant to the Scheme Mandate Limit.

### **7. PROPOSED AUTHORIZATION TO THE BOARD TO HANDLE MATTERS PERTAINING TO THE 2024 RMB SHARE INCENTIVE SCHEME**

In order to ensure successful implementation of the 2024 RMB Share Incentive Scheme, the Board proposes to the EGM to grant an authorization to the Board to handle the following matters pertaining to the 2024 RMB Share Incentive Scheme:

1. to authorize the Board to determine the eligibility requirements and conditions of the Incentive Participants to participate in the Incentive Scheme, and determine the Grant Date of the Incentive Scheme;
2. to authorize the Board to adjust the number of Restricted Shares to be granted/vested and/or the Grant/Vesting Price of Restricted Shares accordingly in the manners stipulated in the Incentive Scheme, in the event of any capitalisation issue, bonus issue, share sub-division or consolidation, rights issue or dividend distribution of the Company;
3. to authorize the Board to adjust the actual number of grants according to the circumstances at the time of grant within the limit of the number of Restricted Shares stipulated in the Incentive Scheme before granting Restricted Shares to the Incentive Participants;
4. to authorize the Board to grant the Restricted Shares to an Incentive Participant upon his/her fulfilment of the conditions of grant, and to handle all related matters, including signing the “Agreement on the Grant of Restricted Shares” with the Incentive Participants;
5. to authorize the Board to review and confirm the vesting eligibility of the Incentive Participants and the number to be vested, and to approve the Board to delegate such rights to the Compensation Committee;
6. to authorize the Board to determine whether the Restricted Shares granted to an Incentive Participant may be vested to the Incentive Participant;

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## LETTER FROM THE BOARD

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7. to authorize the Board to handle all matters necessary in connection with the Vesting of the Restricted Shares to the Incentive Participants, including but not limited to the submission of application to a stock exchange in respect of the Vesting and applying to securities registration and clearing company for registration and clearing services;
8. to authorize the Board to deal with matters in connection with the alteration and termination of the Incentive Scheme in accordance with the requirements of the Incentive Scheme (Draft) of the Company, including but not limited to, disqualification of the Incentive Participants for Vesting, cancellation of the Restricted Shares of the Incentive Participants that have not yet been vested, dealing with the inheritance of Restricted Shares of the deceased Incentive Participants that have not yet been vested and termination of the Incentive Scheme, provided that where such alteration and termination are required by the laws, regulations or relevant regulatory authorities to be approved by the general meeting or/and relevant regulatory authorities, such resolutions by the Board shall be approved accordingly;
9. to authorize the Board to manage and adjust the Incentive Scheme, and to formulate or amend the management and implementation rules of the Incentive Scheme from time to time without contradicting the terms of the Incentive Scheme (Draft) of the Company; provided that where such amendment is required by the laws, regulations or relevant regulatory authorities to be approved by the general meeting or/and relevant regulatory authorities, such amendment by the Board shall be approved accordingly;
10. to authorize the Board to implement other necessary matters required by the Incentive Scheme, except for those rights expressly stipulated in relevant documents to be exercised by the general meeting;
11. to propose to the general meeting of the Company to authorize the Board to deal with the procedures for approval, registration, filing, verification and consent with the relevant governments and authorities in relation to the Incentive Scheme; to sign, execute, amend and complete the documents submitted to the relevant governments, authorities, organizations and individuals; and to do all such acts as it deems necessary, expedient or appropriate in relation to the Incentive Scheme;
12. to propose to the general meeting to authorize the Board to appoint financial advisers, receiving banks, accountants, law firms, securities companies and other intermediaries for the implementation of the Incentive Scheme; and
13. to propose to the general meeting of the Company to approve the period of authorization given to the Board to be consistent with the validity period of the Incentive Scheme.

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## LETTER FROM THE BOARD

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Among the above-mentioned authorizations, except for such matters specifically required by the laws, administrative regulations, rules, regulatory documents, the Incentive Scheme or the Articles of Association to be approved by the Board through resolutions, other matters may be directly exercised on behalf of the Board by the chairman of the Board or appropriate person(s) authorized thereby.

### **8. HONG KONG LISTING RULES IMPLICATIONS AND WAIVERS FROM STRICT COMPLIANCE WITH CERTAIN PROVISIONS OF THE HONG KONG LISTING RULES**

#### **(i) Compliance with Chapter 17 of the Hong Kong Listing Rules relating to the Incentive Scheme**

As the Incentive Scheme involves the grant by the Company of its new Shares, the Incentive Scheme is subject to the regulation by Chapter 17 of the Hong Kong Listing Rules.

Pursuant to Rule 17.04(1) of the Hong Kong Listing Rules, any grant of Restricted Shares under the 2024 RMB Share Incentive Scheme to, among others, a Director or chief executive of the Company or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Restricted Shares (if applicable)). The Grant of Restricted Shares to Directors has been approved by all of the independent non-executive Directors and also has been reviewed and approved by the Remuneration Committee.

Pursuant to Rules 17.04(2) and 17.04(4) of the Hong Kong Listing Rules, as the total number of Shares to be issued in respect of share awards conditionally granted to Dr. Jisong Cui (representing approximately 0.15% of the total issued Shares, respectively) would, in a 12-month period up to and including the date of such grant, represent over 0.1% of the Shares in issue, the First Grant is subject to the approval by the Independent Shareholders, and Dr. Jisong Cui and her associates and affiliates are among the Shareholders who are not Independent Shareholders, and therefore shall abstain from voting in favor of the relevant resolution(s) on the issue and grant of the Restricted Shares to Dr. Jisong Cui at the EGM pursuant to the Hong Kong Listing Rules.

Accordingly, Shareholders who are not Independent Shareholders (including, among others, Dr. Jisong Cui and her associates and affiliates) must abstain from voting in favor of the resolution approving Resolution No. 4 in respect of the grant of Restricted Shares to Dr. Jisong Cui. As at the Latest Practicable Date, Dr. Jisong Cui and her associate held in aggregate 100,951,416 Shares, representing approximately 5.73% of the total number of Shares in issue.

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## LETTER FROM THE BOARD

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In the event that any Reserved Grant (i) will result in the share awards granted to any Incentive Participant representing in aggregate over 1% of the issued shares of the Company over any 12-month period up to and including the relevant Grant Date; and/or (ii) will cause the share awards granted to any Incentive Participant who is a Director or chief executive of the Company or any of their respective associates, representing in aggregate over 0.1% of the relevant class of issued shares of the Company over any 12-month period up to and including the relevant Grant Date, the Company will comply with the relevant requirements under Chapter 17 of the Hong Kong Listing Rules.

### **(ii) Waiver relating to Adjustments to Grant Price of the Restricted Shares**

Rule 17.03(13) of the Hong Kong Listing Rules requires that the scheme document must include a provision for adjustments to the exercise or purchase price and/or the number of shares involved in options or awards granted under the scheme in the event of a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital. Note to Rule 17.03(13) of the Hong Kong Listing Rules states that any adjustment required under Rule 17.03(13) must give the Incentive Participants the same proportion of the equity capital as that to which that person was previously entitled. The Company has applied for, and the Stock Exchange has granted, on November 14, 2024, a waiver from strict compliance with the requirements under Rule 17.03(13) of the Hong Kong Listing Rules so as to enable the adjustments to Grant Price of the Restricted Shares granted under the Incentive Scheme in the event of dividend distribution on the basis that, among other things, (i) the Company is an overseas issuer with its RMB Shares listed on the STAR Market of the Shanghai Stock Exchange, and the 2024 RMB Share Incentive Scheme involves issue of RMB Shares only. Therefore, the Incentive Scheme must comply with the PRC laws. As advised by the Company's PRC legal advisers, Fangda Partners, on the Incentive Scheme, pursuant to Article 48 of the Administrative Measures, if the price or quantity of the equity interest needs to be adjusted due to ex-right, ex-dividend of the underlying shares (refer to the shares of the listed companies that the Incentive Participants are entitled to be granted or purchase under the share incentive scheme) or other reasons, the board of directors of the listed companies shall make adjustments in accordance with the principles, methods and procedures stipulated in the share incentive scheme. The "InnoCare Pharma Limited 2024 STAR Market Restricted Share Incentive Scheme (Draft)" (the "**Incentive Scheme (Draft)**") has clearly stipulated the method for adjusting the grant price of restricted shares in the event of dividend distribution from the announcement date of the Incentive Scheme (Draft) to the vesting and registration of restricted shares by the Incentive Participants and the procedures to be performed by the Company. Therefore, according to the above provisions, if the Company pays dividends during the aforementioned period, it shall adjust the grant price of restricted shares in accordance with the provisions of the Incentive Scheme (Draft), which does not violate the provisions of the Administrative Measures; (ii) the proposed adoption of the Incentive

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## LETTER FROM THE BOARD

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Scheme will be subject to the approval of the Shareholders at the EGM, whereby the Hong Kong Shareholders will have the opportunity to fully consider and evaluate the terms of the Incentive Scheme based on its merits and the interest of the Hong Kong Shareholders will not be prejudiced; (iii) the number of RMB Shares proposed to be issued and granted under the Incentive Scheme is 12,337,750 shares, representing only approximately 0.70% of the total shares of the Company of 1,762,567,202 Shares as at the Latest Practicable Date, and the dilution effect of the RMB Shares is minimal; and (iv) the Company believes that the adjustment to the Grant Price of the Incentive Scheme in the event of dividend distribution will not adversely affect interests of Shareholders of the Company.

**(iii) One-off Waiver relating to No Listing of the RMB Shares on the Hong Kong Stock Exchange**

As the RMB Shares will be of the same class as the Hong Kong Shares but will not be listed on the Stock Exchange, the Company has applied for, and the Stock Exchange has granted, on November 14, 2024, a one-off waiver so that there is no need to seek listing of the RMB Shares to be issued under the 2024 RMB Share Incentive Scheme on the Stock Exchange under Rules 8.20 and 13.26(1) of the Hong Kong Listing Rules, on the basis that:

- (a) Rule 6.12 of the Hong Kong Listing Rules is modified such that the requirement of obtaining the prior approval of shareholders for voluntary withdrawal of listing on the Stock Exchange by (i) at least 75% of the votes attaching to any class of listed securities held by holders voting either in person or by proxy at the meeting before voluntarily withdrawing its listing on the Stock Exchange; and (ii) the number of votes cast against the resolution is not more than 10% of the votes attaching to any class of listed securities held by holders permitted under Rule 6.12(1) of the Hong Kong Listing Rules to vote in person or by proxy at the meeting, shall apply to holders of Hong Kong Shares only;
- (b) Rule 6.15 of the Hong Kong Listing Rules is modified such that the requirement of fulfilling shareholders' approval requirements under the Takeovers Code for voluntary withdrawal of listing on the Stock Exchange shall apply to holders of Hong Kong Shares only; and
- (c) Rule 13.36(2)(b) of the Hong Kong Listing Rules is modified such that the shareholders of the Company (including both holders of Hong Kong Shares and holders of RMB Shares) can by ordinary resolution in a general meeting give a repurchase mandate to the Directors under which the maximum number of Hong Kong Shares and RMB Shares in total repurchased by the Company since the

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## LETTER FROM THE BOARD

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granting of the general mandate will be 10% of the number of the issued Hong Kong Shares and RMB Shares, respectively, as at the date of the resolution granting the repurchase mandate.

### 9. EGM

The EGM will be held for Shareholders to consider and, if thought fit, (1) approve the adoption of the 2024 RMB Share Incentive Scheme and the Scheme Mandate Limit; (2) approve the adoption of the Incentive Scheme Assessment Management Measures; (3) approve the issue and grant of new RMB Shares under the 2024 RMB Share Incentive Scheme pursuant to the Scheme Mandate Limit; (4) approve the proposed grant of 2,580,000 Restricted Shares to Dr. Jisong Cui under the 2024 RMB Share Incentive Scheme; and (5) authorize the Board to handle matters pertaining to the 2024 RMB Share Incentive Scheme. A notice to convening the EGM to be held at Building 8, No. 8 Life Science Park Road, Zhongguancun Life Science Park, Changping District, Beijing, PRC on Tuesday, 17 December 2024 at 3:00 p.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company ([www.innocarepharma.com](http://www.innocarepharma.com)).

### 10. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 12 December 2024 to Tuesday, 17 December 2024, both dates inclusive, during which period no transfer of shares will be registered, for the purpose of ascertaining Shareholders' entitlement to attend and vote at the EGM. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the office of the Company's Share Registrar and Transfer Office, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 11 December 2024.

### 11. RECOMMENDATIONS

For the reasons set out above, the Directors consider that the adoption of the 2024 RMB Share Incentive Scheme and the Scheme Mandate Limit are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors would recommend the Shareholders to vote in favour of the resolution to approve all the resolutions as set out in the notice of EGM on page EGM-1 to EGM-2 of this circular.

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## LETTER FROM THE BOARD

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### 12. VOTING BY POLL

Any vote of Shareholders at a general meeting must be taken by poll in accordance with the relevant listing rules and the Articles of Association. The chairperson of the EGM shall therefore demand voting on all resolutions set out in the notice of EGM be taken by way of poll pursuant to Article 77 of the Articles of Association.

On a poll, every Shareholder present in person or by proxy or (being a corporation) by duly authorized representative shall have one vote for each share registered in his/her name in the register. As to Shareholders' voting restrictions, (i) Dr. Jisong Cui and her associates and affiliates, along with other Shareholders who are not Independent Shareholders must abstain from voting in favour of the resolution approving Resolution No. 4 in respect of the proposed grant of 2,580,000 Restricted Shares to Dr. Jisong Cui under the 2024 RMB Share Incentive Scheme; and (ii) any Shareholder with a material interest in the proposed transaction, namely Dr. Jisong Cui, Dr. Renbin Zhao and their close associates and affiliates, respectively, and other grantees who are also shareholders of the Company and their affiliates, will abstain from voting at the EGM in relation to (1) the proposed adoption of the 2024 RMB Share Incentive Scheme and the Scheme Mandate Limit; (2) the proposed adoption of the Incentive Scheme Assessment Management Measures; (3) the proposed issue and grant of new RMB Shares under the 2024 RMB Share Incentive Scheme pursuant to the Scheme Mandate Limit; and (5) proposed authorization to the Board to handle matters pertaining to the 2024 RMB Share Incentive Scheme.

In addition, pursuant to Rule 17.05A of the Hong Kong Listing Rules, trustees holding unvested Shares of the share schemes of the Company, whether directly or indirectly, shall abstain from voting on matters that require Shareholders' approval under the Hong Kong Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such direction is given. As at the Latest Practicable Date, the number of unvested Shares held by the trustee of the share schemes of the Company was 8,318,000 Shares.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, no other Shareholder has to abstain from voting on any of the proposed resolutions and there exists no voting trust, agreement, arrangement, understanding, obligation or entitlement whereby a Shareholder has or may have temporarily or permanently passed control over the exercise of the voting right in respect of their shares in the Company to a third party.

The results of the poll will be published on the websites of the Stock Exchange, the Shanghai Stock Exchange and the Company after conclusion of the EGM in the manner prescribed under the relevant listing rules.

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## LETTER FROM THE BOARD

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### 13. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in Appendix I and Appendix II to this circular. A copy of the 2024 RMB Share Incentive Scheme will be published on the websites of the Hong Kong Stock Exchange, the Shanghai Stock Exchange and the Company for display for a period of not less than 14 days before the date of the EGM and the 2024 RMB Share Incentive Scheme will be made available for inspection at the EGM.

### 14. RESPONSIBILITY STATEMENT

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

Yours faithfully,

By Order of the Board

**InnoCare Pharma Limited**

**Dr. Jisong Cui**

*Chairperson and Executive Director*

**Stock Code of A Share: 688428**

**Abbreviation of A Share: InnoCare**

**Stock Code of Hong Kong Share: 09969**

**Abbreviation of Hong Kong Share: InnoCare**

**INNOCARE PHARMA LIMITED**

**2024 STAR MARKET RESTRICTED SHARE  
INCENTIVE SCHEME  
(DRAFT)**

**InnoCare Pharma Limited**  
**November 2024**

**DISCLAIMER**

The board of directors and all directors of the Company guarantee that there are no false representations or misleading statements contained in, or material omissions from, this announcement, and assume legal responsibility for the truthfulness, accuracy and completeness of its contents in accordance with the law.

All Incentive Participants of the Company undertake that, where false statements or misleading representations in or material omissions from the information disclosure documents of the Company result in non-compliance with condition of grant or Vesting arrangement for the interest, the Incentive Participants concerned shall return to the Company all interests gained through the Incentive Scheme after the relevant information disclosure documents are confirmed to contain false statements, misleading representations or material omissions.

**SPECIAL NOTICE**

- I. The Incentive Scheme is formulated in accordance with the Securities Law of the People's Republic of China (《中華人民共和國證券法》), the Rules Governing the Listing of Stocks on the STAR Market of Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》), the Management Measures for Share Incentives of Listed Companies (《上市公司股權激勵管理辦法》), the Guidelines for Self-discipline Supervision of Companies Listed on the STAR Market No. 4 — Disclosure of Information on Share Incentives (《科創板上市公司自律監管指南第4號 — 股權激勵信息披露》), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and relevant laws, regulations and regulatory documents, as well as the Articles of Association.
- II. The incentive instruments adopted in the Incentive Scheme are the Restricted Shares (Class-II Restricted Shares). The source of the shares is the RMB ordinary shares of InnoCare Pharma Limited (the “**Company**”) to be issued to the Incentive Participants by the Company.

Incentive Participants that meet the conditions for the grant under the Incentive Scheme, after fulfilling the corresponding Vesting Conditions, shall obtain in tranches the RMB ordinary shares newly issued by the Company at the Grant Price. Such shares will be registered at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. Prior to the Vesting, the Restricted Shares granted to the Incentive Participants do not carry any rights of the shareholders of the Company, and such Restricted Shares shall not be transferred, or used as security or debt repayment.

- III. The number of Restricted Shares to be granted to the Incentive Participants under the Incentive Scheme is 12,337,750 shares, representing approximately 0.70% of the total issued shares of the Company of 1,762,567,202 shares as at the date of approval of the Incentive Scheme at the general meeting, among which 9,870,200 shares were granted under the First Grant, representing approximately 0.56% of the total issued shares of the Company of 1,762,567,202 shares as at the date of approval of the Incentive Scheme at the general meeting, and the portion granted under the First Grant accounted for 80.00% of the total equity interest under this Grant; and 2,467,550 shares were reserved, representing approximately 0.14% of the total issued shares of the Company of 1,762,567,202 shares as at the date of approval of the Incentive Scheme at the general meeting, and the reserved portion accounted for 20.00% of the total equity interest under this Grant. The Company expects that there is no difference between the total number of issued shares as at the date on which the Scheme is approved at the general meeting and the total number of issued shares as at the Latest Practicable Date.

The total number of underlying shares involved in all share incentive schemes of the Company within the validity period shall not exceed 20% of the total number of issued shares of the Company as at the date of approval of the Incentive Scheme at the general meeting, and the total number of shares available for issue under all incentives shall not exceed 10% of the total number of issued shares of the Company. The cumulative number of shares of the Company to be granted to any Participant under the Incentive Scheme through all the share incentive schemes within the validity period shall not exceed 1% of the total issued shares of the Company as at the date of approval of the Incentive Scheme at the general meeting. In addition, for the Participants who are Directors or chief executives, or any of their respective associates, the grant of share awards to such persons must be approved by the independent non-executive Directors, and the grant of share awards to such persons in any 12-month period will be subject to the approval of the Independent Shareholders if such grant exceeds 0.1% of the total issued Shares of the Company.

- IV. The Grant Price of the Restricted Shares under the Incentive Scheme (including Reserved Grant) shall be RMB6.65 per share.

In the event of any capitalisation issue, bonus issue, sub-division or share consolidation, rights issue or dividend distribution of the Company in the period from the date of the announcement of the draft Incentive Scheme to the completion of the Vesting of Restricted Shares by the Incentive Participants, the Grant Price and/or number of Restricted Shares to be granted/vested shall be adjusted in accordance with the relevant rules of the Incentive Scheme accordingly.

- V. The total number of Incentive Participants proposed for the First Grant under the Incentive Scheme is 79, representing approximately 7.25% of the total number of 1,089 employees of the Company as at 31 December 2023, including directors, senior management and core technical personnel of the Company (including its controlled subsidiaries and branch companies), and other employees whom the Board considers necessary to be incentivised when the Company announces the Incentive Scheme.

The reserved Incentive Participants refer to the Incentive Participants who have not been determined at the time of approval of the Incentive Scheme at the general meeting but are included in the Incentive Scheme during the duration of the Incentive Scheme and who will be determined by the Board within 12 months since the date the Incentive Scheme is considered and approved at the general meeting. The reserved interest shall lapse where the Incentive Participants are not determined after 12 months. Participants of the reserved Restricted Shares shall be determined with reference to the standards of the First Grant.

- VI. The Validity Period of the Incentive Scheme commences from the date of First Grant of the Restricted Shares until the date on which all Restricted Shares granted to the Incentive Participants have been vested or lapsed. The Validity Period shall not exceed 77 months. The Restricted Shares granted to the Incentive Participants shall be vested in tranches as per the agreed proportions, and it is a prerequisite for each Vesting to meet the corresponding Vesting Conditions.

- VII. None of the following circumstances under which the implementation of the share incentive shall not be conducted as stipulated in Article 7 of the Management Measures for Share Incentives of Listed Companies (《上市公司股權激勵管理辦法》) has occurred to the Company:

- (I) an audit report on the financial and accounting report for the most recent accounting year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
- (II) an audit report on internal control over financial reporting for the most recent accounting year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
- (III) in the most recent 36 months upon listing, there have been cases of failure to distribute profits according to laws and regulations, the Articles of Association and public undertakings;
- (IV) laws and regulations stipulate that share incentives shall not be implemented;

(V) other circumstances as determined by the CSRC.

VIII. The Company does not have a supervisory committee. The Incentive Participants under the Incentive Scheme exclude independent non-executive Directors of the Company. Incentive Participants have satisfied the provisions of Article 8 of the Management Measures for Share Incentives of Listed Companies, and are not subject to any following circumstances where a person is prohibited to be an Incentive Participant:

- (I) being identified as an inappropriate candidate by the Shanghai Stock Exchange within the most recent 12 months;
- (II) being identified as an inappropriate candidate by the CSRC and its delegated institutions within the most recent 12 months;
- (III) being subject to administrative penalties or market ban measures by the CSRC and its delegated institutions due to material non-compliance with laws and regulations within the most recent 12 months;
- (IV) being prohibited from acting as a director or a member of the senior management of a company under the Company Law;
- (V) being prohibited from participation in share incentives of listed companies by laws and regulations;
- (VI) other circumstances as determined by the CSRC.

IX. The Company undertakes not to provide loans and any other forms of financial assistance to the Incentive Participants for acquiring the Restricted Shares under the Incentive Scheme, including provision of guarantee for their loans.

X. The Incentive Scheme shall be formulated by the Compensation Committee of the Board of the Company and submitted to the Board of the Company for consideration and approval, and shall be implemented upon the consideration and approval at the general meeting of the Company.

XI. Within 60 days from the date on which the Incentive Scheme is considered and approved at the general meeting of the Company, the Company shall convene a Board meeting to make grants to the Incentive Participants under the First Grant in accordance with the relevant requirements, and complete announcement and other relevant procedures. If the Company fails to complete the above work within the 60-day period, it shall timely disclose the reasons

for the failure and terminate the implementation of the Incentive Scheme, and the Restricted Shares that have not been granted shall lapse. According to the requirements of the Management Measures for Share Incentives of Listed Companies, the period during which a listed company may not make grants is not counted within the 60 days.

- XII. The implementation of the Incentive Scheme will not result in the shareholding distribution not meeting the listing requirements.

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**CHAPTER I DEFINITIONS**

Unless otherwise specified, capitalised terms shall have the same meanings as those hereinafter defined:

|                                               |       |                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The Company, our Company, the Listed Company  | means | InnoCare Pharma Limited, Chinese name: 諾誠健華醫藥有限公司                                                                                                                                                                                                                                                               |
| The Incentive Scheme, the Scheme              | means | 2024 STAR Market Restricted Share Incentive Scheme of InnoCare Pharma Limited                                                                                                                                                                                                                                   |
| Restricted Shares, Class-II Restricted Shares | means | the RMB ordinary Shares of the Company to be obtained in tranches and registered by the Incentive Participants who meet the conditions for grant under the Incentive Scheme after meeting the corresponding Vesting Conditions                                                                                  |
| Incentive Participants                        | means | in accordance with the provisions of the Incentive Scheme, the Directors, senior management and core technical personnel of the Company (including its controlled subsidiaries and branch companies) and other employees that the Board considers necessary to be incentivised to receive the Restricted Shares |
| Grant Date                                    | means | the date on which the Company grants the Restricted Shares to the Incentive Participants                                                                                                                                                                                                                        |
| Grant Price                                   | means | the price of each Restricted Share granted to the Incentive Participants                                                                                                                                                                                                                                        |
| Validity Period                               | means | the period commencing on the date of the First Grant of the Restricted Shares and ending on the date on which all Restricted Shares granted to the Incentive Participants have been vested or lapsed                                                                                                            |

|                                                    |       |                                                                                                                                                                                               |
|----------------------------------------------------|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Vesting                                            | means | the act of registering the Restricted Shares by the Listed Company to the account of an Incentive Participant after the Vesting Conditions having been satisfied by the Incentive Participant |
| Vesting Conditions                                 | means | the vesting conditions as stipulated under the Restricted Share Incentive Scheme which must be satisfied by an Incentive Participant in order to obtain the incentive shares                  |
| Vesting Date                                       | means | the date on which the registration of the granted Restricted Shares is completed after the Vesting Conditions having been satisfied by an Incentive Participant, which must be a trading day  |
| Latest Practicable Date                            | means | 26 November 2024                                                                                                                                                                              |
| 2015 Pre-IPO Incentive Plan                        | means | the incentive plan approved by the Company on 6 September 2016                                                                                                                                |
| 2016 Pre-IPO Incentive Plan                        | means | the incentive plan approved by the Company on 6 September 2016                                                                                                                                |
| 2018 Pre-IPO Incentive Plan                        | means | the incentive plan approved by the Company on 28 November 2018                                                                                                                                |
| Pre-IPO Incentive Plans                            | means | collectively, the 2015 Pre-IPO Incentive Plan, the 2016 Pre-IPO Incentive Plan and the 2018 Pre-IPO Incentive Plan                                                                            |
| 2023 STAR Market Restricted Share Incentive Scheme | means | the 2023 STAR Market Restricted Share Incentive Scheme approved by the Company on 2 June 2023                                                                                                 |
| 2023 Share Award Scheme                            | means | the share award scheme approved by the Company on 31 August 2023                                                                                                                              |

|                                |       |                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2024 Share Award Scheme        | means | the share award scheme approved by the Company on 28 March 2024                                                                                                                                                                                                                                                                                                 |
| Independent Shareholder(s)     | means | Shareholders who are not (i) director(s) or chief executive being an incentive participant(s) the proposed grant to whom under this Incentive Scheme will exceed 0.1% of the total issued Shares of the Company in any 12-month period; (ii) his/her associates; or (iii) a core connected person, as determined in accordance with the Hong Kong Listing Rules |
| Company Law                    | means | the Company Law of the People's Republic of China                                                                                                                                                                                                                                                                                                               |
| Securities Law                 | means | the Securities Law of the People's Republic of China                                                                                                                                                                                                                                                                                                            |
| Management Measures            | means | the Management Measures for Share Incentives of Listed Companies (《上市公司股權激勵管理辦法》)                                                                                                                                                                                                                                                                               |
| STAR Market Listing Rules      | means | the Rules Governing the Listing of Stocks on the STAR Market of Shanghai Stock Exchange                                                                                                                                                                                                                                                                         |
| Hong Kong Listing Rules        | means | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                                                                                        |
| Guidelines for Self-discipline | means | the Guidelines for Self-discipline Supervision of Companies Listed on the STAR Market No. 4 — Disclosure of Information on Share Incentives (《科創板上市公司自律監管指南第4號 — 股權激勵信息披露》)                                                                                                                                                                                     |
| Articles of Association        | means | the Fifth Amended and Restated Memorandum and Articles of Association of InnoCare Pharma Limited and its amendments from time to time                                                                                                                                                                                                                           |

|                 |       |                                                                         |
|-----------------|-------|-------------------------------------------------------------------------|
| CSRC            | means | the China Securities Regulatory Commission                              |
| Stock Exchanges | means | the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited |
| RMB, RMB0'000   | means | RMB, RMB0'000                                                           |

*Notes:*

1. Unless otherwise stated, the financial data and financial indicators referenced herein shall mean the financial data on a consolidated basis and financial indicators calculated based on such financial data.
2. Any difference between the total number and the sum of the breakdowns herein is due to rounding adjustments.

## CHAPTER II PURPOSE AND PRINCIPLE OF THE INCENTIVE SCHEME

To further improve the Company's long-term incentive mechanism, attract and retain outstanding personnel, fully mobilise the enthusiasm of the Company's employees, effectively bring together the interests of shareholders, the Company and core teams, enable all parties share a common concern for the long-term development of the Company, and under the premise of fully safeguarding the interests of shareholders, the Incentive Scheme is formulated following the principle of income equivalent to contribution in accordance with the relevant laws, regulations and regulatory documents including the Securities Law, the Management Measures, the STAR Market Listing Rules, the Guidelines for Self-discipline and the Hong Kong Listing Rules, as well as the relevant provisions of the Articles of Association.

As of the Latest Practicable Date, the share award schemes of the Company which have not been terminated comprise the 2023 STAR Market Restricted Share Incentive Scheme, the 2023 Share Award Scheme and the 2024 Share Award Scheme (collectively, the **"Existing Incentive Schemes"**). In addition, the Pre-IPO Incentive Plans of the Company were terminated on 31 August 2023 in accordance with the resolution of the Board dated 11 August 2023. The outstanding RSUs granted under these incentive plans will continue to be exercisable in accordance with the original plans and original grant agreements. As of the Latest Practicable Date, under the Existing Incentive Schemes, (1) the maximum number of Restricted Shares to be granted by the Company under the 2023 STAR Market Restricted Share Incentive Scheme is 8,948,750 RMB Shares (including the First Grant and the Reserved Grant), and the Company has actually granted a total of 8,946,000 Restricted Shares, and the remaining 2,750 Restricted Shares shall not be granted and become invalid; (2) the total number of shares to be granted by the Company under the 2023 Share Award Scheme shall not exceed 51,481,607 Hong Kong Shares, and the source of such shares shall be the Hong Kong Shares issued by the Company prior to the initial public offering on the Hong Kong Stock Exchange, which does not involve any additional share issuance or share repurchase; (3) the total number of shares to be granted by the Company under the 2024 Share Award Scheme shall not exceed 176,258,245 Hong Kong Shares, and the source of such shares shall be the issued Hong Kong Shares of the issuer purchased by the trustee from the secondary market, which does not involve any additional share issuance.

The total number of underlying shares involved in all share incentive schemes of the Company within the validity period shall not exceed 20% of the total number of issued shares of the Company as at the date on which the Incentive Scheme is approved at the general meeting, and the total number of shares available for issue under all incentive schemes shall not exceed 10% of the total number of issued shares of the Company as at the date on which the Incentive Scheme is approved at the general meeting. In addition, for the Participants who are Directors or chief executives, or any of their respective associates, the grant of share awards to such persons must be

approved by the independent non-executive Directors, and the grant of share awards to such persons in any 12-month period will be subject to the approval of the Independent Shareholders if such grant exceeds 0.1% of the total issued Shares of the Company.

The Incentive Scheme and the above Existing Incentive Schemes are independent of, and not connected with, each other.

### **CHAPTER III ADMINISTRATIVE BODIES OF THE INCENTIVE SCHEME**

- I. The general meeting, as the body vested with the supreme authority of the Company, is responsible for consideration and approval of the implementation, change (including the number of Shares to be granted under the Incentive Scheme) and termination of the Incentive Scheme. The general meeting may authorize the Board to deal with certain matters related to the Incentive Scheme to the extent of its authority.
- II. The Board shall act as the executive and administrative body for the Incentive Scheme and be responsible for the implementation of the Incentive Scheme. The Compensation Committee under the Board is responsible for drafting and revising the Incentive Scheme and submitting the same to the Board for consideration. Upon consideration and approval of the Incentive Scheme, the Board will submit the Incentive Scheme to the general meeting for consideration. The Board may handle other matters related to the Incentive Scheme within its scope of authority as delegated by the general meeting.
- III. The independent non-executive Directors will solicit proxy voting rights from all shareholders in respect of the Incentive Scheme.
- IV. If the Company changes the Share Incentive Scheme prior to the consideration and approval at the general meeting, such changes shall be subject to the consideration and approval of the Board of the Company.
- V. The Board shall consider whether the conditions of a grant of interests to an Incentive Participant as set out in the Share Incentive Scheme have been satisfied before the Company makes a grant of interests to such Incentive Participant.
- VI. Prior to the Vesting of the Restricted Shares granted to the Incentive Participants, the Board shall consider whether the Vesting Conditions of the Incentive Participants as set out in the Share Incentive Scheme have been fulfilled.

## CHAPTER IV BASIS FOR DETERMINATION AND SCOPE OF THE INCENTIVE PARTICIPANTS

### I. Basis for determination of the Incentive Participants

#### (I) *Legal basis for determining the Incentive Participants*

The Incentive Participants of the Incentive Scheme are determined after taking into account the actual circumstances of the Company and in accordance with the relevant laws, regulations and regulatory documents, including Company Law, Securities Law, Management Measures, STAR Market Listing Rules, Guidelines for Self-discipline and Hong Kong Listing Rules, as well as the relevant provisions of the Articles of Association.

#### (II) *Functional basis for determining the Incentive Participants*

The Incentive Participants of the First Grant under the Incentive Scheme are the Directors, senior management and core technical personnel of the Company (including its controlled subsidiaries and branch companies) and other employees (excluding independent non-executive Directors and other shareholders who individually or jointly hold more than 5% of the shares of the listed company and their spouses, parents and children, except Dr. Jisong Cui and Dr. Renbin Zhao) whom the Board considers necessary to be incentivised.

### II. Scope of the Incentive Participants

- (I) The total number of Incentive Participants proposed for the First Grant of Restricted Shares under the Incentive Scheme is 79, representing approximately 7.25% of the total number of 1,089 employees of the Company as at 31 December 2023, including:

1. the Directors, senior management and core technical personnel;
2. other employees whom the Board considers necessary to be incentivised.

All Incentive Participants must have an employment or labor relationship with the Company (including its controlled subsidiaries and branch companies) at the time of the grant of the Restricted Shares and during the assessment period specified in the Incentive Scheme. If the circumstances of the Incentive Participants change before the actual grant of the Restricted Shares by the Board, the Board may make appropriate adjustments to the actual grant of the Incentive Participants.

Among the Incentive Participants of the First Grant, Dr. Jisong Cui and Dr. Renbin Zhao are shareholders holding more than 5% of the shares of the Company and foreign employees. Dr. Jisong Cui and Dr. Renbin Zhao are the Chairperson of the Board and the Executive Director of the Company, respectively, both of whom are key members of the Board of the Company, fully responsible for the operation management and research and development of the Company, setting the management objectives and operating policies of the Company, ensuring the healthy and sustainable development of the Company, and playing an important role in the future operation and development of the Company. It is necessary and reasonable for the Incentive Scheme to include Dr. Jisong Cui and Dr. Renbin Zhao as Incentive Participants to be in line with the actual situation and development needs of the Company and the requirements of the STAR Market Listing Rules and other relevant laws and regulations.

- (II) Incentive Participants for the Reserved Grant shall be determined within 12 months from the date on which the Incentive Scheme is considered and approved at the general meeting. Upon the proposal by the Board, the professional opinions of the lawyers and the issuance of legal opinions, the Company shall disclose the relevant information of the Incentive Participants on the designated website in a timely and accurate manner as required. For the Incentive Participants who are Directors or chief executives, or any of their respective associates, the grant of share awards to such persons must be approved by the independent non-executive Directors. If the Incentive Participants are not determined for more than 12 months, the reserved interests shall lapse. The basis for determining the Incentive Participants of the reserved portion shall refer to the basis of the First Grant.

### **III. Verification of Incentive Participants**

- (I) After the Incentive Scheme has been reviewed and approved by the Board, the Company shall publish a public notice on the names and positions of the Incentive Participants internally via the Company's website or other channels for a period of not less than 10 days.
- (II) After the end of the public notice period, the Company will make an announcement on the results of the public notice based on internal feedback 5 days prior to the consideration of the Incentive Scheme at the general meeting.

**CHAPTER V INCENTIVE METHOD, SOURCE, NUMBER AND ALLOCATION OF  
RESTRICTED SHARES****I. Incentive Method and Source of Shares under the Incentive Scheme**

The incentive instruments adopted in the Incentive Scheme are Class-II Restricted Shares. The source of the underlying shares is the RMB ordinary Shares to be issued to the Incentive Participants by the Company.

**II. Number of Restricted Shares to be Granted**

The number of Restricted Shares to be granted to the Incentive Participants under the Incentive Scheme is 12,337,750 shares, representing approximately 0.70% of the total issued shares of the Company of 1,762,567,202 shares as at the Latest Practicable Date, among which 9,870,200 shares were granted under the First Grant, representing approximately 0.56% of the total issued shares of the Company of 1,762,567,202 shares as at the Latest Practicable Date, and the portion granted under the First Grant accounted for 80.00% of the total equity interest under this Grant; 2,467,550 shares were reserved, representing approximately 0.14% of the total issued shares of the Company of 1,762,567,202 shares as at the Latest Practicable Date, and the reserved portion accounted for 20.00% of the total equity interest under this Grant.

### III. Allocation of the Restricted Shares to the Incentive Participants

Each Incentive Participant who is a Director or chief executive of the Company has been approved by the independent non-executive Director. In particular, the proposed grant to Dr. Jisong Cui under the First Grant exceeds 0.1% of the total number of issued shares of the Company, and therefore the grant is subject to the approval of the Independent Shareholders, and other Incentive Participants who are Directors have not been granted, as a result of the First Grant, Restricted Shares exceeding 0.1% of the total issued Shares of the Company within any 12-month period. Allocation of Restricted Shares to be granted to each Incentive Participant under the Incentive Scheme is as follows:

| Name                                                          | Nationality | Position(s)                                                                                                        | Number of<br>Restricted<br>Shares granted<br>(0'000 shares) | Percentage of<br>the total<br>interests to be<br>granted | Percentage of the<br>total number of<br>issued Shares as<br>at the Latest<br>Practicable Date |
|---------------------------------------------------------------|-------------|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| (I) Directors, Senior Management and Core Technical Personnel |             |                                                                                                                    |                                                             |                                                          |                                                                                               |
| Jisong Cui (崔霽松)                                              | American    | Chairman of the Board, Executive<br>Director, CEO, core technical personnel                                        | 258.00                                                      | 20.91%                                                   | 0.15%                                                                                         |
| Xiangyang Chen<br>(陳向陽)                                       | American    | Chief Technology Officer, core technical<br>personnel                                                              | 70.00                                                       | 5.67%                                                    | 0.04%                                                                                         |
| Renbin Zhao<br>(趙仁濱)                                          | American    | Executive Director,<br>Vice President of Clinical Development<br>and Medical Research, core technical<br>personnel | 60.00                                                       | 4.86%                                                    | 0.03%                                                                                         |
| Xin Fu (傅欣)                                                   | Chinese     | Chief Financial Officer                                                                                            | 10.00                                                       | 0.81%                                                    | 0.01%                                                                                         |
| <b>Total</b>                                                  |             |                                                                                                                    | 398.00                                                      | 32.26%                                                   | 0.23%                                                                                         |

| Name                                                                                              | Nationality | Position(s) | Number of<br>Restricted<br>Shares granted<br>(0'000 shares) | Percentage of<br>the total<br>interests to be<br>granted | Percentage of the<br>total number of<br>issued Shares as<br>at the Latest<br>Practicable Date |
|---------------------------------------------------------------------------------------------------|-------------|-------------|-------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| <b>(II) Other Incentive Participants</b>                                                          |             |             |                                                             |                                                          |                                                                                               |
| Other employees<br>whom the Board<br>considers<br>necessary to be<br>incentivized (75<br>persons) |             |             | 589.02                                                      | 47.74%                                                   | 0.33%                                                                                         |
| <b>Total of the First<br/>Grant</b>                                                               |             |             | 987.02                                                      | 80.00%                                                   | 0.56%                                                                                         |
| <b>(III) Reserved Grant</b>                                                                       |             |             | 246.755                                                     | 20.00%                                                   | 0.14%                                                                                         |
| <b>Total</b>                                                                                      |             |             | 1,233.775                                                   | 100.00%                                                  | 0.70%                                                                                         |

*Notes:*

1. The cumulative number of shares of the Company to be granted to any one of the above Incentive Participants under all share incentive schemes of the Company within the validity period does not exceed 1% of the total number of issued shares of the Company as at the Latest Practicable Date. For the Incentive Participants who are Directors or chief executives, or any of their respective associates, the grant of share awards to such persons in any 12-month period will be subject to the approval of the Independent Shareholders if such grant exceeds 0.1% of the total issued Shares. The total number of underlying shares involved in all the share incentive schemes of the Company within the validity period shall not exceed 20% of the total number of issued shares of the Company as at the Latest Practicable Date, and the total number of shares available for issue under all the incentive schemes shall not exceed 10% of the total number of issued shares of the Company as at the Latest Practicable Date.
2. Incentive Participants in the Incentive Scheme exclude independent non-executive Directors of the Company and other shareholders who individually or jointly hold 5% or more of the Shares of the Company or de facto controller and their spouses, parents and children, except Dr. Jisong Cui and Dr. Renbin Zhao.
3. Any difference between the total number and the sum of the breakdowns in the above table is due to rounding.

**CHAPTER VI VALIDITY PERIOD, GRANT DATE, VESTING ARRANGEMENT AND  
BLACK-OUT PERIOD OF INCENTIVE SCHEME**

**I. Validity Period of the Incentive Scheme**

The Validity Period of the Incentive Scheme commences from the date of the First Grant of the Restricted Shares until the date on which all Restricted Shares granted to the Incentive Participants have been vested or lapsed. The Validity Period shall not exceed 77 months.

**II. Grant Date of the Incentive Scheme**

The Grant Date shall be determined by the Board after the Incentive Scheme is considered and approved at the general meeting of the Company. The Company shall, within 60 days after the consideration and the approval at the general meeting, convene a Board meeting to make grants to the Incentive Participants under the First Grant in accordance with the relevant requirements, and complete the announcement(s) and other relevant procedures. If the Company fails to complete the above work within the 60-day period, it shall disclose the reasons for such failure and terminate the implementation of the Scheme, and the Restricted Shares that have not been granted shall lapse. Pursuant to the Administrative Measures, the period during which a listed company shall not make grant of interest is not counted within the 60 days. The reserved portion shall be granted within 12 months after the Incentive Scheme is considered and approved at the general meeting of the Company. If the Incentive Participants are not determined for more than 12 months, the Reserved Restricted Shares shall lapse. The Grant Date must be a trading day and no grants shall be made during the following periods:

- (I) The Company shall not grant the relevant interests after inside information has come to its knowledge until (and including) the trading day after the announcement of the relevant information. In particular, no such interest shall be granted within 30 days immediately before the earliest of:
  - 1. the date of the Board meeting (as such date is first notified to the Hong Kong Stock Exchange in accordance with the Hong Kong Listing Rules) for approving any annual, half-year, quarterly or any other interim results of the Company (whether or not required under the Hong Kong Listing Rules); and
  - 2. the deadline by which the Company is required to announce its annual, half-year results under the Hong Kong Listing Rules, or the deadline for announcing quarterly or any other interim results (whether or not required under the Hong Kong Listing Rules);

Kong Listing Rules). The relevant restrictions end on the date of the announcement of the results. No interest may be granted for the period during which the announcement of the results is delayed.

The Company shall not grant any interests to the Participants who are Directors 60 days before and including the date of publishing the annual results announcement.

(II) Other periods as prescribed by the Stock Exchanges.

### **III. Vesting arrangements of the Incentive Scheme**

The Restricted Shares granted under the Incentive Scheme may be vested in tranches as per the agreed proportions upon the Incentive Participants satisfying the corresponding Vesting Conditions. The Vesting Date must be a trading day, and the period during which Vesting is not permitted under the listing rules of the stock exchanges is not included.

The Restricted Shares granted to the Incentive Participants shall not be vested in the following periods:

- (I) Within 15 days prior to the announcement of the annual reports and of the semi-annual reports prepared by the Company in accordance with the Securities Law, the STAR Market Listing Rules and other laws, regulations, regulatory documents and rules, or in the event of postponement in publishing the foresaid annual reports and the semi-annual reports for special reasons, 15 days prior to the original announcement date and ending on one day prior to the announcement date;
- (II) 5 days prior to the release of the quarterly reports, results forecast or preliminary report prepared by the Company in accordance with the Securities Law, the STAR Market Listing Rules and other laws, regulations, regulatory documents and rules;
- (III) From the date of a significant event which may have a material impact on the trading price of the Company's securities and derivatives or during the process of decision making until the date of legal disclosure of the same;
- (IV) Other periods as prescribed by the Stock Exchanges.

If the relevant regulations of the stock exchanges regarding the Vesting Period change during the Validity Period of the Incentive Scheme, the Vesting Date shall comply with the relevant amended laws, regulations and regulatory documents.

The Vesting terms and Vesting arrangements for the Restricted Shares of the First Grant under the Incentive Scheme are as follows:

| <b>Vesting arrangement</b>                  | <b>Time of Vesting</b>                                                                                                                           | <b>Percentage of the<br/>attributive interests<br/>to the total interests<br/>granted under the<br/>First Grant</b> |
|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| First Vesting Period<br>of the First Grant  | The first trading day after 17 months from the date of the First Grant to the last trading day within 29 months from the date of the First Grant | 25%                                                                                                                 |
| Second Vesting Period<br>of the First Grant | The first trading day after 29 months from the date of the First Grant to the last trading day within 41 months from the date of the First Grant | 25%                                                                                                                 |
| Third Vesting Period<br>of the First Grant  | The first trading day after 41 months from the date of the First Grant to the last trading day within 53 months from the date of the First Grant | 25%                                                                                                                 |
| Fourth Vesting Period<br>of the First Grant | The first trading day after 53 months from the date of the First Grant to the last trading day within 65 months from the date of the First Grant | 25%                                                                                                                 |

If the Restricted Shares of the reserved portion are granted before the disclosure of the 2025 quarterly report for the third quarter, the Vesting period and Vesting arrangement of the reserved Restricted Shares are as follows:

| Vesting arrangement                               | Time of Vesting                                                                                                                                                 | Percentage of the<br>number of<br>attributive interests<br>to the total number<br>of interests granted<br>under the Reserved<br>Grant |
|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| First Vesting Period<br>of the Reserved<br>Grant  | The first trading day after 12 months from the<br>date of the Reserved Grant to the last trading<br>day within 24 months from the date of the<br>Reserved Grant | 25%                                                                                                                                   |
| Second Vesting Period<br>of the Reserved<br>Grant | The first trading day after 24 months from the<br>date of the Reserved Grant to the last trading<br>day within 36 months from the date of the<br>Reserved Grant | 25%                                                                                                                                   |
| Third Vesting Period<br>of the Reserved<br>Grant  | The first trading day after 36 months from the<br>date of the Reserved Grant to the last trading<br>day within 48 months from the date of the<br>Reserved Grant | 25%                                                                                                                                   |
| Fourth Vesting Period<br>of the Reserved<br>Grant | The first trading day after 48 months from the<br>date of the Reserved Grant to the last trading<br>day within 60 months from the date of the<br>Reserved Grant | 25%                                                                                                                                   |

If the Restricted Shares of the reserved portion are granted after the disclosure of the 2025 quarterly report for the third quarter, the Vesting period and Vesting arrangement of the reserved Restricted Shares are as follows:

| Vesting arrangement                               | Time of Vesting                                                                                                                                                 | Percentage of the<br>number of<br>attributive interests<br>to the total number<br>of interests granted<br>under the Reserved<br>Grant |
|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| First Vesting Period<br>of the Reserved<br>Grant  | The first trading day after 17 months from the<br>date of the Reserved Grant to the last trading<br>day within 29 months from the date of the<br>Reserved Grant | 25%                                                                                                                                   |
| Second Vesting Period<br>of the Reserved<br>Grant | The first trading day after 29 months from the<br>date of the Reserved Grant to the last trading<br>day within 41 months from the date of the<br>Reserved Grant | 25%                                                                                                                                   |
| Third Vesting Period<br>of the Reserved<br>Grant  | The first trading day after 41 months from the<br>date of the Reserved Grant to the last trading<br>day within 53 months from the date of the<br>Reserved Grant | 25%                                                                                                                                   |
| Fourth Vesting Period<br>of the Reserved<br>Grant | The first trading day after 53 months from the<br>date of the Reserved Grant to the last trading<br>day within 65 months from the date of the<br>Reserved Grant | 25%                                                                                                                                   |

Prior to the Vesting, the Restricted Shares granted to the Incentive Participants under the Incentive Scheme shall not be transferred, or used as security or debt repayment. For the Restricted Shares granted to the Incentive Participants but not yet vested, shares increased due to reasons such as capitalisation issue or bonus issue are also subject to the Vesting Conditions, and shall not be transferred, or used as security or debt repayment prior to the Vesting. Where the Restricted Shares are not allowed to be vested at that time, shares obtained for the aforementioned reasons shall also not be vested.

**IV. Black-out period under the Incentive Scheme**

The black-out period refers to the period during which the Restricted Shares granted to the Incentive Participants are restricted to be sold after Vesting. There is no black-out period for the shares granted under the Restricted Share Incentive Scheme after they are vested. For the Incentive Participants who are Directors and senior management of the Company, the black-out provisions shall be implemented in accordance with the Securities Law, the Interim Measures for the Administration of Shareholding Reduction by Shareholders of Listed Companies (《上市公司股東減持股份管理暫行辦法》), the Rules on the Administration of Shares held by Directors, Supervisors and Senior Management of Listed Companies and the Changes of Such Shares (《上市公司董事、監事和高級管理人員所持本公司股份及其變動管理規則》) and the Guidelines No. 15 of Shanghai Stock Exchange for Self-Regulation of Listed Companies — Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Management (《上海證券交易所上市公司自律監管指引第15號 — 股東及董事、監事、高級管理人員減持股份》) and other relevant laws, regulations and regulatory documents and the Articles of Association, including but not limited to:

- (I) Where the Incentive Participant is a Director and a member of the senior management of the Company, the number of RMB ordinary shares which may be transferred each year during his/her term of office shall not exceed 25% of the total number of RMB ordinary shares held by him/her in the Company. No RMB ordinary shares in the Company held by him/her may be transferred within 6 months after his/her termination of office.
- (II) For Incentive Participants who are Directors and members of the senior management of the Company, if they sell the Shares of the Company held by them within 6 months after the purchase, or if they purchase the Shares within 6 months after the sale, the gains obtained therefrom shall be vested to the Company and the Board of the Company shall forfeit the gains.

During the Validity Period of the Incentive Scheme, if the relevant requirements under the relevant laws, regulations, regulatory documents including the Securities Law, the Interim Measures for the Administration of Shareholding Reduction by Shareholders of Listed Companies (《上市公司股東減持股份管理暫行辦法》), the Rules on the Administration of Shares held by Directors, Supervisors and Senior Management of Listed Companies and the Changes of Such Shares (《上市公司董事、監事和高級管理人員所持本公司股份及其變動管理規則》) and the Guidelines No. 15 of Shanghai Stock Exchange for Self-Regulation of Listed Companies — Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Management (《上海證券交易所上市公司自律監管指引第15號 — 股東及董事、監事、高級管理人員減持股份》) as well as the relevant provisions of the Articles of Association regarding the transfer of shares held by the

Directors and members of the senior management of the Company are changed, the transfer of the shares of the Company held by these Incentive Participants shall comply with the requirements as amended at the time of transfer.

## **CHAPTER VII GRANT PRICE OF THE RESTRICTED SHARES AND THE BASIS FOR DETERMINATION THEREOF**

### **I. Grant Price of the Restricted Shares**

The Grant Price of the Restricted Shares under the Scheme (including the Reserved Grant) shall be RMB6.65 per share, which means the Incentive Participants can purchase the RMB ordinary Shares issued by the Company to the Incentive Participants at the price of RMB6.65 per share upon satisfaction of the Vesting Conditions.

### **II. Basis for determining the Grant Price of the Restricted Shares**

The Grant Price of the Restricted Shares under the Incentive Scheme shall be not less than par value of the Shares and shall not be lower than the higher of:

- (I) 50.00% of the average trading price of the RMB ordinary Shares of the Company on the last trading day preceding the date of the announcement of the draft Incentive Scheme (the total transaction value of the shares on the last trading day divided by the total transaction volume of the shares on the last trading day) (i.e. RMB12.95 per share), which is RMB6.47 per share;
- (II) 50.00% of the average trading price of RMB ordinary Shares of the Company for the 20 trading days preceding the date of announcement of the draft Incentive Scheme (the total transaction value of the shares for 20 trading days divided by the total transaction volume of the shares for the 20 trading days) (i.e. RMB13.30 per share), which is RMB6.65 per share;
- (III) 50.00% of the average trading price of RMB ordinary Shares of the Company for the 60 trading days preceding the date of announcement of the draft Incentive Scheme (the total transaction value of the shares for the 60 trading days divided by the total transaction volume of the shares for the 60 trading days) (i.e. RMB12.54 per share), which is RMB6.27 per share;

- (IV) 50.00% of the average trading price of RMB ordinary Shares of the Company on the 120 trading days preceding the date of announcement of the draft Incentive Scheme (the total transaction value of the shares for the 120 trading days divided by the total transaction volume of the shares for the 120 trading days) (i.e. RMB10.81 per share), which is RMB5.40 per share.

## CHAPTER VIII GRANT AND VESTING CONDITIONS OF THE RESTRICTED SHARES

### I. Conditions for grant of the Restricted Shares

The Company shall grant the Restricted Shares to the Incentive Participants upon satisfaction of all of the following granting conditions; or conversely, if any of the following granting conditions has not been satisfied, no Restricted Shares shall be granted to the Incentive Participants.

***(I) None of the following circumstances has occurred on the part of the Company:***

1. an audit report on the financial and accounting report for the most recent accounting year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
2. an audit report on internal control over financial reporting for the most recent accounting year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
3. in the most recent 36 months upon listing, there have been cases of failure to distribute profits according to laws and regulations, the Articles of Association and public undertakings;
4. laws and regulations stipulate that share incentives shall not be implemented;
5. other circumstances as determined by the CSRC.

***(II) None of the following circumstances has occurred on the part of the Incentive Participants:***

1. being identified as an inappropriate candidate by the Shanghai Stock Exchange within the most recent 12 months;

2. being identified as an inappropriate candidate by the CSRC and its delegated institutions within the most recent 12 months;
3. being subject to administrative penalties or market ban measures by the CSRC and its delegated institutions due to material non-compliance with laws and regulations in the most recent 12 months;
4. being prohibited from acting as a director or a member of the senior management of a company under the Company Law;
5. being prohibited from participation in share schemes of listed companies by laws and regulations;
6. other circumstances as determined by the CSRC.

## **II. Conditions for Vesting of the Restricted Shares and Lapse Mechanism**

Restricted Shares granted to the Incentive Participants shall satisfy all of the following Vesting Conditions before they are vested in tranches:

### ***(I) None of the following circumstances has occurred on the part of the Company:***

1. an audit report on the financial and accounting report for the most recent accounting year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
2. an audit report on internal control over financial reporting for the most recent accounting year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
3. in the most recent 36 months upon listing, there have been cases of failure to distribute profits according to laws and regulations, the Articles of Association and public undertakings;
4. laws and regulations stipulate that share incentives shall not be implemented;
5. other circumstances as determined by the CSRC.

***(II) None of the following circumstances has occurred on the part of the Incentive Participants:***

1. being identified as an inappropriate candidate by the Shanghai Stock Exchange within the most recent 12 months;
2. being identified as an inappropriate candidate by the CSRC and its delegated institutions within the most recent 12 months;
3. subject to administrative penalties or market ban measures by the CSRC and its delegated institutions due to material non-compliance with laws and regulations within the most recent 12 months;
4. being prohibited from acting as a director or a member of the senior management of a company under the Company Law;
5. being prohibited from participation in share incentive schemes of listed companies by laws and regulations;
6. other circumstances as determined by the CSRC.

In the event that any one of the circumstances specified in the above subparagraph (I) arises, the Restricted Shares that have been granted but have not yet been vested to all of the Incentive Participants under the Incentive Scheme shall not be vested and shall lapse. In the event that one of the circumstances specified in the above subparagraph (II) under which the Restricted Shares shall not be granted to an Incentive Participant, the Restricted Shares that have been granted but have not yet been vested to such Incentive Participant shall not be vested and shall lapse.

***(III) Incentive Participants satisfying the requirements on length of employment in each Vesting period***

Before each tranche of Restricted Shares granted to the Incentive Participants is vested, the length of employment of the Incentive Participant must be more than 12 months in the Company.

*(IV) Performance assessment requirements at the Company level*

The assessment year for part of the Restricted Shares of the First Grant under the Incentive Scheme shall be the four accounting years from 2025 to 2028. The assessment shall be conducted once in each accounting year. The specific assessment targets are set out below:

| Vesting Arrangements                    | Assessment year | Performance assessment target A 100% shares to be vested by the Company                                                                                                                                                                                                                                                                                        | Performance assessment target B 80% shares to be vested by the Company                                                                                                                                                                                                                                                                                            | Performance assessment target C 70% shares to be vested by the Company                                                                                                                                                                                                                                                                                           |
|-----------------------------------------|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| First Vesting Period of the First Grant | 2025            | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>1. The operating revenue for 2025 shall not be less than RMB2 billion</li> <li>2. 8 new clinical trials are initiated in 2025 (including phase I-III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>1. The operating revenue for 2025 shall not be less than RMB1.75 billion</li> <li>2. 7 new clinical trials are initiated in 2025 (including phase I-III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>1. The operating revenue for 2025 shall not be less than RMB1.5 billion</li> <li>2. 6 new clinical trials are initiated in 2025 (including phase I-III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> |

| Vesting Arrangements                           | Assessment year | Performance assessment<br>target A 100% shares to be<br>vested by the Company                                                                                                                                                                                                                                                                                                                         | Performance assessment<br>target B 80% shares to be<br>vested by the Company                                                                                                                                                                                                                                                                                                                             | Performance assessment<br>target C 70% shares to be<br>vested by the Company                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------------|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Second Vesting<br>Period of the<br>First Grant | 2026            | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2026, the accumulated operating revenue shall not be less than RMB6 billion</li> <li>From 2025 to 2026, a total of 16 new clinical trials are initiated (including phase I-III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2026, the accumulated operating revenue shall not be less than RMB4.75 billion</li> <li>From 2025 to 2026, a total of 14 new clinical trials are initiated (including phase I-III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2026, the accumulated operating revenue shall not be less than RMB3.5 billion</li> <li>From 2025 to 2026, a total of 12 new clinical trials are initiated (including phase I-III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> |

| Vesting Arrangements                          | Assessment year | Performance assessment<br>target A 100% shares to be<br>vested by the Company                                                                                                                                                                                                                                                                                                                          | Performance assessment<br>target B 80% shares to be<br>vested by the Company                                                                                                                                                                                                                                                                                                                             | Performance assessment<br>target C 70% shares to be<br>vested by the Company                                                                                                                                                                                                                                                                                                                            |
|-----------------------------------------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Third Vesting<br>Period of the<br>First Grant | 2027            | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2027, the accumulated operating revenue shall not be less than RMB11 billion</li> <li>From 2025 to 2027, a total of 24 new clinical trials are initiated (including phase I-III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2027, the accumulated operating revenue shall not be less than RMB8.75 billion</li> <li>From 2025 to 2027, a total of 21 new clinical trials are initiated (including phase I-III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2027, the accumulated operating revenue shall not be less than RMB6.5 billion</li> <li>From 2025 to 2027, a total of 18 new clinical trials are initiated (including phase I-III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> |

| Vesting Arrangements                           | Assessment year | Performance assessment<br>target A 100% shares to be<br>vested by the Company                                                                                                                              | Performance assessment<br>target B 80% shares to be<br>vested by the Company                                                                                                                               | Performance assessment<br>target C 70% shares to be<br>vested by the Company                                                                                                                               |
|------------------------------------------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fourth Vesting<br>Period of the<br>First Grant | 2028            | The Company satisfies any<br>one of the following<br>conditions:                                                                                                                                           | The Company satisfies any<br>one of the following<br>conditions:                                                                                                                                           | The Company satisfies any<br>one of the following<br>conditions:                                                                                                                                           |
|                                                |                 | 1. From 2025 to 2028,<br>the accumulated<br>operating revenue shall<br>not be less than<br>RMB17 billion                                                                                                   | 1. From 2025 to 2028,<br>the accumulated<br>operating revenue shall<br>not be less than<br>RMB13.75 billion                                                                                                | 1. From 2025 to 2028,<br>the accumulated<br>operating revenue shall<br>not be less than<br>RMB10.5 billion                                                                                                 |
|                                                |                 | 2. From 2025 to 2028, a<br>total of 32 new clinical<br>trials are initiated<br>(including phase I-III<br>clinical trials. A<br>clinical trial is<br>initiated only if the<br>first subject is<br>enrolled) | 2. From 2025 to 2028, a<br>total of 28 new clinical<br>trials are initiated<br>(including phase I-III<br>clinical trials. A<br>clinical trial is<br>initiated only if the<br>first subject is<br>enrolled) | 2. From 2025 to 2028, a<br>total of 24 new clinical<br>trials are initiated<br>(including phase I-III<br>clinical trials. A<br>clinical trial is<br>initiated only if the<br>first subject is<br>enrolled) |

*Note:* The above “operating revenue” is calculated based on the data set out in the consolidated statements audited by the accounting firm engaged by the Company. (same below)

If the reserved portion is granted before the disclosure of the third quarterly report for 2025, the assessment year shall be the four accounting years from 2025 to 2028. The assessment shall be conducted once in each accounting year. The specific assessment targets are in line with the First Grant; If the reserved portion is granted after the disclosure of the third quarterly report for 2025, the assessment year shall be the four accounting years from 2026 to 2029. The assessment shall be conducted once in each accounting year. The specific assessment targets for each year are set out below:

| Vesting Arrangements                       | Assessment year | Performance assessment target A 100% shares to be vested by the Company                                                                                                                                                                                                                                                                                                                               | Performance assessment target B 80% shares to be vested by the Company                                                                                                                                                                                                                                                                                                                                   | Performance assessment target C 70% shares to be vested by the Company                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| First Vesting Period of the Reserved Grant | 2026            | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2026, the accumulated operating revenue shall not be less than RMB6 billion</li> <li>From 2025 to 2026, a total of 16 new clinical trials are initiated (including phase I-III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2026, the accumulated operating revenue shall not be less than RMB4.75 billion</li> <li>From 2025 to 2026, a total of 14 new clinical trials are initiated (including phase I-III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2026, the accumulated operating revenue shall not be less than RMB3.5 billion</li> <li>From 2025 to 2026, a total of 12 new clinical trials are initiated (including phase I-III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> |

| Vesting Arrangements                        | Assessment year | Performance assessment target A 100% shares to be vested by the Company                                                                                                                                                                                                                                                                                                                                | Performance assessment target B 80% shares to be vested by the Company                                                                                                                                                                                                                                                                                                                                   | Performance assessment target C 70% shares to be vested by the Company                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Second Vesting Period of the Reserved Grant | 2027            | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2027, the accumulated operating revenue shall not be less than RMB11 billion</li> <li>From 2025 to 2027, a total of 24 new clinical trials are initiated (including phase I-III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2027, the accumulated operating revenue shall not be less than RMB8.75 billion</li> <li>From 2025 to 2027, a total of 21 new clinical trials are initiated (including phase I-III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2027, the accumulated operating revenue shall not be less than RMB6.5 billion</li> <li>From 2025 to 2027, a total of 18 new clinical trials are initiated (including phase I-III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> |

| Vesting Arrangements                       | Assessment year | Performance assessment target A 100% shares to be vested by the Company                                                                                                                                                                                                                                                                                                                                | Performance assessment target B 80% shares to be vested by the Company                                                                                                                                                                                                                                                                                                                                    | Performance assessment target C 70% shares to be vested by the Company                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Third Vesting Period of the Reserved Grant | 2028            | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2028, the accumulated operating revenue shall not be less than RMB17 billion</li> <li>From 2025 to 2028, a total of 32 new clinical trials are initiated (including phase I-III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2028, the accumulated operating revenue shall not be less than RMB13.75 billion</li> <li>From 2025 to 2028, a total of 28 new clinical trials are initiated (including phase I-III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2028, the accumulated operating revenue shall not be less than RMB10.5 billion</li> <li>From 2025 to 2028, a total of 24 new clinical trials are initiated (including phase I-III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> |

| Vesting Arrangements                        | Assessment year | Performance assessment target A 100% shares to be vested by the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Performance assessment target B 80% shares to be vested by the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Performance assessment target C 70% shares to be vested by the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fourth Vesting Period of the Reserved Grant | 2029            | <p data-bbox="557 357 807 470">The Company satisfies any one of the following conditions:</p> <ol data-bbox="557 527 807 1153" style="list-style-type: none"> <li data-bbox="557 527 807 725">1. From 2025 to 2029, the accumulated operating revenue shall not be less than RMB24 billion</li> <li data-bbox="557 783 807 1153">2. From 2025 to 2029, a total of 40 new clinical trials are initiated (including phase I-III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> | <p data-bbox="847 357 1098 470">The Company satisfies any one of the following conditions:</p> <ol data-bbox="847 527 1098 1153" style="list-style-type: none"> <li data-bbox="847 527 1098 725">1. From 2025 to 2029, the accumulated operating revenue shall not be less than RMB19.75 billion</li> <li data-bbox="847 783 1098 1153">2. From 2025 to 2029, a total of 35 new clinical trials are initiated (including phase I-III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> | <p data-bbox="1137 357 1386 470">The Company satisfies any one of the following conditions:</p> <ol data-bbox="1137 527 1386 1153" style="list-style-type: none"> <li data-bbox="1137 527 1386 725">1. From 2025 to 2029, the accumulated operating revenue shall not be less than RMB15.5 billion</li> <li data-bbox="1137 783 1386 1153">2. From 2025 to 2029, a total of 30 new clinical trials are initiated (including phase I-III clinical trials. A clinical trial is initiated only if the first subject is enrolled)</li> </ol> |

If the Company fails to meet the above performance indicators, all the Restricted Shares that are not vested to the Incentive Participants for the current period shall not be vested or deferred to the next Vesting Period, and shall lapse.

**(V) Performance assessment requirements at the Incentive Participant's individual level**

The Company conducts individual performance assessment on the Incentive Participants during the assessment year and determines the actual number of Restricted Shares to be vested to the Incentive Participants based on their assessment results. The performance assessment results of the Incentive Participants are divided into three levels, namely ME & ME Above, ME- and BE, and the actual number of Shares to be vested to the Incentive Participants will be determined according to the proportion of Vesting at the individual level corresponding to the following assessment rating table:

| Assessment results             | ME & ME |     |    |
|--------------------------------|---------|-----|----|
|                                | Above   | ME- | BE |
| Individual-level Vesting ratio | 100%    | 80% | 0  |

The actual number of Restricted Shares to be vested to the Incentive Participants in the current year = the number of Restricted Shares planned to be vested to individuals in the current year × Company-level Vesting ratio × Individual-level Vesting ratio.

If the Restricted Shares planned to be vested to the Incentive Participants for the current period cannot be vested or cannot be fully vested due to assessment reasons, the Restricted Shares shall be cancelled and shall not be deferred to the following years.

**III. Explanation on the scientificity and reasonableness of the assessment indicators**

The assessment indicators of the Incentive Scheme are divided into two levels, namely performance assessment at the Company level and performance assessment at the individual level.

The performance indicators at the Company level include operating revenue and number of clinical trials. Operating revenue indicators can truly reflect the Company's operating conditions and market conditions, and are effective indicators for predicting the trend of business expansion and measuring the growth of the Company. The long R&D cycle of original innovative drugs, large capital investment, high technical barriers, and the number of clinical trials can truly reflect the Company's R&D progress, which is an important indicator to measure the Company's future development potential. The Company has set the performance assessment indicators for the Incentive Scheme after taking into account the macroeconomic environment, the Company's historical performance, industry development, market competition and the Company's future development plan and other relevant factors. The assessment indicators set in the Incentive Scheme

are challenging to a certain extent, which will help enhance the Company's competitiveness and motivate the employees, ensure the materialization of the Company's future development strategy and business objectives, and bring more efficient and lasting returns to the Shareholders.

In addition to performance assessment at the Company level, the Company has also set up a strict performance assessment system for individuals, which can make a relatively accurate and comprehensive evaluation of the work performance of the Incentive Participants. The Company will determine whether the Incentive Participants have met the Vesting Conditions based on their performance assessment results for the previous year.

In summary, the assessment system of the Incentive Scheme is all-round, comprehensive and practicable, and the assessment indicators are scientific and reasonable, which are binding on the Incentive Participants and can serve the assessment purpose of the Incentive Scheme.

## **CHAPTER IX PROCEDURES FOR THE IMPLEMENTATION OF THE RESTRICTED SHARE INCENTIVE SCHEME**

### **I. Procedures for the implementation of the Restricted Share Incentive Scheme**

- (I) The Compensation Committee of the Board of the Company is responsible for preparing the draft and summary of the Incentive Scheme.
- (II) The Board of the Company shall resolve on the Incentive Scheme in accordance with the laws. When the Board considers the Incentive Scheme, the Directors who are the Incentive Participants or related thereto shall abstain from voting. The Board shall submit the Incentive Scheme to the general meeting for consideration after considering and approving the Incentive Scheme and performing the publicity and announcement procedures and propose to the general meeting to authorize the Board (and its authorized person) to implement the Grant and Vesting (registration) of the Restricted Shares.
- (III) The Company will engage an independent financial adviser with securities qualifications to give its professional opinion on the feasibility of the Incentive Scheme, whether the Incentive Scheme is conducive to the sustainable development of the Company, and whether it is detrimental to the interests of the Company, and the impact on the interests of shareholders. The law firm shall issue a legal opinion on the Incentive Scheme.
- (IV) The Company shall carry out self-examination on the trading of RMB ordinary shares of the Company and their derivatives by insiders within 6 months prior to the announcement of the draft Incentive Scheme.

- (V) The Incentive Scheme shall be subject to the consideration and approval at the general meeting of the Company. Before convening the general meeting, the Company shall publish a public notice on the names and positions of the Incentive Participants internally through the Company's website or other channels for a period of not less than 10 days. After the end of the public notice period, the Company will make an announcement on the results of the public notice based on internal feedback 5 days prior to the consideration of the Incentive Scheme at the general meeting.
- (VI) The independent non-executive Directors shall solicit proxy voting rights from all shareholders in respect of the Incentive Scheme.
- (VII) The general meeting of the Company shall vote by ballot on the Incentive Scheme, and shall be approved by more than half of the voting rights held by the shareholders present at the meeting. The voting of the shareholders of RMB ordinary shares (other than the directors, senior management of the Company and shareholders individually or collectively holding more than 5% of the shares of the Company) shall be separately counted and disclosed.

When the Incentive Scheme is considered at the Company's general meeting, shareholders who are Incentive Participants or shareholders who are related to the Incentive Participants shall abstain from voting thereon.

The grant of share awards to any Directors and chief executives or any of their respective associates exceeds 0.1% of the total issued Shares of the Company in any 12-month period, such grant will be subject to the approval of the Independent Shareholders.

- (VIII) The Company shall grant the Restricted Shares to the Incentive Participants within the prescribed period upon consideration and approval of the Incentive Scheme at the general meeting of the Company and the fulfillment of grant conditions stipulated under the Incentive Scheme. The Board (and their authorized person) shall be responsible for the grant and Vesting of the Restricted Shares in accordance with the mandate granted at the general meeting.

## **II. Procedures for granting the Restricted Shares**

- (I) Upon consideration and approval of the Incentive Scheme at the general meeting and passing the resolution of granting interests to the Incentive Participants at the board meeting, the Company shall sign an "Agreement on the Grant of Restricted Shares" with the Incentive Participants in order to set out their respective rights and obligations.

- (II) The Board shall consider and announce whether the conditions of a grant to an Incentive Participant as set out in the Incentive Scheme have been satisfied before the Company makes a grant to such Incentive Participant, and the Reserved Grant of Restricted Shares shall be determined, considered and approved by the Board. For the Incentive Participants who are Directors or chief executives, or any of their respective associates, the grant of share awards to such persons must be approved by the independent non-executive Directors, who shall concurrently provide its views on the grant according to the Hong Kong Listing Rules. The law firm shall issue legal opinions on whether the conditions for the granting of interests to the Incentive Participants are fulfilled or not.
- (III) Where there is any discrepancy between the grant of interests by the Company to the Incentive Participants and the arrangement of the Incentive Scheme, the law firm shall express clear opinions.
- (IV) The Company shall grant Restricted Shares to Incentive Participants under the First Grant and make an announcement within 60 days after the Incentive Scheme is considered and approved at the general meeting. In the event the Company fails to make the First Grant within 60 days, the Incentive Scheme shall be terminated, and the Board shall disclose the reason for such failure in a timely manner and announce the termination of the Incentive Scheme, and shall be prohibited from approving a share incentive scheme again within three months commencing from the date of such announcement.

Incentive Participants eligible for Reserved Grant shall be determined within 12 months after the Incentive Scheme is considered and approved at the general meeting. If Incentive Participants are not determined within 12 months, the Reserved Grant will lapse.

### **III. Procedures for the Vesting of the Restricted Shares**

- (I) Before the Vesting of the Restricted Shares, the Board of the Company shall consider whether the Vesting Conditions of the Incentive Participants as set out in the Incentive Scheme have been fulfilled, and the law firm shall issue legal opinions on whether the Vesting Conditions for the exercise of the Incentive Participants have been fulfilled. For the Incentive Participants who have fulfilled the Vesting Conditions, the Company shall handle the Vesting in a unified manner, and for the Incentive Participants who have not fulfilled the Vesting Conditions, the Restricted Shares in the relevant tranche shall not

be vested and shall lapse. The Company shall disclose the announcement of the resolutions of the Board in a timely manner after the Vesting of the Incentive Participants, and announce the opinions of the law firm and the relevant implementation thereof.

- (II) Before handling the Vesting of the Restricted Shares in a unified manner, the Company shall apply to the Shanghai Stock Exchange. The securities depository and clearing institution shall handle the vesting of the Shares after confirmation by the Shanghai Stock Exchange.

#### **IV. Procedures for amendments to the Incentive Scheme**

- (I) In the event that the Company intends to amend the Incentive Scheme before it is considered and approved at the general meeting, such amendment shall be considered and approved by the Board.
- (II) In the event that the Company intends to amend the Incentive Scheme after it is considered and approved at the general meeting, such amendment shall be considered and determined at the general meeting given that such amendment shall not result in the following:
  - 1. accelerating the Vesting;
  - 2. reducing the Grant Price (except for circumstances where the Grant Price is lowered due to capitalisation issue, bonus issue, rights issue and other reasons).
- (III) The law firm shall issue professional opinions on whether the amended scheme complies with the provisions of the Management Measures and relevant laws and regulations, and whether it is obviously detrimental to the interests of the Company and its shareholders as a whole.

#### **V. Procedures for Termination of the Incentive Scheme**

- (I) If the Company intends to terminate the implementation of the Incentive Scheme before it is considered at the general meeting, such termination shall be considered and approved by the Board.
- (II) If the Company terminates the implementation of the Incentive Scheme after it is considered and approved at the general meeting, such termination shall be considered and approved at general meeting.

- (III) The law firm shall issue professional opinions on whether the Company's termination of the Incentive Scheme complies with the provisions of the Management Measures and relevant laws and regulations, and whether it is obviously detrimental to the interests of the Company and its shareholders as a whole.

Since the date when the Company considered and approved to terminate the implementation of the Incentive Scheme at the general meeting, the Restricted Shares outstanding under the Incentive Scheme shall not be granted, and the granted but not vested Restricted Shares shall not be vested and become invalid.

## CHAPTER X ADJUSTMENT METHOD AND PROCEDURES OF THE RESTRICTED SHARE INCENTIVE SCHEME

### I. Adjustment method of the number of Restricted Shares granted and the number vested

In the event of any capitalisation issue, bonus issue, sub-division, rights issue or share consolidation of the Company in the period from the date of announcement of the Incentive Scheme to the completion of Vesting and registration of Restricted Shares by the Incentive Participants, the number of Restricted Shares granted/vested shall be adjusted accordingly. The adjustment method is as follows:

#### (I) *Capitalisation issue, bonus issue and sub-division of Shares*

$$Q = Q_0 \times (1 + n)$$

Where:  $Q_0$  represents the number of Restricted Shares granted/vested before the adjustment;  $n$  represents the ratio of increase per Share resulting from the capitalisation issue, bonus issue or sub-division of Shares (i.e., the number of Shares increased per Share upon capitalisation issue, bonus issue or sub-division of Shares);  $Q$  represents the adjusted number of Restricted Shares granted/vested.

#### (II) *Rights issue*

$$Q = Q_0 \times P_1 \times (1 + n) \div (P_1 + P_2 \times n)$$

Where:  $Q_0$  represents the number of Restricted Shares granted/vested before the adjustment;  $P_1$  represents the closing price as at the record date;  $P_2$  represents the price of the rights issue;  $n$  represents the ratio of the rights issue (i.e., the ratio of the number of Shares to be issued under the rights issue to the total share capital of the Company before the rights issue);  $Q$  represents the adjusted number of Restricted Shares granted/vested.

***(III) Share consolidation***

$$Q = Q_0 \times n$$

Where:  $Q_0$  represents the number of Restricted Shares granted/vested before the adjustment;  $n$  represents the ratio of consolidation of shares (i.e., one share shall be consolidated into  $n$  shares);  $Q$  represents the adjusted number of Restricted Shares granted/vested.

***(IV) New issue of shares***

In the event of issue of new shares by the Company, no adjustment shall be made to the number of Restricted Shares granted/vested.

**II. Adjustment method of the Grant Price of the Restricted Shares**

In the event of any capitalisation issue, bonus issue, sub-division, rights issue, share consolidation or dividend distribution of the Company in the period from the date of announcement of the Incentive Scheme to the completion of Vesting and registration of Restricted Shares by the Incentive Participants, an adjustment to the Grant Price of Restricted Shares shall be made by the Company accordingly. The adjustment method is as follows:

***(I) Capitalisation issue, bonus issue and sub-division of Shares***

$$P = P_0 \div (1 + n)$$

Where:  $P_0$  represents the Grant Price before the adjustment;  $n$  represents the ratio of increase per share resulting from the capitalisation issue, bonus issue and sub-division of share to each share;  $P$  represents the adjusted Grant Price.

***(II) Rights issue***

$$P = P_0 \times (P_1 + P_2 \times n) \div [P_1 \times (1 + n)]$$

Where:  $P_0$  represents the Grant Price before the adjustment;  $P_1$  represents the closing price as at the record date;  $P_2$  represents the price of the rights issue;  $n$  represents the ratio of the rights issue (i.e., the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue);  $P$  represents the adjusted Grant Price.

***(III) Share consolidation***

$$P = P_0 \div n$$

Where:  $P_0$  represents the Grant Price before the adjustment;  $n$  represents the ratio of share consolidation;  $P$  represents the adjusted Grant Price.

***(IV) Dividend distribution***

$$P = P_0 - V$$

Where:  $P_0$  represents the Grant Price before the adjustment;  $V$  represents the dividend per share;  $P$  represents the adjusted Grant Price.  $P$  shall be greater than 1 after the dividend distribution.

***(V) Additional issue of new shares***

Under the circumstance of additional issue of new shares by the Company, no adjustment will be made on the Grant Price of the Restricted Shares.

**III. Adjustment procedures of the Restricted Share Incentive Scheme**

In the event of the above circumstances, the Board of the Company shall consider and approve the resolution on the adjustment of the number of Restricted Shares to be granted/vested and the Grant Price (if the number and price of Restricted Shares to be granted/vested needs to be adjusted for matters other than the above circumstances, such resolution shall be submitted to the general meeting of the Company for consideration, except for the Board's consideration of the relevant resolution). The Company shall engage a law firm to issue professional opinions to the Board on whether the above adjustments are in compliance with the Management Measures, the Articles of Association and the Incentive Scheme. After the adjustment proposal is considered and approved by the Board, the Company shall timely disclose the announcement of the resolutions of the Board and the legal opinion.

**CHAPTER XI ACCOUNTING TREATMENT ON THE RESTRICTED SHARES**

In accordance with the requirements of the Accounting Standards for Business Enterprises No. 11 — Share-based Payments (《企業會計準則第11號 — 股份支付》) and the Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments (《企業會計準則第22號 — 金融工具確認和計量》), the Company shall, on each balance sheet date during the period from the Grant Date to the Vesting Date, revise the number of

Restricted Shares expected to be vested according to the latest information such as the change in the number of persons entitled to be vested and the completion of performance indicators, and recognise the services obtained in the current period in relevant costs or expenses and capital reserve according to the fair value of the Restricted Shares on the Grant Date.

### **I. Fair value of the Restricted Shares and the determination method**

With reference to the “Application of Share-based Payment Standards — Grant of Restricted Shares (《股份支付準則應用案例 — 授予限制性股票》)” issued by the Accounting Department of the Ministry of Finance of the People’s Republic of China, the measurement of the share-based payment expenses for Class-II Restricted Shares is based on share options. In accordance with the relevant requirements of the Accounting Standards for Business Enterprises No. 11 — Share-based Payments (《企業會計準則第11號 — 股份支付》) and the Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments (《企業會計準則第22號 — 金融工具確認和計量》), the Company selected the Black-Scholes model to calculate the fair value of the Class-II Restricted Shares, and measured the fair value of the 9,870,200 Restricted Shares under the First Grant on November 26, 2024. Specific parameters are as follows:

- (I) Underlying share price: RMB12.81/share (assuming the closing price on the date of the First Grant is the closing price on 26 November 2024);
- (II) Validity Period: 17 months, 29 months, 41 months and 53 months (the period from the Grant Date of the Restricted Shares to the date of Vesting of each tranche);
- (III) Historical volatility: 35.2014%, 33.7426%, 34.8850% and 35.5328% (adopting the volatility rate of the comparable companies for the past 17 months, 29 months, 41 months and 53 months, respectively);
- (IV) Risk-free interest rate: 1.3603%, 1.3852%, 1.4451% and 1.5554% (using the 1-year, 2-year, 3-year and 4-year yield maturity of treasury bonds, respectively).

### **II. Estimated impact on operating performance in each period due to implementation of the Restricted Shares**

The fair value of the Restricted Shares on the Grant Date will be determined by the Company in accordance with the requirements of accounting standards, and the share-based payments under the Incentive Scheme will be further determined accordingly, which will be amortized according to the percentage as set out in the Vesting arrangement during the implementation of the Incentive Scheme. The costs of incentive arising from the Incentive Scheme will be charged to the recurring profit and loss.

According to the requirements of the PRC Accounting Standards, the impact of the Restricted Shares under the First Grant of the Incentive Scheme on the accounting costs for each period is as follows (assuming the Company makes the grant in mid-December 2024):

| Number of<br>Restricted Shares<br>under the First<br>Grant<br>(0' 000 shares) | Total<br>costs to<br>be<br>amortized<br>(RMB0'000) | 2024<br>(RMB0'000) | 2025<br>(RMB0'000) | 2026<br>(RMB0'000) | 2027<br>(RMB0'000) | 2028<br>(RMB0'000) | 2029<br>(RMB0'000) |
|-------------------------------------------------------------------------------|----------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 987.02                                                                        | 6,657.45                                           | 111.57             | 2,677.56           | 1,984.11           | 1,148.13           | 586.08             | 150.01             |

*Notes:*

1. The above calculation results do not represent the final accounting costs. The actual accounting costs are related to the Grant Date, the Grant Price and the number of Restricted Shares vested. If an Incentive Participant resigns before Vesting, or fails to meet the corresponding standards of the performance assessment of the Company or personal performance assessment, the actual number of shares vested will be reduced accordingly and thus lower the share-based payment. Besides, the possible dilutive effects are brought to the attention of shareholders.
2. The final result of the above impact on the Company's operating results will be subject to the annual audit report issued by the accounting firm.

The above calculation does not include the reserved portion of Restricted Shares, and additional share-based payment expenses will be incurred when the Restricted Shares under the reserved portion are granted.

According to the preliminary evaluation by the Company based on the information available, the amortisation of expenses of the Restricted Shares will have an impact on the net profit each year within the Validity Period. But at the same time, the implementation of the Incentive Scheme will further enhance the cohesion of employees and team stability, and effectively motivate the management team, thereby improving operating efficiency and bringing higher operating performance and intrinsic value to the Company.

**CHAPTER XII RIGHTS AND OBLIGATIONS OF THE COMPANY/THE INCENTIVE PARTICIPANTS**

**I. Rights and Obligations of the Company**

- (I) The Company shall have the right to construe and execute the Incentive Scheme and shall appraise the performance of Incentive Participants based on the requirements under the Incentive Scheme. If an Incentive Participant fails to fulfil the Vesting Conditions determined under the Incentive Scheme, according to the principles of the Incentive Scheme, the Restricted Shares that have been granted to Incentive Participants but not yet vested shall not be vested and shall lapse.
- (II) The Company undertakes not to provide loans and any other forms of financial assistance, including providing guarantee for their loans, to the Incentive Participants to obtain relevant Restricted Shares according to the Incentive Scheme.
- (III) The Company shall make timely, true, accurate and complete disclosure of information disclosure documents related to the Incentive Scheme in accordance with relevant laws, regulations and regulatory documents, and ensure that there are no false records, misleading statements or material omissions, and timely fulfil the relevant reporting obligations of the Incentive Scheme.
- (IV) The Company shall proactively procure the Vesting of Restricted Shares for Incentive Participants who have satisfied the Vesting Conditions pursuant to the Incentive Scheme and the relevant requirements of the CSRC, the Shanghai Stock Exchange and the Shanghai Branch of CSDC. The Company shall not be held liable for losses incurred by the Incentive Participants who fail to complete the Vesting of their Restricted Shares due to reasons caused by the CSRC, the Shanghai Stock Exchange and CSDC.
- (V) If the Incentive Participants violate the laws or professional ethics, disclose confidential information of the Company, or engage in negligence or gross misconduct in performance of duties which may cause serious damage to the interests or reputation of the Company, upon being reviewed by the Compensation Committee of the Board and reported to the Board of the Company for approval, the Restricted Shares that have been granted to such Incentive Participants but not yet vested shall not be vested and shall lapse. At the same time, in the event of serious circumstances, the Company may also recover the losses suffered by the Company in accordance with relevant laws and regulations.

(VI) In accordance with the relevant provisions of the national tax laws and regulations, the Company shall withhold and pay the individual income tax and other taxes payable by the Incentive Participants for participation in the Incentive Scheme.

(VII) The Company's determination of the Incentive Participants under the Incentive Scheme does not imply a guarantee of the Incentive Participants enjoy the right to continue to serve the Company, and does not constitute the Company's commitment to the term of employment of employees. The Company's employment and employment management of employees are still implemented in accordance with the employment contract or labor contract signed between the Company and the Incentive Participants.

(VIII) Other relevant rights and obligations as stipulated by laws, administrative regulations and regulatory documents.

## **II. Rights (including rights attaching to the Restricted Shares) and obligations of the Incentive Participants**

(I) Incentive Participants shall, based on the requirement of the position, perform their responsibilities diligently in compliance with professional ethic and strive to contribute to the development of the Company.

(II) The source of funding of Incentive Participants shall derive from their own or self-raised funds.

(III) Prior to the Vesting, the Restricted Shares granted to the Incentive Participants shall not be transferred, or used as security or debt repayment.

(IV) Restricted Shares granted to the Incentive Participants according to the requirements of the Incentive Scheme are not entitled to voting power before Vesting and registration.

(V) Any Restricted Shares vested and registered to an Incentive Participant shall be subject to the provisions of the Articles and will form a single class with the fully paid Shares in issue of the Company on the date of the registration or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members, and accordingly will entitle the Incentive Participant to participate in all dividends or other distributions paid or made by the Company on or after the date of registration or, if that date falls on a day when the register of members of the Company closed, the first day of the reopening of the register of members. An Incentive Participant will not be entitled to participate in the foregoing dividends or other distributions before vesting of any Restricted Shares.

- (VI) The gains acquired by the Incentive Participants as a result of the Incentive Scheme shall be subject to individual income tax and other taxes and fees according to tax laws and regulations of the PRC.
- (VII) Incentive Participants undertake that where false statements or misleading representations in or material omissions from the information disclosure documents of the Company result in non-compliance with interest of grant or Vesting arrangements, Incentive Participants concerned shall return to the Company all interests gained through the Incentive Scheme after the relevant information disclosure documents are confirmed to contain false statements or misleading representations or material omissions.
- (VIII) Upon consideration and approval of the Incentive Scheme at the general meeting, and passing the resolution of granting interest to the Incentive Participants at the Board meeting, the Company shall sign an “Agreement on the Grant of Restricted Shares” with the Incentive Participants in order to set out their respective rights and obligations as well as other relevant matters.
- (IX) Other relevant rights and obligations under the laws, regulations and the Incentive Scheme.

### **CHAPTER XIII HANDLING UNUSUAL CHANGES TO THE COMPANY/THE INCENTIVE PARTICIPANTS**

#### **I. Handling unusual changes to the Company**

- (I) In the event that any of the circumstances below occurs to of the Company, the Incentive Scheme shall be terminated and the Restricted Shares that have been granted to the Incentive Participants but not yet vested shall not be vested:
1. an audit report on the financial and accounting report for the most recent accounting year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
  2. an audit report on internal control over financial reporting for the most recent accounting year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;

3. in the most recent 36 months upon listing, there have been cases of failure to distribute profits according to laws and regulations, the Articles of Association and public undertakings;
  4. laws and regulations stipulate that share incentives shall not be implemented;
  5. other circumstances where the Incentive Scheme should be terminated as determined by the CSRC.
- (II) The Incentive Scheme shall remain unchanged if any of the following events occurs to the Company:
1. a change of control of the Company;
  2. a merger or division of the Company.
- (III) Where false statements or misleading statements in or material omissions from the information disclosure documents of the Company result in non-compliance with conditions for the grant or Vesting of Restricted Shares, the Restricted Shares granted to Incentive Participants but not yet vested shall not be vested and shall lapse. In respect of the Restricted Shares already vested, the Incentive Participants concerned shall return to the Company all equities granted. The Board shall recover the income of Incentive Participants in accordance with the provisions of the preceding paragraph. The Incentive Participants who bear no responsibility for the aforesaid matters and who incur losses as a result of the return of interests granted may seek compensation from the Company or responsible parties.

## **II. Change in personal particulars of the Incentive Participants leading to cancellation of the Restricted Shares**

- (I) If an Incentive Participant ceases to be eligible to participate in the Incentive Scheme due to the occurrence of any of the following circumstances, the Board may decide that the Restricted Shares granted to the Incentive Participant but not yet vested shall not be vested and shall be cancelled on the date of occurrence of the circumstances under the Incentive Scheme:
1. being identified as an inappropriate candidate by the Shanghai Stock Exchange within the most recent 12 months;

2. being identified as an inappropriate candidate by the CSRC and its delegated institutions within the most recent 12 months;
  3. being subject to administrative penalties or market ban measures by the CSRC and its delegated institutions due to material non-compliance with laws and regulations within the most recent 12 months;
  4. being prohibited from acting as a director or a member of the senior management of a company under the Company Law;
  5. being prohibited from participation in the share incentive schemes of listed companies by laws and regulations;
  6. other circumstances as determined by the CSRC.
- (II) If an Incentive Participant's position(s) has been changed but he/she still works in the Company, the Restricted Shares granted to him/her shall be carried out in full accordance with the procedures stipulated in the Incentive Scheme prior to the change of his/her position(s); however, if the Incentive Participant's position(s) has changed due to his/her incompetence to his/her position, violation of laws, violation of professional ethics, leakage of confidential information of the Company, dereliction of duty or malfeasance, serious violation of the Company's system and other acts that damage the interests or reputation of the Company, or the Company terminates his/her labor relationship or employment relationship with the Incentive Participant due to the above reasons, the Restricted Shares that have been granted to the Incentive Participant but not yet vested shall not be vested and shall be cancelled.
- (III) Where an Incentive Participant resigns, including circumstances of voluntary resignation, resignation due to layoffs of the Company, labor contract/employment agreement being expired and not renewed, dismissal by the Company due to personal fault, negotiated termination of labor contract or employment agreement, the Restricted Shares that have been granted to the Incentive Participant but not yet vested since the date of resignation shall not be vested and shall be cancelled. The Incentive Participant shall pay the Company the individual income tax involved in the vested Restricted Shares before resignation.

The Company has the right to recover the losses incurred from an Incentive Participant in accordance with the provisions of relevant laws, depending on the seriousness of the circumstances when he/she has personal faults including but not limited to:

Violation of the labor contract, employment contract, employee manual, confidentiality agreement, non-competition agreement or any other similar agreements signed with the Company or its affiliates; violation of the laws of the country of residence, resulting in criminal offenses or other bad conditions that affect the work performance.

(IV) If an Incentive Participant retires normally in accordance with national regulations and the Company's requirements and maintains a full-time employment relationship with the Company, the Restricted Shares granted to him/her shall remain valid and shall be vested in accordance with the procedures stipulated in the Incentive Scheme.

(V) The resignation of an Incentive Participant due to his/her incapacity shall be dealt with in the following two circumstances:

1. When an Incentive Participant resigns due to incapacity in performing his/her duties, the Restricted Shares granted to him/her shall be carried out in accordance with the procedures stipulated in the Incentive Scheme prior to the incapacity. The Board of the Company may determine that his/her personal performance assessment conditions shall not be included in the Vesting Conditions. The Incentive Participants shall pay to the Company the individual income tax in relation to the Restricted Shares that have been vested before they leave the Company, and shall pay the individual income tax in relation to the Restricted Shares that will be vested in the current period for each Vesting thereafter.
2. When an Incentive Participant leaves the Company due to incapacity not resulting from performance of duties, the Restricted Shares that have been granted to the Incentive Participant but not yet vested shall not be vested and shall be cancelled. Prior to the resignation of the Incentive Participants, the Incentive Participants shall pay to the Company the individual income tax involved in the Restricted Shares that have been vested.

(VI) The death of an Incentive Participant shall be dealt with in two ways:

1. If an Incentive Participant dies in the course of performing his/her duties, the Restricted Shares that have been granted to the Incentive Participant but have not yet been vested shall be inherited by his/her successor and shall be vested in accordance with the procedures stipulated in the Scheme prior to his/her death. The

Board of the Company may determine that his/her personal performance assessment conditions shall no longer be included in the Vesting Conditions. The successor shall pay to the Company the individual income tax in respect of the Restricted Shares vested before the inheritance, and shall pay the individual income tax in respect of the Restricted Shares vested for the current period in advance of each Vesting thereafter.

2. If an Incentive Participant dies not due to performance of duties, the Restricted Shares that have been granted to the Incentive Participant but have not yet been vested shall not be vested and shall be cancelled on the date of occurrence of such event. If the Board, at its discretion, allows the Restricted Shares that have been granted but have not yet been vested to be carried out in accordance with the procedures stipulated in the Incentive Scheme prior to the death of the Incentive Participants, the Board may determine that their personal performance assessment will no longer be included in the Vesting Conditions, and the successors shall pay the individual income tax in respect of the Restricted Shares that have been vested before the inheritance, and shall pay the individual income tax in respect of the Restricted Shares that will be vested in the current period in advance of each Vesting thereafter.

If there is any inability to inherit or register the Restricted Shares in the above-mentioned manner caused by the CSRC, the Shanghai Stock Exchange, or the CSDC, the relevant Restricted Shares shall not be vested and will be cancelled and the Company shall not bear any responsibility for any consequent losses to the Incentive Participant or his/her successor.

(VII) Other unspecified circumstances and the handling method shall be determined by the Board of the Company.

### **III. Settlement mechanism for relevant disputes between the Company and Incentive Participants**

The disputes between the Company and the Incentive Participants arising from the execution of the Incentive Scheme and/or the “Agreement on the Grant of Restricted Shares” signed by the parties or in relation to the Incentive Scheme and/or the “Agreement on the Grant of Restricted Shares” shall be solved through negotiation and communication by both parties, or mediation by the Compensation Committee of the Board of the Company. If relevant disputes are not solved through the above-mentioned methods within 60 days from the date of occurrence of the disputes, either party is entitled to file a lawsuit with the people’s court with jurisdiction in the PRC.

**CHAPTER XIV SUPPLEMENTARY PROVISIONS**

- I. The Incentive Scheme shall become effective upon consideration and approval at the general meeting of the Company.
- II. The Incentive Scheme shall be interpreted by the Board of the Company.
- III. If the provisions of the Incentive Scheme conflict with relevant national laws, regulations, administrative rules and regulatory documents, it shall be implemented or adjusted in accordance with the relevant national laws, regulations, administrative rules and regulatory documents. If there is no provision stipulated in the Incentive Scheme, it shall be implemented or adjusted in accordance with the relevant national laws, regulations, administrative rules and regulatory documents.

The Board of InnoCare Pharma Limited  
26 November 2024

**THE ASSESSMENT MANAGEMENT MEASURES FOR THE 2024 STAR MARKET  
RESTRICTED SHARE INCENTIVE SCHEME OF  
INNOCARE PHARMA LIMITED**

InnoCare Pharma Limited (the “**Company**”) intends to implement the 2024 STAR Market Restricted Share Incentive Scheme (the “**Incentive Scheme**”), in order to solidify the incentive and restraint mechanism of the Company, form a well-balanced value distribution system, fully mobilise the motivation of the employees of the Company such that they can conduct their work in a more honest and diligent manner, so as to secure the steady improvement of the Company’s performance and the achievement of the Company’s development strategy and business objectives.

In order to ensure the smooth implementation of the Incentive Scheme, the Measures are hereby formulated based on the actual situation of the Company in accordance with the Securities Law of the People’s Republic of China (《中華人民共和國證券法》), the Management Measures for Share Incentives of Listed Companies (《上市公司股權激勵管理辦法》), the Rules Governing the Listing of Stocks on the STAR Market of Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》), the Guidelines for Self-discipline Supervision of Companies Listed on the STAR Market No. 4 — Disclosure of Information on Share Incentives (《科創板上市公司自律監管指南第4號 — 股權激勵信息披露》), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant laws, regulations and regulatory documents, as well as the Articles of Association and relevant provisions of the Incentive Scheme.

**I. Purpose of the Assessment**

To further improve the incentive constraint mechanism of the Company, ensure the smooth implementation of the Incentive Scheme and maximise the effect of share incentive to ensure the achievement of the development strategy and business objectives of the Company.

**II. Principles of Assessment**

The assessment and evaluation must adhere to the principles of impartiality, openness and fairness, and be carried out in strict accordance with the Measures and the performance of the Assessed Participants, to realise the close combination of the Incentive Scheme with the work performance and contribution of the Incentive Participants, so as to improve the overall performance of the Company and maximise the interests of the Company and shareholders as a whole.

**III. Scope of Assessment**

The Measures shall apply to all Incentive Participants involved in the Incentive Scheme, i.e., all Incentive Participants identified by the Compensation Committee and approved by the Board, including the Directors, senior management, core technical personnel and other employees of the Company (including holding subsidiaries and branch companies) who the Board considers necessary to be incentivised when the Company announces the Incentive Scheme. All Incentive Participants must have an employment or labour relationship with the Company (including holding subsidiaries and branch companies) at the time of the grant of the restricted shares and during the assessment period specified in the Incentive Scheme.

**IV. Assessment Body**

- (I) The Compensation Committee of the Board is responsible for leading and organising the assessment of the Incentive Participants.
- (II) The human resources department of the Company is responsible for the implementation of specific assessment. The human resources department of the Company is responsible for and will report to the Compensation Committee of the Board.
- (III) The human resources department, the finance department and other relevant departments of the Company are responsible for the collection and provision of relevant assessment data, as well as the authenticity and reliability of the data.
- (IV) The Board of the Company is responsible for reviewing the assessment results.

**V. Assessment Indicators and Standards****(I) Performance assessment requirements at the Company level**

The assessment year of the First Grant of partial Restricted Shares under the Incentive Scheme shall be the four accounting years from 2025 to 2028, and assessment shall be conducted once in each accounting year. The specific assessment targets are set out below:

| Vesting arrangement                     | Assessment year | Performance assessment target A 100% shares to be vested by the Company                                                                                                                                                                                                                                                                     | Performance assessment target B 80% shares to be vested by the Company                                                                                                                                                                                                                                                                       | Performance assessment target C 70% shares to be vested by the Company                                                                                                                                                                                                                                                                      |
|-----------------------------------------|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| First Vesting Period of the First Grant | 2025            | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>1. The operating revenue for 2025 shall not be less than RMB2.0 billion</li> <li>2. Launch 8 new clinical trials (including I-III phase clinical trials, with the requirement of achieving the first enrolment) in 2025</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>1. The operating revenue for 2025 shall not be less than RMB1.75 billion</li> <li>2. Launch 7 new clinical trials (including I-III phase clinical trials, with the requirement of achieving the first enrolment) in 2025</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>1. The operating revenue for 2025 shall not be less than RMB1.5 billion</li> <li>2. Launch 6 new clinical trials (including I-III phase clinical trials, with the requirement of achieving the first enrolment) in 2025</li> </ol> |

| Vesting arrangement                            | Assessment year | Performance assessment target A 100% shares to be vested by the Company                                                                                                                                                                                                                                                                                                           | Performance assessment target B 80% shares to be vested by the Company                                                                                                                                                                                                                                                                                                             | Performance assessment target C 70% shares to be vested by the Company                                                                                                                                                                                                                                                                                                            |
|------------------------------------------------|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Second Vesting<br>Period of the<br>First Grant | 2026            | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2026, the accumulated operating revenue shall not be less than RMB6.0 billion</li> <li>Launch a total of 16 new clinical trials (including I-III phase clinical trials, with the requirement of achieving the first enrolment) from 2025 to 2026</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2026, the accumulated operating revenue shall not be less than RMB4.75 billion</li> <li>Launch a total of 14 new clinical trials (including I-III phase clinical trials, with the requirement of achieving the first enrolment) from 2025 to 2026</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2026, the accumulated operating revenue shall not be less than RMB3.5 billion</li> <li>Launch a total of 12 new clinical trials (including I-III phase clinical trials, with the requirement of achieving the first enrolment) from 2025 to 2026</li> </ol> |

| Vesting arrangement                     | Assessment year | Performance assessment target A 100% shares to be vested by the Company                                                                                                                                                                                                                                                                                                          | Performance assessment target B 80% shares to be vested by the Company                                                                                                                                                                                                                                                                                                             | Performance assessment target C 70% shares to be vested by the Company                                                                                                                                                                                                                                                                                                            |
|-----------------------------------------|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Third Vesting Period of the First Grant | 2027            | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2027, the accumulated operating revenue shall not be less than RMB11 billion</li> <li>Launch a total of 24 new clinical trials (including I-III phase clinical trials, with the requirement of achieving the first enrolment) from 2025 to 2027</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2027, the accumulated operating revenue shall not be less than RMB8.75 billion</li> <li>Launch a total of 21 new clinical trials (including I-III phase clinical trials, with the requirement of achieving the first enrolment) from 2025 to 2027</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2027, the accumulated operating revenue shall not be less than RMB6.5 billion</li> <li>Launch a total of 18 new clinical trials (including I-III phase clinical trials, with the requirement of achieving the first enrolment) from 2025 to 2027</li> </ol> |

| Vesting arrangement                            | Assessment year | Performance assessment target A 100% shares to be vested by the Company                                                                                      | Performance assessment target B 80% shares to be vested by the Company                                                                                       | Performance assessment target C 70% shares to be vested by the Company                                                                                       |
|------------------------------------------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fourth Vesting<br>Period of the<br>First Grant | 2028            | The Company satisfies any one of the following conditions:                                                                                                   | The Company satisfies any one of the following conditions:                                                                                                   | The Company satisfies any one of the following conditions:                                                                                                   |
|                                                |                 | 1. From 2025 to 2028, the accumulated operating revenue shall not be less than RMB17 billion                                                                 | 1. From 2025 to 2028, the accumulated operating revenue shall not be less than RMB13.75 billion                                                              | 1. From 2025 to 2028, the accumulated operating revenue shall not be less than RMB10.5 billion                                                               |
|                                                |                 | 2. Launch a total of 32 new clinical trials (including I-III phase clinical trials, with the requirement of achieving the first enrolment) from 2025 to 2028 | 2. Launch a total of 28 new clinical trials (including I-III phase clinical trials, with the requirement of achieving the first enrolment) from 2025 to 2028 | 2. Launch a total of 24 new clinical trials (including I-III phase clinical trials, with the requirement of achieving the first enrolment) from 2025 to 2028 |

*Note:* The above “operating revenue” is calculated based on the data set out in the consolidated statements audited by the accounting firm engaged by the Company. (same below)

If the reserved portion is granted before the disclosure of the third quarterly report for 2025, the assessment year shall be the four accounting years from 2025 to 2028. The assessment shall be conducted once in each accounting year. The specific assessment targets shall be consistent with those of the First Grant.

If the reserved portion is granted after the disclosure of the third quarterly report for 2025, the assessment year shall be the four accounting years from 2026 to 2029. The assessment shall be conducted once in each accounting year. The specific assessment targets are set out below:

| <b>Vesting arrangement</b>                 | <b>Assessment year</b> | <b>Performance assessment target A 100% shares to be vested by the Company</b>                                                                                                                                                                                                                                                                                                    | <b>Performance assessment target B 80% shares to be vested by the Company</b>                                                                                                                                                                                                                                                                                                      | <b>Performance assessment target C 70% shares to be vested by the Company</b>                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| First Vesting Period of the Reserved Grant | 2026                   | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2026, the accumulated operating revenue shall not be less than RMB6.0 billion</li> <li>Launch a total of 16 new clinical trials (including I-III phase clinical trials, with the requirement of achieving the first enrolment) from 2025 to 2026</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2026, the accumulated operating revenue shall not be less than RMB4.75 billion</li> <li>Launch a total of 14 new clinical trials (including I-III phase clinical trials, with the requirement of achieving the first enrolment) from 2025 to 2026</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2026, the accumulated operating revenue shall not be less than RMB3.5 billion</li> <li>Launch a total of 12 new clinical trials (including I-III phase clinical trials, with the requirement of achieving the first enrolment) from 2025 to 2026</li> </ol> |

| Vesting arrangement                               | Assessment year | Performance assessment target A 100% shares to be vested by the Company                                                                                                                                                                                                                                                                                                          | Performance assessment target B 80% shares to be vested by the Company                                                                                                                                                                                                                                                                                                             | Performance assessment target C 70% shares to be vested by the Company                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Second Vesting<br>Period of the<br>Reserved Grant | 2027            | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2027, the accumulated operating revenue shall not be less than RMB11 billion</li> <li>Launch a total of 24 new clinical trials (including I-III phase clinical trials, with the requirement of achieving the first enrolment) from 2025 to 2027</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2027, the accumulated operating revenue shall not be less than RMB8.75 billion</li> <li>Launch a total of 21 new clinical trials (including I-III phase clinical trials, with the requirement of achieving the first enrolment) from 2025 to 2027</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2027, the accumulated operating revenue shall not be less than RMB6.5 billion</li> <li>Launch a total of 18 new clinical trials (including I-III phase clinical trials, with the requirement of achieving the first enrolment) from 2025 to 2027</li> </ol> |

| Vesting arrangement                        | Assessment year | Performance assessment target A 100% shares to be vested by the Company                                                                                                                                                                                                                                                                                                          | Performance assessment target B 80% shares to be vested by the Company                                                                                                                                                                                                                                                                                                              | Performance assessment target C 70% shares to be vested by the Company                                                                                                                                                                                                                                                                                                             |
|--------------------------------------------|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Third Vesting Period of the Reserved Grant | 2028            | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2028, the accumulated operating revenue shall not be less than RMB17 billion</li> <li>Launch a total of 32 new clinical trials (including I-III phase clinical trials, with the requirement of achieving the first enrolment) from 2025 to 2028</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2028, the accumulated operating revenue shall not be less than RMB13.75 billion</li> <li>Launch a total of 28 new clinical trials (including I-III phase clinical trials, with the requirement of achieving the first enrolment) from 2025 to 2028</li> </ol> | <p>The Company satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>From 2025 to 2028, the accumulated operating revenue shall not be less than RMB10.5 billion</li> <li>Launch a total of 24 new clinical trials (including I-III phase clinical trials, with the requirement of achieving the first enrolment) from 2025 to 2028</li> </ol> |

| Vesting arrangement                         | Assessment year | Performance assessment target A 100% shares to be vested by the Company                                                                                      | Performance assessment target B 80% shares to be vested by the Company                                                                                       | Performance assessment target C 70% shares to be vested by the Company                                                                                       |
|---------------------------------------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fourth Vesting Period of the Reserved Grant | 2029            | The Company satisfies any one of the following conditions:                                                                                                   | The Company satisfies any one of the following conditions:                                                                                                   | The Company satisfies any one of the following conditions:                                                                                                   |
|                                             |                 | 1. From 2025 to 2029, the accumulated operating revenue shall not be less than RMB24 billion                                                                 | 1. From 2025 to 2029, the accumulated operating revenue shall not be less than RMB19.75 billion                                                              | 1. From 2025 to 2029, the accumulated operating revenue shall not be less than RMB15.5 billion                                                               |
|                                             |                 | 2. Launch a total of 40 new clinical trials (including I-III phase clinical trials, with the requirement of achieving the first enrolment) from 2025 to 2029 | 2. Launch a total of 35 new clinical trials (including I-III phase clinical trials, with the requirement of achieving the first enrolment) from 2025 to 2029 | 2. Launch a total of 30 new clinical trials (including I-III phase clinical trials, with the requirement of achieving the first enrolment) from 2025 to 2029 |

If the Company fails to meet the above performance indicators, all the Restricted Shares that are not vested to the Incentive Participants for the current period shall not be vested or deferred to the next Vesting Period, and shall lapse.

***(II) Performance assessment requirements at the Incentive Participant's individual level***

The Company conducts individual performance assessment on the Incentive Participants during the assessment year and determines the actual number of Restricted Shares to be vested to the Incentive Participants based on their assessment results. The performance assessment results of the Incentive Participants are divided into three levels, namely ME & ME Above, ME- and BE, and the actual number of Shares to be vested to the Incentive Participants will be determined according to the proportion of Vesting at the individual level corresponding to the following assessment rating table:

| Assessment results             | ME & ME |     |    |
|--------------------------------|---------|-----|----|
|                                | Above   | ME- | BE |
| Individual-level Vesting ratio | 100%    | 80% | 0  |

The actual number of Restricted Shares to be vested to the Incentive Participants in the current year = the number of Restricted Shares planned to be vested to individuals in the current year × Company-level Vesting ratio × Individual-level Vesting ratio.

If the Restricted Shares planned to be vested to the Incentive Participants for the current period cannot be vested or cannot be fully vested due to assessment reasons, the Restricted Shares shall be cancelled and shall not be deferred to the following years.

## VI. Duration and Frequency of Assessment

For the First Grant and the reserved portion granted before the disclosure of the third quarterly report for 2025, the assessment years shall be the four accounting years from 2025 to 2028, and the assessment shall be conducted once in each accounting year.

For the reserved portion granted after the disclosure of the 2025 third quarterly report, the assessment years shall be the four accounting years from 2026 to 2029, and the assessment shall be conducted once in each accounting year.

## VII. Assessment Procedures

The human resources department of the Company is responsible for the specific assessment under the guidance of the Compensation Committee of the Board and maintaining the assessment results. On this basis, a performance assessment report shall be prepared and submitted to the Compensation Committee of the Board.

## VIII. Management of Assessment Results

### (I) *Feedback on and appealing of assessment results*

The Assessed Participants are entitled to know their own assessment results. The Compensation Committee shall inform the Assessed Participants of the assessment results within 15 working days after the completion of the assessment.

If the Assessed Participants have objections against the assessment results, they can communicate with the human resources department to resolve the objections within 5 days after receiving the results of the assessment. If the objections cannot be resolved through communication, the Assessed Participants may appeal to the Compensation Committee, and the Remuneration Committee shall review and determine the final assessment results within 20 working days.

***(II) Filing of assessment results***

After the completion of the assessment, the human resources department shall file and maintain all assessment results as confidential information, and the assessment results shall be kept for 10 years. Documents and records that exceed the storage period shall be centralized and destroyed by the human resources department upon approval by the Compensation Committee.

**IX. Supplementary Provisions**

- (I) The Board is responsible for the formulation, interpretation and revision of the Measures. If the relevant provisions of the Measures conflict with the laws, administrative regulations and departmental rules to be issued and implemented in the future, the provisions of the latter shall prevail.
- (II) The Measures shall be subject to consideration and approval at the general meeting of the Company and become effective upon the Incentive Scheme becoming effective.

The Board of InnoCare Pharma Limited  
26 November 2024

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## NOTICE FOR EGM

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**INNOCARE**

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**InnoCare Pharma Limited**

**諾誠健華醫藥有限公司**

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

**(Stock code: 9969)**

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of the shareholders (the “**Shareholder(s)**”) of InnoCare Pharma Limited (the “**Company**”) will be held at Building 8, No. 8 Life Science Park Road, Zhongguancun Life Science Park, Changping District, Beijing, PRC on Tuesday, 17 December 2024 at 3:00 p.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions of the Company:

#### ORDINARY RESOLUTIONS

1. To consider and approve the adoption of the 2024 RMB Share Incentive Scheme and the Scheme Mandate Limit.
2. To consider and approve the adoption of the Incentive Scheme Assessment Management Measures.
3. To consider and approve the proposed issue and grant of new RMB Shares under the 2024 RMB Share Incentive Scheme pursuant to the Scheme Mandate Limit.
4. To consider and approve the proposed grant of 2,580,000 Restricted Shares to Dr. Jisong Cui under the 2024 RMB Share Incentive Scheme.
5. To consider and approve the proposed authorization to the Board to handle matters pertaining to the 2024 RMB Share Incentive Scheme.

Yours faithfully,

By Order of the Board

**InnoCare Pharma Limited**

**Dr. Jisong Cui**

*Chairperson and Executive Director*

Hong Kong, 28 November 2024

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## NOTICE FOR EGM

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*Notes:*

1. Unless otherwise defined in this notice or the context otherwise requires, terms defined in the circular of the Company dated 28 November 2024 shall have the same meanings when used in this notice.
2. Voting at the EGM will be taken by poll as required under the Hong Kong Listing Rules.
3. The register of members of the Company will be closed from Thursday, 12 December 2024 to Tuesday, 17 December 2024, both dates inclusive, during which period no transfer of shares will be registered, for the purpose of ascertaining Shareholders' entitlement to attend and vote at the EGM. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the office of the Company's Share Registrar and Transfer Office, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 11 December 2024.
4. Any member entitled to attend and vote at the meeting of the Company shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the meeting of the Company. A proxy need not be a member of the Company.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorized to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.
6. The instrument appointing a proxy and (if required by the board of directors of the Company) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. Please note that 15 December 2024 is not a working day in Hong Kong and Computershare Hong Kong Investor Services Limited's offices will not be open on this day for physical delivery of the form of proxy.
7. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
8. Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
9. If a black rainstorm warning signal, a tropical cyclone warning signal no. 8 or above or "extreme conditions" caused by super typhoons is in force at or at any time after 7:00 a.m. on the date of the meeting, the meeting will be postponed. The Company will publish an announcement on the Company's website at [www.innocarepharma.com](http://www.innocarepharma.com), the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Shanghai Stock Exchange at [www.sse.com.cn](http://www.sse.com.cn) to notify members of the date, time and place of the rescheduled meeting.
10. As at the date hereof, the executive Directors of the Company are Dr. Jisong Cui and Dr. Renbin Zhao; the non-executive Directors of the Company are Dr. Yigong Shi and Mr. Ronggang Xie; and the independent non-executive Directors of the Company are Ms. Lan Hu and Dr. Dandan Dong.