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**CanSino Biologics Inc.**  
**康希諾生物股份公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock code: 6185)**

**(1) PROPOSED ADOPTION OF  
THE 2025 A SHARE INCENTIVE SCHEME  
(2) PROPOSED ADOPTION OF THE 2025 H SHARE OPTION SCHEME  
AND  
(3) GRANT OF H SHARE OPTIONS UNDER  
THE 2025 H SHARE OPTION SCHEME**

**INTRODUCTION**

The Board (excluding those are required to abstain from voting) is pleased to announce that it has resolved at a meeting of the Board held on September 26, 2025 to propose (i) the adoption of the 2025 A Share Incentive Scheme and the proposed issue of Restricted Shares under the 2025 A Share Incentive Scheme, (ii) the adoption of the 2025 A Share Incentive Scheme Assessment Management Measures, (iii) the authorization to the Board to deal with matters relating to the 2025 A Share Incentive Scheme, (iv) the adoption of the 2025 H Share Option Scheme, (v) the authorization to the Board to deal with matters relating to the 2025 H Share Option Scheme, (vi) the proposed grant of H Share Options under the 2025 H Share Option Scheme, and (vii) the cancellation of Repurchased A Shares and reduction of registered capital, all of which are subject to Shareholders' approval by way of special resolutions at the EGM (excluding the grant of H Share Options to Dr. Tao ZHU, Dr. Shou Bai CHAO and Dr. Dongxu QIU under the 2025 H Share Option Scheme).

An EGM will be convened, to consider and, if thought fit, approve, among other things, (i) the proposed adoption of the 2025 A Share Incentive Scheme and the proposed issue of Restricted Shares under the 2025 A Share Incentive Scheme; (ii) the proposed adoption of the 2025 A Share Incentive Scheme Assessment Management Measures; (iii) the proposed authorization to the Board to deal with matters relating to the 2025 A Share Incentive Scheme; (iv) the proposed adoption of the 2025 H Share Option Scheme; (v) the proposed authorization to the Board to deal with matters relating to the 2025 H Share Option Scheme; (vi) the proposed grant of 371,300 H Share Options to Dr. Xuefeng YU; and (vii) the proposed cancellation of Repurchased A Shares and reduction of registered capital.

A circular of the Company containing, among other things, (i) further details of the 2025 A Share Incentive Scheme, the 2025 A Share Incentive Scheme Assessment Management Measures and the 2025 H Share Option Scheme; and (ii) notice convening the EGM is expected to be despatched to the Shareholders in due course.

## **PROPOSED ADOPTION OF THE 2025 A SHARE INCENTIVE SCHEME AND PROPOSED ISSUE OF RESTRICTED SHARES UNDER THE 2025 A SHARE INCENTIVE SCHEME**

### **Principal Terms of the 2025 A Share Incentive Scheme**

**Effectiveness** The 2025 A Share Incentive Scheme shall not take effect unless it's approved by the Shareholders at the EGM on the Adoption Date.

**Validity Period** From the date of the First Grant of the 2025 A Share Incentive Scheme to the date on which all Restricted Shares granted to the Participants have attributed or lapsed. Such validity period shall not exceed 48 months.

The Restricted Shares granted under the 2025 A Share Incentive Scheme may be attributed in tranches and upon the Participants satisfying the corresponding attribution conditions, and each vesting of interest is conditional after fulfilling the corresponding attribution conditions.

**Participants** The Participants who may participate in include the Company's Directors, senior management, and other personnel deemed by the Board to require incentives (excluding independent non-executive Directors and Supervisors). The Participants under the First Grant amount to 87 persons, representing approximately 7.87% of the total number of 1,105 employees of the Company as of December 31, 2024.

The Participants under the First Grant of the 2025 A Share Incentive Scheme shall include:

- (1) Director and senior management of the Company; and
- (2) other persons considered by the Board to be required to be incentivized.

The Participants abovesaid exclude independent non-executive Directors, Supervisors, shareholders who individually or collectively hold more than 5% of the Company's Shares and the actual controllers of the Company, as well as their respective spouse, parents and children.

The Participants of the 2025 A Share Incentive Scheme are determined in accordance with the relevant laws, administrative regulations, regulatory documents including the Company Law, the Securities Law, the Management Measures, the STAR Market Listing Rules and the Guidelines for Self-Discipline as well as the relevant provisions of the Articles of Association and the actual situation of the Company.

Participants under the Reserved Grant of the 2025 A Share Incentive Scheme will be determined in 12 months after the approval at the EGM, and the Company will comply with the relevant requirements under the STAR Market Listing Rules and the Hong Kong Listing Rules when determining the Participants.

The Board is of the view that the Participants of the 2025 A Share Incentive Scheme and the basis of determining the eligibility of the Participants of the 2025 A Share Incentive Scheme are consistent with the Group's business needs and industry norm, and are also in line with the purpose of the 2025 A Share Incentive Scheme and the interests of Shareholders.

**Allocation of Restricted Shares to be granted**

The allocation of the Restricted Shares to be granted under the 2025 A Share Incentive Scheme among the Participants is as follows:

Number	Name	Nationality	Position	Number of the Restricted Shares to be granted (shares)	Percentage to the total number of the Restricted Shares to be granted	Percentage to the total share capital as of the date of the announcement of the draft 2025 A Share Incentive Scheme
<b>I. First Grant of the 2025 A Share Incentive Scheme</b>						
1.	Directors and senior management					
1	Ms. Jing WANG	PRC	Executive Director, chief commercial officer and deputy general manager	103,700	4.02%	0.04%
2	Mr. Jin CUI	PRC	Secretary to the Board	46,300	1.79%	0.02%
2.	Other persons considered by the Board to be required to be incentivized (81 Chinese nationals)			1,771,900	68.68%	0.72%
3.	Other persons considered by the Board to be required to be incentivized (4 individuals, including foreign nationals and Chinese (Hong Kong))			143,600	5.57%	0.06%
Total under the First Grant of the 2025 A Share Incentive Scheme				2,065,500	80.06%	0.83%
<b>II. Reserved Grant of the 2025 A Share Incentive Scheme</b>				514,500	19.94%	0.21%
<b>Total</b>				<b>2,580,000</b>	<b>100.00%</b>	<b>1.04%</b>

*Notes:*

- The Shares granted to any of the above Participants under all share schemes within the validity period shall not exceed 1.00% of the total share capital of the Company. The total number of Shares which may be issued involved in all share schemes of the Company within the validity period shall not exceed 10.00% of the total share capital of the Company as of the date on which the 2025 A Share Incentive Scheme is submitted to the general meeting of Company for consideration.

2. The Participants abovesaid exclude independent non-executive Directors, Supervisors, shareholders who individually or collectively hold more than 5% of the Company's Shares and the actual controllers of the Company, as well as their respective spouse, parents and children.
3. The Participants under the Reserved Grant of the 2025 A Share Incentive Scheme shall be determined within 12 months after the 2025 A Share Incentive Scheme is considered and approved by the general meeting of the Company. After the Board of Directors determine and the Board of Supervisors (or the supervisory authority) provide clear opinions, lawyers provide professional opinions and issue legal opinions, the Company shall timely and accurately disclose the relevant information of the Participants as required. If the Participants have not been determined within the above 12 months, the Reserved Grant of the 2025 A Share Incentive Scheme shall lapse.
4. If the Participant voluntarily abandons the rights and interests granted due to personal reasons, the Board of Directors shall adjust the amount granted accordingly, adjust the share abandoned by such Participant to the Reserved Grant of the 2025 A Share Incentive Scheme or distribute among other Participants.

**Source of the Restricted Shares to be granted**

A Shares repurchased from the Company on the secondary market and/or new A Shares to be issued by the Company to the Participants under the 2025 A Share Incentive Scheme.

**Number of Restricted Shares to be granted**

The total number of the Restricted Shares to be granted under the 2025 A Share Incentive Scheme shall be no more than 2,580,000 Shares, representing approximately 1.04% of the total share capital of the Company as of the date of this announcement, among which 2,065,500 Restricted Shares representing approximately 0.83% of the total share capital of the Company as of the date of this announcement will be granted under the First Grant of the 2025 A Share Incentive Scheme, and 514,500 Restricted Shares representing approximately 0.21% of the total share capital of the Company as of the date of this announcement will be reserved for the Reserved Grant of the 2025 A Share Incentive Scheme.

The cumulative total number of the Shares which may be issued involved in all share schemes of the Company within their validity period shall not exceed 10.00% of the Company's total share capital. The total number of the Shares to be granted under all share schemes of the Company to any Participant shall not exceed 1.00% of the total share capital of the Company.

Where any grant of the Restricted Shares to a Director, chief executive of the Company or any of their associates would result in the Shares issued and to be issued in respect of all shares granted to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the Shares in issue, such further grant of Restricted Shares must be approved by the Shareholders at the general meeting.

The Restricted Shares granted to the Participants pursuant to the 2025 A Share Incentive Scheme shall not be transferred, pledged for guarantees or used for repayment of debt before attribution and shall not be transferred during the lock-up period.

### **Grant Price**

The Grant Price of the Restricted Shares (for both First Grant of the 2025 A Share Incentive Scheme and Reserved Grant of the 2025 A Share Incentive Scheme) under the 2025 A Share Incentive Scheme shall be RMB41.20 per A Share. Upon fulfilment of the conditions of grant, each Participant is entitled to purchase the Restricted Shares at the price of RMB41.20 per Share.

No consideration will be payable on acceptance of each grant of the Restricted Shares by a Participant under the 2025 A Share Incentive Scheme.

### **Basis of Determination of the Grant Price**

The Grant Price of the Restricted Shares under the 2025 A Share Incentive Scheme shall not be less than the par value of the Restricted Shares and shall not be less than the highest of:

- (1) 50% of the average trading price of the A Shares on the trading day immediately preceding the announcement date of the 2025 A Share Incentive Scheme, calculated as the total trading value of the A Shares on that day divided by the total trading volume on the same day, being RMB38.45 per A Share;
- (2) 50% of the average trading price of the A Shares on the 20 trading days immediately preceding the announcement date of the 2025 A Share Incentive Scheme, calculated as the total trading value of the A Shares over the preceding 20 trading days divided by the total trading volume over the preceding 20 trading days, being RMB41.20 per A Share;

- (3) 50% of the average trading price of the A Shares on the 60 trading days immediately preceding the announcement date of the 2025 A Share Incentive Scheme, calculated as the total trading value of the A Shares over the preceding 60 trading days divided by the total trading volume over the preceding 60 trading days, being RMB39.76 per A Share;
- (4) 50% of the average trading price of the A Shares on the 120 trading days immediately preceding the announcement date of the 2025 A Share Incentive Scheme, calculated as the total trading value of the A Shares over the preceding 120 trading days divided by the total trading volume over the preceding 120 trading days, being RMB36.62 per A Share.

## **Adjustment**

### **Adjustment method for the number of the Restricted Shares**

In the event of any capitalization issue, bonus issue, rights issue, sub-division of shares or share consolidation of the Company during the period from the date of the announcement of the 2025 A Share Incentive Scheme to the granting of Restricted Shares to the Participants, and from the granting of Restricted Shares to the Participants to the attribution of the Restricted Shares to the Participants, the number of the Restricted Shares granted/attribution shall be adjusted accordingly. The adjustment method is as follows:

- (1) 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/attribution before adjustment;  $n$  represents the ratio of increase per share resulting from conversion of capital reserve into share capital, stock dividend or share split (i.e. the number of the shares increased per share upon conversion of capital reserve into share capital, stock dividend or share split);  $Q$  represents the number of Restricted Shares granted/attribution after adjustment.

(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/attributed before adjustment;  $P_1$  represents the closing price as of the record date;  $P_2$  represents the price of the allotted shares;  $n$  represents the ratio of the share allotment (i.e. the ratio of the number of shares to be issued under the share allotment to the total number of shares of the Company before the share allotment);  $Q$  represents the number of Restricted Shares granted/attributed after adjustment.

(3) Share consolidation

$$Q = Q_0 \times n$$

Where:  $Q_0$  represents the number of the Restricted Shares granted/attributed before adjustment;  $n$  represents the ratio of consolidation of shares (i.e. one share of the Company is consolidated into  $n$  share);  $Q$  represents the number of the Restricted Shares granted/attributed after adjustment.

(4) New issue of shares

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

**Adjustment method of the grant price of the Restricted Shares**

In the event of any capitalization issue, bonus issue, rights issue, sub-division of shares, share consolidation or dividend distribution of the Company during the period from the date of the announcement of the 2025 A Share Incentive Scheme to the granting of Restricted Shares to the Participants, and from the granting of Restricted Shares to the Participants to the attribution of the Restricted Shares to the Participants, the grant price of the Restricted Shares granted shall be adjusted accordingly. The adjustment method is as follows:

- (1) Capitalisation issue, bonus issue and sub-division of shares

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

Where:  $P_0$  represents the granted price before the adjustment;  $n$  represents the ratio of increase per share resulting from conversion of capital reserve into share capital, stock dividend and share split;  $P$  represents the granted price after the adjustment.

- (2) Rights issue

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

Where:  $P_0$  represents the granted price before the adjustment;  $P_1$  represents the closing price as of the record date;  $P_2$  represents the price of the allotted shares;  $n$  represents the ratio of the share allotment (i.e. the ratio of the number of shares to be issued under the share allotment to the total number of shares of the Company before the share allotment);  $P$  represents the granted price after the adjustment.

- (3) Share consolidation

$$P = P_0 \div n$$

Where:  $P_0$  represents the granted price before the adjustment;  $n$  represents the ratio of consolidation of shares per share;  $P$  represents the granted price after the adjustment.

- (4) Dividend distribution

$$P = P_0 - V$$

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

(5) New issue of shares

In the event of new issue of shares by the Company, no adjustment will be made to the granted price of the Restricted Shares.

**Grant Date**

The Grant Date shall be determined by the Board of Directors after the 2025 A Share Incentive Scheme has been considered and approved at a general meeting of the Company.

Pursuant to Article 44 of the Measures for the Administration of Equity Incentive Plans of Listed Companies (《上市公司股權激勵管理辦法》), an equity incentive plan shall, after being approved by the shareholders' general meeting, be implemented by the listed company through the grant of rights and interests within 60 days, accompanied by the completion of public announcement and registration procedures.

Furthermore, Article 42 provides that the board of directors of a listed company shall, in accordance with the resolution of the shareholders' general meeting, be responsible for the implementation of matters including the grant, release of restrictions, and repurchase of restricted shares, as well as the authorization, exercise, and cancellation of stock options.

In accordance with the foregoing provisions, an equity incentive plan must first obtain approval from the shareholders' general meeting of the listed company, whereupon the board of directors shall carry out the grant and other related activities within the prescribed time limit.

**Attribution Period**

For Restricted Shares under the First Grant of the 2025 A Share Incentive Scheme:

<b>Attribution arrangement</b>	<b>Attribution period</b>	<b>Attribution amount as a percentage of the total amount of the First Grant of the 2025 A Share Incentive Scheme</b>
First attribution tranche	From the first trading day after the expiry of 12 months following the Grant Date of the First Grant of the 2025 A Share Incentive Scheme to the last trading day within the 24 months following the Grant Date of the First Grant of the 2025 A Share Incentive Scheme	40%
Second attribution tranche	From the first trading day after the expiry of 24 months following the Grant Date of the First Grant of the 2025 A Share Incentive Scheme to the last trading day within the 36 months following the Grant Date of the First Grant of the 2025 A Share Incentive Scheme	30%
Third attribution tranche	From the first trading day after the expiry of 36 months following the Grant Date of the First Grant of the 2025 A Share Incentive Scheme to the last trading day within the 48 months following the Grant Date of the First Grant of the 2025 A Share Incentive Scheme	30%

The attribution period for the Reserved Grant of the 2025 A Share Incentive Scheme shall be as follows:

<b>Attribution arrangement</b>	<b>Attribution period</b>	<b>Attribution amount as a percentage of the total amount of the Reserved Grant of the 2025 A Share Incentive Scheme</b>
First attribution tranche	From the first trading day after the expiry of 12 months following the Grant Date of the Reserved Grant of the 2025 A Share Incentive Scheme to the last trading day within the 24 months following the Grant Date of the Reserved Grant of the 2025 A Share Incentive Scheme	50%
Second attribution tranche	From the first trading day after the expiry of 24 months following the Grant Date of the Reserved Grant of the 2025 A Share Incentive Scheme to the last trading day within the 36 months following the Grant Date of the Reserved Grant of the 2025 A Share Incentive Scheme	50%

The Restricted Shares which have not been attributed during the attribution period of their respective tranches as a result of failure to fulfil the attribution conditions are not allowed to be attributed or deferred to be attributed in the next year(s) and shall lapse according to the 2025 A Share Incentive Scheme.

## Lock-up Period

The lock-up period refers to the period of time when the Restricted Shares attributed to the Participants are subject to sell restrictions.

The requirements of lock-up for the Restricted Shares granted to the Directors and senior management (if any) under the 2025 A Share Incentive Scheme are implemented in accordance with relevant laws, administrative regulations and regulatory documents including the Company Law, the Securities Law, the Provisional Measures for the Management of Reduction of Shareholding by Shareholders of Listed Companies (《上市公司股東減持股份管理暫行辦法》) (the “**Provisions on the Reduction of Shares**”) and the Guidelines No.15 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Managers (《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、高級管理人員減持股份》) (the “**Self-Regulation Rules on the Reduction of Shares**”) and the Articles of Association as follows:

- (1) where the Participant is a Director or a member of the senior management of the Company, the number of Shares which may be transferred each year during his/her term of office determined at the time of appointment and within six (6) months after the term expires shall not exceed 25% of the total number of Shares held by him/her. No Shares held by him/her may be transferred within six (6) months after his/her termination of office;
- (2) for the Participant who is a Director or a member of the senior management of the Company, if he/she has sold the Shares held by him/her within six (6) months after purchasing such Shares, or if he/she has purchased the Shares within six (6) months after selling his/her Shares, the gains obtained therefrom shall be attributed to the Company and the Board shall forfeit the gains, unless otherwise stipulated by relevant laws, regulations or normative documents;

- (3) during the validity period of the 2025 A Share Incentive Scheme, if the relevant requirements under the relevant laws, administrative regulations, regulatory documents including the Company Law, the Securities Law, the Provisions on the Reduction of Shares and the Self-Regulation Rules on the Reduction and 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 held by the Participants shall comply with the relevant laws, regulations and regulatory documents as amended at the time of transfer.

**Conditions for Grant  
of the Restricted  
Shares**

The Restricted Shares shall be granted upon satisfaction of all of the following granting conditions:

- (i) None of the following has occurred on the part of the Company:
  - (1) an audit report on the financial and 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 equity incentives shall not be implemented; and
  - (5) other circumstances as determined by the CSRC.

- (ii) None of the following has occurred on the part of the Participants:
  - (1) the Participant has been determined as an inappropriate candidate by the relevant stock exchange within the most recent 12 months;
  - (2) the Participant has been identified as an inappropriate candidate by the CSRC and its delegated institutions within the most recent 12 months;
  - (3) the Participant has been subject to administrative punishment or market ban measures by the CSRC and its delegated institutions due to major breach of laws and regulations in the most recent 12 months;
  - (4) the Participant is prohibited by the Company Law from acting as a director or member of the senior management of a company;
  - (5) applicable laws and regulations stipulate that the Participant shall not participate in equity incentives of listed companies; and
  - (6) other circumstances as determined by the CSRC.

**Conditions for the  
Attribution of the  
Restricted Shares**

For the Restricted Shares to be attributed to the Participant in tranches, all of the following conditions shall be satisfied within the attribution period:

- (i) None of the following has occurred on the part of the Company:
  - (1) an audit report on the financial and 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) applicable laws and regulations stipulate that equity incentives shall not be implemented; and
  - (5) other circumstances as determined by the CSRC.
- (ii) None of the following has occurred on the part of the Participants:
- (1) the Participant has been determined as an inappropriate candidate by the relevant stock exchange within the most recent 12 months;
  - (2) the Participant has been identified as an inappropriate candidate by the CSRC and its delegated institutions within the most recent 12 months;
  - (3) the Participant has been subject to administrative punishment or market ban measures by the CSRC and its delegated institutions due to major breach of laws and regulations in the most recent 12 months;
  - (4) the Participant shall not act as a director or member of the senior management of a company according to the Company Law;
  - (5) applicable laws and regulations stipulate that the Participant shall not participate in the equity incentives of listed companies; and
  - (6) other circumstances as determined by the CSRC.

In the event that any one of the circumstances specified in subparagraph (i) above arises in relation to the Company, the Restricted Shares that have been granted but have not yet been attributed to the Participants under the 2025 A Share Incentive Scheme shall not be attributed and shall lapse. In the event that any one of the circumstances specified in subparagraph (ii) above arises in relation to a certain Participant, the Restricted Shares that have been granted but have not yet been attributed to such Participant under the 2025 A Share Incentive Scheme shall not be attributed and shall lapse.

- (iii) Requirements on length of employment of the Participants for attribution of Restricted Shares:

Before each tranche of Restricted Shares granted to the Participants attributes, the Participant must be employed by the Group for more than 12 months.

- (iv) Performance assessment requirements at the company level:

Under the 2025 A Share Incentive Scheme, the Company's performance indicators will be evaluated on an annual basis for the financial years of 2025, 2026 and 2027, and the achievement of performance assessment target will be one of the attribution conditions for the Participants for the relevant year. The attribution arrangement, performance assessment targets and attribution factors are shown in the following table:

(1) The performance assessment targets for the First Grant of the 2025 A Share Incentive Scheme are as follows:

Attribution Arrangement	Assessment Year	Performance Target A Company Attribution Factor: 100%	Performance Target B Company Attribution Factor: 90%	Performance Target C Company Attribution Factor: 80%
First attribution tranche	2025	<p>1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2025 shall not be less than 22.0%;</p> <p>2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025 should not be less than 4;</p> <p>3. No fewer than 2 new clinical trials have been initiated in 2025 (based on achieving first case enrolment).</p>	<p>1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2025 shall not be less than 20.0%;</p> <p>2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025 should not be less than 4;</p> <p>3. No fewer than 2 new clinical trials have been initiated in 2025 (based on achieving first case enrolment).</p>	<p>1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2025 shall not be less than 19.0%;</p> <p>2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025 should not be less than 4;</p> <p>3. No fewer than 1 new clinical trials have been initiated in 2025 (based on achieving first case enrolment).</p>

Attribution Arrangement	Assessment Year	Performance Target A Company Attribution Factor: 100%	Performance Target B Company Attribution Factor: 90%	Performance Target C Company Attribution Factor: 80%
Second attribution tranche	2026	<p>1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2026 shall not be less than 71.0%;</p> <p>2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025 and 2026 should not be less than 9;</p> <p>3. No fewer than 4 new clinical trials have been initiated cumulatively in 2025 and 2026 (based on achieving first case enrolment).</p>	<p>1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2026 shall not be less than 69.0%;</p> <p>2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025 and 2026 should not be less than 8;</p> <p>3. No fewer than 3 new clinical trials have been initiated cumulatively in 2025 and 2026 (based on achieving first case enrolment).</p>	<p>1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2026 shall not be less than 66.0%;</p> <p>2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025 and 2026 should not be less than 7;</p> <p>3. No fewer than 3 new clinical trials have been initiated cumulatively in 2025 and 2026 (based on achieving first case enrolment).</p>

Attribution Arrangement	Assessment Year	Performance Target A Company Attribution Factor: 100%	Performance Target B Company Attribution Factor: 90%	Performance Target C Company Attribution Factor: 80%
Third attribution tranche	2027	<p>1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2027 shall not be less than 109.0%;</p> <p>2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025, 2026 and 2027 should not be less than 12;</p> <p>3. No fewer than 6 new clinical trials have been initiated cumulatively in 2025, 2026 and 2027 (based on achieving first case enrolment).</p>	<p>1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2027 shall not be less than 105.0%;</p> <p>2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025, 2026 and 2027 should not be less than 11;</p> <p>3. No fewer than 5 new clinical trials have been initiated cumulatively in 2025, 2026 and 2027 (based on achieving first case enrolment).</p>	<p>1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2027 shall not be less than 101.0%;</p> <p>2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025, 2026 and 2027 should not be less than 10;</p> <p>3. No fewer than 4 new clinical trials have been initiated cumulatively in 2025, 2026 and 2027 (based on achieving first case enrolment).</p>

*Note:* The above “operating revenue” is calculated based on the data set out in the consolidated audited financial statements in accordance with the Chinese Accounting Standards for Business Enterprises.

- (2) The assessment years and the relevant performance targets for Reserved Grant of the 2025 A Share Incentive Scheme shall be the same as those for the First Grant of the 2025 A Share Incentive Scheme in 2026 and 2027.

- (v) Performance assessment requirements at the individual Participant’s level:

The individual performance assessment of Participants is carried out according to the internal performance assessment system of the Company. The results of the individual assessment of Participants are categorized into two levels, namely “A” and “B”, the final number of Restricted Shares to be attributed shall be determined based on their personal appraisal results, with the corresponding attribution percentage is as follows:

<b>Assessment Level</b>	<b>A</b>	<b>B</b>
Individual attribution factor	100%	0%

- (1) Under the premise of the Company achieving above its performance assessment target C (inclusive), the number of Restricted Shares to be attributed to the Participant in the relevant year equals to the number of Restricted Shares planned to be attributed to the individual Participant in that year multiplied by the Company attribution factor and further multiplied by the individual attribution factor.
- (2) In any event if the Restricted Shares to be attributed to the Participant under the 2025 A Share Incentive Scheme in the relevant year cannot be attributed or fully attributed due to assessment reasons, such Restricted Shares shall lapse and cannot be deferred to the next year for attribution.
- (3) The specific content of the assessment under the 2025 A Share Incentive Scheme is implemented in accordance with the 2025 A Share Incentive Scheme Assessment Management Measures.

The Board is of the view that the above performance targets set out in the 2025 A Share Incentive Scheme are consistent with the Group’s business needs and industry norm, and are also in line with the purpose of the 2025 A Share Incentive Scheme and the interests of Shareholders.

**Basis of the  
Performance  
Assessment  
Indicators**

The establishment of the assessment indicators of the 2025 A Share Incentive Scheme complies with the basic provisions of laws and regulations and the Articles of Association. The assessment indicators are categorized into two levels: company level performance assessment and individual level performance assessment.

The Company is an enterprise dedicated to research and development, manufacture and commercialization of innovative vaccines in line with domestic and international standards. Under the leadership of the management, the Company has pushed forward the research and development of a series of innovative vaccines, and the research and development pipeline covers a number of vaccine varieties with high clinical demand, such as those for the prevention of meningitis, pneumonia, Diphtheria-Pertussis-Tetanus (DPT), COVID-19, Ebola virus disease, Poliomyelitis, herpes zoster, and tuberculosis, etc. In order to achieve the Company's strategic objectives and maintain the existing competitiveness, the operating revenue and the progress of vaccine candidates were set as the assessment indicators at the company level, which can authentically reflect the Company's operation and market positions, and is an effective indicator to predict the Company's operation and development trend and measure the Company's operation efficiency and growth. Based on comprehensive considerations including but not limited to the macroeconomic environment, the Company's historical performance, development in vaccine industry, competition in the market, the Company's future development plan and other relevant factors, the Company has set the performance assessment indicators of the 2025 A Share Incentive Scheme. The objectives set in the 2025 A Share Incentive Scheme are beneficial to enhance the competitiveness of the Company, motivate employees, ensure the realization of the Company's development strategy and business objectives, and bring more efficient and lasting returns to Shareholders.

In addition to the performance assessment at the company level, the Company has also set up a stringent performance assessment mechanism for each individual employee, which is expected to lead to a more accurate and comprehensive evaluation on the performance of the Participants. The Company will determine whether the relevant Participants meet the conditions of attribution according to the annual performance assessment results.

In summary, the Company's appraisal mechanism under the 2025 A Share Incentive Scheme is integrated, comprehensive and practicable. Meanwhile, the Participants are subject to the scientific and reasonable performance indicators, through which the appraisal purpose of the 2025 A Share Incentive Scheme can be achieved.

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

In accordance with relevant requirements of the Accounting Standards for Business Enterprises No. 11 – Share-Based Payments and the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, on each balance sheet date during the period from the Grant Date to the attribution date, the Company shall revise the number of the Restricted Shares which are expected to be attributed according to the changes in the latest available number of persons eligible to be attributed the Restricted Shares, fulfilment of the performance targets and other subsequent information, and recognize the services acquired during such period in relevant costs or expenses and capital reserve at the fair value of the Restricted Shares on the Grant Date.

#### **(i) Fair Value of the Type II Restricted Shares and the Determination Method**

The Company will include the services obtained in the current period into relevant costs or expenses and capital reserves according to the fair value of stock options on the Grant Date. The Company selects the Black-Scholes model to calculate the fair value of the Type II Restricted Shares, and uses the model to predict the Type II Restricted Shares under the First Grant of the 2025 A Share Incentive Scheme on September 26, 2025 (formal calculation at the time of grant). The specific parameters are as follows:

- (1) underlying stock price: RMB76.40 per A Share (assuming that the closing price of the A Shares of the Company on the Grant Date is the closing price on September 26, 2025);
- (2) the validity period is 12 months, 24 months and 36 months respectively (the period from the date of grant to the attribution date of each tranche);

- (3) historical volatility: 29.1674%, 27.5252%, 26.1928% (using the historical volatility of Shenwan Biological Products Industry in recent three years); and
- (4) risk free interest rate: 1.3925%, 1.5211%, 1.5336% (Chinese Treasury Bond 1-year, 2-year, 3-year yields are adopted respectively).
- (ii) The Estimated Impact on the Operating Performance in Each Accounting Period due to the implementation of the Restricted Shares

The fair value of the Restricted Shares at the Grant Date shall be determined in accordance with accounting standards and the share-based expense of the 2025 A Share Incentive Scheme will be determined accordingly. The total amount of above expenses will be amortized in proportion to the attributed shares during the implementation of the 2025 A Share Incentive Scheme and the incentive cost of the 2025 A Share Incentive Scheme will be disbursed from operating profit or loss.

In accordance with PRC accounting standards, the amortization of cost of the Restricted Shares under the First Grant of the 2025 A Share Incentive Scheme for each accounting period is as follows (assuming the Grant Date will be in late October 2025):

*Unit: RMB0'000*

Number of Restricted Shares under the First Grant of the 2025 A Share Incentive Scheme (share)	Amortization cost of the Restricted Shares	Year ending	Year ending	Year ending	Year ending
		December 31, 2025	December 31, 2026	December 31, 2027	December 31, 2028
2,065,500	7,590.56	814.30	4,392.07	1,733.01	651.17

*Notes:*

1. The above costs are projected costs, and actual costs are related to the Grant Date, the actual Grant Price, and the number of attributed shares, which are subject to decrease in case of the Participants' demission before attribution, and the Company or the Participant not being able to meet corresponding performance assessment requirements, which result in decrease of incentive costs. The Company draws the Shareholders' attention to the possible dilutive effect of the share-based payment described above;
2. The final impact of the above projected amortization expenses on the Company's operating results is subject to the audit report issued by the accountants.

The Company estimates that, based on available information, the amortization of costs of the Restricted Shares will have an impact on the net profit each year within the validity period. The implementation of the 2025 A Share Incentive Scheme will further improve the cohesion of the employees and stability of team, stimulate the enthusiasm of the management, and improve operating efficiency, thus will have a positive effect on the Company's performance and internal value.

**Clawback/Lapse  
Mechanism**

**In the Event of any Changes Occurred at the Company Level**

- (1) In the event that any of the circumstances below occurs in respect of the Company, the 2025 A Share Incentive Scheme shall be terminated and the Restricted Shares that have been granted to the Participants under the 2025 A Share Incentive Scheme but have not yet been attributed shall not be attributed and shall lapse:
  - (i) an audit report on the financial and 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;
  - (ii) 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;

- (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 equity incentives shall not be implemented;
  - (v) other circumstances where the 2025 A Share Incentive Scheme should be terminated as determined by the CSRC.
- (2) In the event that any of the circumstances below occurs, the 2025 A Share Incentive Scheme shall remain unchanged:
- (i) There is a change of control of the Company but no material assets reorganization; and
  - (ii) There is a merger or division of the Company, and the Company continues to operate.
- (3) In the event that any of the circumstances below occurs, the general meeting of the Company shall decide whether to terminate or amend the 2025 A Share Incentive Scheme:
- (i) There is a change of control of the Company and a material assets reorganization; and
  - (ii) There is a merger or division of the Company and the Company ceases to operate.

- (4) If the Company fails to meet the conditions for granting or attributing the Restricted Shares due to false records, misleading statements or major omissions in the information disclosure documents, the Restricted Shares that have been granted to the Participants but have not yet been attributed shall not be attributed and shall lapse. If the Restricted Shares that have been granted to the Participants have already been attributed, the Participants shall return all the granted rights and interests. The board of directors shall recover the proceeds from the Participants in accordance with the requirements under the preceding paragraph. If a Participant who is not responsible for the above matters suffers from losses due to the return of rights and interests, such Participant can recover such losses from the Company or the responsible targets.

**In the Event of any Changes in the Personal Circumstances of the Participants**

- (1) If the position of the Participant changes but he/she still works in the Company or its subsidiaries, the Restricted Shares granted to him/her shall still be attributed in accordance with the procedures stipulated in the 2025 A Share Incentive Scheme before such change. However, (1) if the Participant becomes incompetent for the position, violates the law, violates professional ethics, divulges company secrets, damages the interests or reputation of the Company due to dereliction of duty or malfeasance, or causes the Company to terminate the labor relationship with the Participant due to the above reasons. The Restricted Shares that have been granted but have not yet been attributed shall not be attributed and shall lapse. (2) if the Participants work in a subsidiary controlled by the Company, and if the Company loses control over the subsidiary and the Participants still work in such subsidiary, the Restricted Shares that have been attributed shall not be handled. The Restricted Shares that have been granted to such Participant but have not yet been attributed, shall not be attributed, and shall lapse.

- (2) If the Participant leaves the Company, including due to voluntary resignation, company layoffs, expiration of labor contract or employment agreement, termination of labor contract or employment agreement as the result of personal fault or mutual agreement, the Restricted Shares that have been granted to such Participant but have not yet been attributed shall not be attributed, and shall lapse. The Participant shall pay the Company the personal income tax and other taxes arising from the attributed Restricted Shares before leaving.

The Company has the right to recover the losses incurred from the Participant in accordance with the relevant laws and regulations in the event of a material personal fault of the Participant, including but not limited to:

violation of the employment contract, confidentiality agreement, non-competition agreement or any other similar agreement signed with the Company or its affiliates; violation of the laws of the country of residence, resulting in criminal offenses or other conditions that negatively affect his/her performance of duties; and receiving remuneration from other company or individual without disclosing it to the Company in advance.

- (3) If the Participants retire according to the laws and regulations as well as the Company's regulations (including those required by the Company or by any other means after retirement continuing to provide labour services to the Company) and have complied with the confidentiality obligation without conducting any action that would harm the interest of the Company, the Restricted Shares that have been granted to them will remain effective and relevant attribution will be carried out in accordance with the procedures stipulated in the 2025 A Share Incentive Scheme. In the event that such circumstance arises and the Participant no longer has a performance assessment, the achievement of performance assessment target shall not be one of the attribution condition for the participant; if the Participant still has a performance assessment, the achievement of performance assessment target will continue to be one of the attribution conditions for the Participant.

- (4) Incapacity of the Participants will be handled in the following two manners:
- (i) If the Participants are incapacitated due to work injury and leave the Company, the Restricted Shares granted to the Participants shall be carried out in accordance with the procedures stipulated in the 2025 A Share Incentive Scheme which took effect before the occurrence thereof, and the Board of Directors has the right to decide that the personal performance evaluation results will no longer be included in the attribution conditions and other conditions remain effective. The individual income tax arising from the Restricted Shares that have been attributed shall be paid by the Participants to the Company before the Participants leave the Company. The individual income tax and other taxes arising from the Restricted Shares that will be attributed shall be paid by the Participants to the Company in advance at each subsequent attribution.
  - (ii) If the Participants leave the Company, which is not due to the incapability arising from work injury, the Restricted Shares that have been granted to such Participant but have not yet been attributed, shall not be attributed and shall lapse. The individual income tax arising from the Restricted Shares that have been attributed to the Company shall be paid by the Participants to the Company before the Participants leave the Company.

(5) Death of the Participants will be handled in the following two manners:

(i) If the Participants are deceased due to their duty, the Restricted Shares granted to them shall be held by the designated property heir or legal heir on their behalf, and shall be carried out in accordance with the procedures stipulated in the 2025 A Share Incentive Scheme which took effect before their death, and the Board of Directors has the right to decide that the results of their personal performance evaluation shall not be included in the attribution conditions. The individual income tax arising from the Restricted Shares that have been attributed to the Company shall be paid to the Company before the designated property heir or legal heir inherits. The individual income tax arising from the Restricted Shares that will be attributed shall be paid to the Company in advance by the heir at each subsequent attribution.

(ii) If the Participants are deceased for other reasons, the Restricted Shares that have been granted to such Participant but have not yet been attributed shall not be attributed, and shall lapse. The Company is entitled to receive the individual income tax and other taxes arising from the Restricted Shares that have been attributed to the Participants from their heritage before the designated property heir or legal heir inherits.

If the Restricted Shares cannot be inherited or properly registered, causing losses to the incentive recipient or their heirs, due to reasons attributable to the CSRC, the Shanghai Stock Exchange, or China Securities Depository and Clearing Corporation Limited, the Company shall not bear any liability. Such Restricted Shares that cannot be inherited or registered shall not be attributed and shall lapse.

(6) The Board shall be responsible for making decisions on other unspecified situations of the 2025 A Share Incentive Scheme and the methods of handling them.

- (7) If the Participant no longer meets the eligibility of the Participant due to any one of the following circumstances, the Restricted Shares that have been attributed to such Participant shall not be handled, and the Restricted Shares that have been granted to such Participant but have not yet been attributed, shall not be attributed and shall lapse:
- (i) The Participant has been determined as an inappropriate candidate by the relevant stock exchange within the most recent 12 months;
  - (ii) The Participant has been identified as an inappropriate candidate by the CSRC and its delegated institutions within the most recent 12 months;
  - (iii) The Participant has been subject to administrative punishment or market ban measures by the CSRC and its delegated institutions due to major breach of laws and regulations in the most recent 12 months;
  - (iv) The Participant has the circumstances stipulated in the Company Law that he/she shall not act as a director or member of the senior management of a company;
  - (v) Laws and regulations stipulate that the Participant shall not participate in the equity incentives of listed companies;
  - (vi) Other circumstances as determined by the CSRC.

**Voting, Dividend,  
Winding-up Rights of  
the Restricted Shares**

No Director will be, or is expected to be, a trustee of the 2025 A Share Incentive Scheme or has any direct or indirect interest in the trustee of the 2025 A Share Incentive Scheme.

The Restricted Shares to be allotted and issued upon the attribution of a Restricted Share shall rank *pari passu* in all respects with other fully-paid A Shares in issue as of the date of allotment.

Prior to the attribution of the Restricted Shares, the Restricted Shares granted to the Participants under the 2025 A Share Incentive Scheme do not carry any voting rights or right to participate in the distribution of bonus shares or share dividends. In an event of liquidation of the Company, granted Restricted Shares but not yet attributed will be cancelled by the Company in accordance with the 2025 Incentive Scheme and relevant laws and regulations.

## **Termination**

If the Company intends to terminate the 2025 A Share Incentive Scheme before it is considered and approved at the general meeting, the Board shall consider and approve the termination.

If the Company intends to terminate the implementation of the 2025 A Share Incentive Scheme after it is considered and approved at the Board meeting, such termination shall be submitted to the general meetings for approval.

The legal advisor shall express its professional opinions as to whether the Company's termination of the implementation of the 2025 A Share Incentive Scheme is in compliance with the requirements of the Management Measures and relevant laws and regulations and whether there are any circumstances that clearly harm the interests of the Company and all Shareholders.

In case of termination of the 2025 A Share Incentive Scheme, the Restricted Shares that have been granted to the Participants under the 2025 A Share Incentive Scheme but have not yet been attributed shall not be attributed and shall lapse; and the Restricted Shares which have not been granted will lapse.

## **Dispute Resolution Mechanism**

Disputes between the Company and the Participants arising from the implementation of the 2025 A Share Incentive Scheme and/or the Agreement on the Granting of Restricted Shares signed by both parties or related to the 2025 A Share Incentive Scheme and/or the Agreement on the Granting of Restricted Shares shall be settled by both parties through negotiation, communication or mediation by the Remuneration and Assessment Committee. If both parties fail to solve the dispute by the above methods within 60 days from the date of occurrence of the dispute, either party has the right to bring a lawsuit to the people's court within the jurisdiction where the Company is located.

## **Proposed Issue of Restricted Shares Under the 2025 A Share Incentive Scheme**

The Board proposed to grant the Company's repurchased A Shares and/or issue no more than 2,580,000 Restricted Shares to the Participants (including those under the First Grant of the 2025 A Share Incentive Scheme and the Reserved Grant of the 2025 A Share Incentive Scheme) under the 2025 A Share Incentive Scheme, representing approximately 1.04% of the total issued share capital of the Company as of the date of this announcement, which is subject to, among other things, the approval at the EGM.

Subject to the approval at the EGM, the Board will grant no more than 2,580,000 A Shares under the 2025 A Share Incentive Scheme at the Grant Price of RMB41.20 per A Share. Accordingly, the total amount to be paid by the Participants to purchase no more than 2,580,000 A Shares will be no more than RMB106,296,000.

In addition to the principal terms of the 2025 A Share Incentive Scheme summarized in the section headed "Principal Terms of the 2025 A Share Incentive Scheme" above, further information in relation to the issue and allotment of the Restricted Shares under the 2025 A Share Incentive Scheme are set out below.

### **PROPOSED ADOPTION OF THE 2025 A SHARE INCENTIVE SCHEME ASSESSMENT MANAGEMENT MEASURES**

To ensure the smooth implementation of the 2025 A Share Incentive Scheme, the 2025 A Share Incentive Scheme Assessment Management Measures has been formulated according to the Company Law, the Securities Law, the Management Measures and other relevant laws, administrative regulations, normative documents, the relevant requirements of the Articles of Association as well as the actual situation of the Company.

The full text of the 2025 A Share Incentive Scheme Assessment Management Measures will be set out in the circular to be despatched to the Shareholders in due course.

## **PROPOSED AUTHORIZATION TO THE BOARD TO DEAL WITH MATTERS RELATING TO THE 2025 A SHARE INCENTIVE SCHEME**

To ensure the smooth implementation of the 2025 A Share Incentive Scheme, it is proposed at the EGM that the Board shall be authorized to deal with matters relating to the 2025 A Share Incentive Scheme, including but not limited to the following:

- (a) to propose at the EGM that the Board be authorized to be responsible for the following matters in relation to the implementation of the 2025 A Share Incentive Scheme:
  - (i) to authorize the Board to determine the Grant Date under the 2025 A Share Incentive Scheme;
  - (ii) to authorize the Board to adjust the number of the Restricted Shares to be granted/attributed according to the terms of the 2025 A Share Incentive Scheme in the event of conversion of capital reserve into share capital, distribution of stock dividend, share split or share consolidation and share allotment of the Company;
  - (iii) to authorize the Board to adjust the Grant Price for Restricted Shares according to the terms of the 2025 A Share Incentive Scheme in the event of conversion of capital reserve into share capital, distribution of stock dividend, share split or share consolidation, share allotment and dividend distribution;
  - (iv) to authorize the Board to adjust the number of Restricted Shares which were waived to be subscribed by the employees to the portion of Reserved Grant of the 2025 A Share Incentive Scheme, or allocate and adjust above Shares among the Participants prior to the grant of the Restricted Shares;
  - (v) to authorize the Board to grant the Restricted Shares to a Participant upon his/her fulfillment of the conditions of grant, and to handle all necessary matters in connection with the grant of the Restricted Shares, including entering into agreement on the grant of Restricted Shares with the Participants;
  - (vi) to authorize the Board to review and confirm the qualification of the Participants for attribution and the number of the Restricted Shares to be attributed, and to agree to the Board delegating such rights to the Remuneration and Assessment Committee;
  - (vii) to authorize the Board to determine whether the Restricted Shares may be attributable to a Participant;

- (viii) to authorize the Board to handle all matters necessary in connection with the attribution of the Restricted Shares to the Participants, including but not limited to the submission of application to a stock exchange in respect of the attribution of the Restricted Shares, applying to securities registration and clearing company for registration and clearing services, amending the Articles of Association; and applying to register the change in registered capital of the Company;
  - (ix) to authorize the Board to make decisions on the amendment and termination of the 2025 A Share Incentive Scheme, including but not limited to disqualification of the Participants for attribution, cancellation of the Restricted Shares of the Participants that have not yet been attributed;
  - (x) to authorize the Board to determine the Participants, number of grant, Grant Price, Grant Date and all other matters in respect of the reserved Restricted Shares of the 2025 A Share Incentive Scheme under the 2025 A Share Incentive Scheme;
  - (xi) to authorize the Board to execute, implement, revise and terminate any agreement relating to the 2025 A Share Incentive Scheme and other relevant agreements;
  - (xii) to authorize the Board to manage and adjust the 2025 A Share Incentive Scheme, and from time to time formulate or amend the management and implementation rules of the 2025 A Share Incentive Scheme, subject to compliance with the terms of the 2025 A Share Incentive Scheme. However, if such amendments are subject to approval at the general meeting or/and by relevant regulatory authorities under the requirements of laws, regulations or relevant regulatory authorities, such amendments by the Board shall be subject to such approvals; and
  - (xiii) to authorize the Board to implement all other necessary matters in connection with the 2025 A Share Incentive Scheme, except such rights as expressly required under the relevant documents to be exercised at a general meeting;
- (b) to propose at the EGM to authorize the Board to complete procedures with relevant governments and authorities in relation to the 2025 A Share Incentive Scheme including review, registration, filing, approval and consent; to sign, execute, amend and complete documents submitted to relevant governments, authorities, organizations, and individuals; to amend the Articles of Association and handle the registration of the change in registered capital of the Company; and to carry out all actions deemed to be necessary, appropriate, or expedient in relation to the 2025 A Share Incentive Scheme;
- (c) to propose at the EGM to authorize the Board to engage intermediaries, such as financial consultant, receiving bank, accountants, lawyers or securities companies, for the implementation of the 2025 A Share Incentive Scheme; and

- (d) to propose at the EGM to approve the period of authorization given to the Board to be consistent with the validity period of the 2025 A Share Incentive Scheme. Save for matters to be approved by the Board as explicitly stipulated by laws, administrative regulations, rules of CSRC, regulatory documents, the 2025 A Share Incentive Scheme or the Articles of Association, the above authorizations may be exercised directly by the Chairman of the Board or appropriate person authorized by the Chairman of the Board on behalf of the Board.

## **PROPOSED ADOPTION OF THE 2025 H SHARE OPTION SCHEME**

### **Principal Terms of the 2025 H Share Option Scheme**

The details of the 2025 H Share Option Scheme are set out below:

#### ***Purpose***

The purpose of the 2025 H Share Option Scheme is to improve the Company's incentive mechanism and motivate the Core Management as they have a critical influence on the decision-making and execution of major matters such as the Company's development strategy, business layout, and capital operations. Including these individuals in long-term incentive plans will contribute to their leadership in guiding the Company towards more long-term objectives.

#### ***Duration***

The proposed adoption of the 2025 H Share Option Scheme is subject to the approval by the Shareholders as required under the Articles of Association. Subject to the fulfilment of conditions stated above and the termination provisions contained in the 2025 H Share Option Scheme as set out in the circular to be despatched to the Shareholders in due course, the 2025 H Share Option Scheme shall be valid and effective for a period of 48 months commencing on the Adoption Date, after which no further Options shall be granted. Subject to the aforementioned, in all other respects, in particular, in respect of Options remaining outstanding on the expiration of such Option Period (as defined below), the provisions of the 2025 H Share Option Scheme shall remain in full force and effect.

#### ***Administration***

The 2025 H Share Option Scheme shall be subject to the administration of the Board whose decision (save as otherwise provided herein) shall be final and binding on all parties.

## ***Participants***

The Participants who may participate in the 2025 H Share Option Scheme are Directors and core management personnel serving in the Company (including the subsidiaries of the Company), namely Dr. Xuefeng YU, Dr. Tao ZHU, Dr. Shou Bai CHAO and Dr. Dongxu QIU (the “**Core Management**”). The Participants under the 2025 H Share Option Scheme and the 2025 A Share Incentive Scheme do not overlap.

All the above Participants must have an employment or labour relationship with the Company or its subsidiaries at the time of grant and during the assessment period of the 2025 H Share Option Scheme.

The reasons for the Core Management’s participation in the 2025 H Share Option Scheme are:

- (1) Dr. Xuefeng YU is the chairman of the Board, chief executive officer and general manager of the Company. Dr. Xuefeng YU is fully responsible for overseeing strategic development, overall operations and management and major decision-making of our Group. Meanwhile, Dr. Xuefeng YU plays a key role in the Company’s development strategies and daily operations;
- (2) Dr. Tao ZHU is the chief scientific officer and deputy general manager of the Company. Dr. Tao ZHU is responsible for the management of vaccine R&D projects (including R&D progress, clinical trials, technology improvement), and plays an important role in the implementation of product development;
- (3) Dr. Shou Bai CHAO is the executive Director, chief operation officer and deputy general manager of the Company. Dr. Shou Bai CHAO is mainly responsible for production management, quality control, supply chain management and information system construction of the Group; and
- (4) Dr. Dongxu QIU is the deputy general manager, the person in charge of the major subsidiaries of the Company. Dr. Dongxu QIU is primarily responsible for providing key advice on the management of the subsidiaries of the Company and the business and strategic development of the Company.

Therefore, the Company is of the view that these four persons’ participation in the 2025 H Share Option Scheme is necessary and reasonable and is in line with the actual situation and future development needs of the Company.

## ***Vesting of Options***

The Options granted shall be vested in three tranches:

- (i) 40% of the Options shall be vested at the first anniversary of the date of grant;
- (ii) 30% of the Options shall be vested at the second anniversary of the date of grant; and
- (iii) 30% of the Options shall be vested at the third anniversary of the date of grant.

Under the 2025 H Share Option Scheme, the Company's performance indicators will be evaluated on an annual basis for the financial years from 2025 to 2027, and the achievement of performance target will be one of the vesting conditions for the Participants for the relevant years. The vesting arrangement, performance targets and vesting factors are shown in the following table:

<b>Vesting Arrangement</b>	<b>Assessment Year</b>	<b>Performance Target A Company Vesting Factor: 100%</b>	<b>Performance Target B Company Vesting Factor: 90%</b>	<b>Performance Target C Company Vesting Factor: 80%</b>
First attribution tranche	2025	<ol style="list-style-type: none"><li>1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2025 shall not be less than 22.0%;</li><li>2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025 should not be less than 4;</li><li>3. No fewer than 2 new clinical trials have been initiated in 2025 (based on achieving first case enrolment).</li></ol>	<ol style="list-style-type: none"><li>1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2025 shall not be less than 20.0%;</li><li>2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025 should not be less than 4;</li><li>3. No fewer than 2 new clinical trials have been initiated in 2025 (based on achieving first case enrolment).</li></ol>	<ol style="list-style-type: none"><li>1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2025 shall not be less than 19.0%;</li><li>2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025 should not be less than 4;</li><li>3. No fewer than 1 new clinical trials have been initiated in 2025 (based on achieving first case enrolment).</li></ol>

<b>Vesting Arrangement</b>	<b>Assessment Year</b>	<b>Performance Target A Company Vesting Factor: 100%</b>	<b>Performance Target B Company Vesting Factor: 90%</b>	<b>Performance Target C Company Vesting Factor: 80%</b>
Second attribution tranche	2026	<ol style="list-style-type: none"> <li>1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2026 shall not be less than 71.0%;</li> <li>2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025 and 2026 should not be less than 9;</li> <li>3. No fewer than 4 new clinical trials have been initiated cumulatively in 2025 and 2026 (based on achieving first case enrolment).</li> </ol>	<ol style="list-style-type: none"> <li>1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2026 shall not be less than 69.0%;</li> <li>2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025 and 2026 should not be less than 8;</li> <li>3. No fewer than 3 new clinical trials have been initiated cumulatively in 2025 and 2026 (based on achieving first case enrolment).</li> </ol>	<ol style="list-style-type: none"> <li>1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2026 shall not be less than 66.0%;</li> <li>2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025 and 2026 should not be less than 7;</li> <li>3. No fewer than 3 new clinical trials have been initiated cumulatively in 2025 and 2026 (based on achieving first case enrolment).</li> </ol>

<b>Vesting Arrangement</b>	<b>Assessment Year</b>	<b>Performance Target A Company Vesting Factor: 100%</b>	<b>Performance Target B Company Vesting Factor: 90%</b>	<b>Performance Target C Company Vesting Factor: 80%</b>
Third attribution tranche	2027	<ol style="list-style-type: none"> <li>1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2027 shall not be less than 109.0%;</li> <li>2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025, 2026 and 2027 should not be less than 12;</li> <li>1. No fewer than 6 new clinical trials have been initiated cumulatively in 2025, 2026 and 2027 (based on achieving first case enrolment).</li> </ol>	<ol style="list-style-type: none"> <li>1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2027 shall not be less than 105.0%;</li> <li>2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025, 2026 and 2027 should not be less than 11;</li> <li>3. No fewer than 5 new clinical trials have been initiated cumulatively in 2025, 2026 and 2027 (based on achieving first case enrolment).</li> </ol>	<ol style="list-style-type: none"> <li>1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2027 shall not be less than 101.0%;</li> <li>2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025, 2026 and 2027 should not be less than 10;</li> <li>3. No fewer than 4 new clinical trials have been initiated cumulatively in 2025, 2026 and 2027 (based on achieving first case enrolment).</li> </ol>

*Note:* The above “operating revenue” is calculated based on the data set out in the consolidated audited financial statements in accordance with the Chinese Accounting Standards for Business Enterprises.

The individual performance assessment of Participants is carried out according to the internal performance assessment system of the Company. The results of the individual assessment of Participants are categorized into two levels, namely “A” and “B”, the final number of Restricted Shares to be attributed shall be determined based on their personal appraisal results, with the corresponding attribution percentage is as follows:

<b>Assessment Level</b>	<b>A</b>	<b>B</b>
Individual attribution factor	100%	0%

- (1) Under the premise of the Company achieving above its performance assessment target C (inclusive), the number of underlying Shares of the Options to be vested to the Participant in the relevant year equals to the number of underlying Shares planned to be vested to the individual Participant in that year multiplied by the Company attribution factor and further multiplied by the individual attribution factor.
- (2) In any event if the underlying Shares of the Options to be attributed to the Participant under the 2025 H Share Option Scheme in the relevant year cannot be vested or fully vested due to assessment reasons, such underlying Shares of the Options shall lapse and cannot be deferred to the next year for vesting.

The Board is of the view that the above performance targets set out in the 2025 H Share Option Scheme are consistent with the Group's business needs and industry norm, and are also in line with the purpose of the 2025 H Share Option Scheme and the interests of Shareholders.

### ***Exercise Price***

The basis for the determination of the Exercise Price (in compliance with Rule 17.03(9) of the Hong Kong Listing Rules) is specified in the Option Scheme Rules and the Offer Letter. The Board believes that this will provide the Board with more flexibility in setting the terms and conditions of the Options under particular circumstances of each grant and facilitate the Board's aim to offer meaningful incentive to attract and retain quality personnel that are valuable to the development of the Group and for the benefit of the Company and the Shareholders as a whole.

### **PROPOSED AUTHORIZATION TO THE BOARD TO DEAL WITH MATTERS RELATING TO THE 2025 H SHARE OPTION SCHEME**

In order to ensure the successful implementation of the 2025 H Share Option Scheme, the Board proposes that, subject to the approval of the 2025 H Share Option Scheme by the Shareholders at the EGM, it is proposed to the Shareholders to grant an authorization to the Board to deal with matters relating to the 2025 H Share Option Scheme with full authority, including but not limited to:

- (a) construe and interpret the Option Scheme Rules and the terms of the Options granted under the 2025 H Share Option Scheme;
- (b) make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the 2025 H Share Option Scheme, provided that they are not inconsistent with the Option Scheme Rules;
- (c) determine the number of Options to be granted;

- (d) determine the terms and conditions of the Options and make any such appropriate adjustments to the terms of the Options granted as it deems necessary or appropriate;
- (e) determine whether and to what extent, and circumstances pursuant to which the Exercise Price of an Option may be paid in, cash, Shares (other than H Shares), or other property, or an Option may be lapsed, cancelled, forfeited and/or surrendered;
- (f) determine the commencement and/or termination date of an eligible participants' employment with any member of the Group;
- (g) where applicable, establish and administer performance targets in respect of the 2025 H Share Option Scheme;
- (h) approve the form of an Offer Letter (which does not need to be identical for every participant);
- (i) decide any other matters that need to be determined in connection with an offer and make any other determination and take any other actions as it deems necessary or desirable for the administration of the 2025 H Share Option Scheme
- (j) take such other steps or actions to give effect to the terms and intent of the Option Scheme Rules and/or the Options; and
- (k) on behalf of the Company, approve, execute, refine, deliver, negotiate, agree on and agree to all such agreements, contracts, documents, regulations, matters and things (as the case may be) as it deems reasonable, necessary, desirable, appropriate or expedient, in order to implement and/or implement all transactions conducted accordingly, and make any reasonable alterations, amendments, changes, modifications and/or supplements as it deems necessary, desirable, appropriate or expedient. If there is a requirement to affix a company seal on any such agreement, contract or document, it has the right to sign the agreement, contract or document and affix the company seal in accordance with the Articles of Association in that case.

The aforementioned authorization to the Board shall be valid for the Option Scheme Period.

## GRANT OF H SHARE OPTIONS UNDER THE 2025 H SHARE OPTION SCHEME

The Board has resolved to grant Options to all Participants under the 2025 H Share Option Scheme to subscribe for an aggregate of 860,000 Shares upon exercise to the Participants under the 2025 H Share Option Scheme. Details of the Options to be granted are set out below:

- Date of Grant** : September 26, 2025
- Number of Options granted and identities of the four grantees** :
- Dr. Xuefeng YU, the chairman of the Board, chief executive officer, general manager, and a substantial shareholder of the Company: 371,300 Options, subject to the Shareholders' approval
  - Dr. Tao ZHU, the chief scientific officer, deputy general manager, and a substantial shareholder of the Company: 204,300 Options
  - Dr. Shou Bai CHAO, the executive Director, chief operation officer, deputy general manager, and a substantial shareholder of the Company: 162,500 Options
  - Dr. Dongxu QIU, the deputy general manager, the person in charge of the major subsidiaries of the Company, and a substantial shareholder of the Company: 121,900 Options
- Each Option shall be entitled to subscribe for one H Share
- Exercise price of the Options** : HK\$49.924 per H Share, which is the highest of:
- (i) the closing price of HK\$46.96 per H Share as stated in the Stock Exchange's daily quotation sheet on the date of grant;
  - (ii) the average closing price of HK\$49.924 per H Share as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the date of grant; and
  - (iii) the nominal value of the H Share.

<b>Closing price of the Shares on the Date of Grant</b>	:	HK\$46.96 per H Share
<b>Consideration for the grant of the Options</b>	:	No consideration is payable on acceptance of each grant of Options.
<b>Exercise period of the Options</b>	:	The Options vested may be exercised at any time until the expiry of 48 months from the date of grant.
<b>Vesting Schedule</b>	:	The Options granted shall be vested in three tranches: <ul style="list-style-type: none"> <li>(i) 40% of the Options shall be vested at the first anniversary of the date of grant;</li> <li>(ii) 30% of the Options shall be vested at the second anniversary of the date of grant; and</li> <li>(iii) 30% of the Options shall be vested at the third anniversary of the date of grant.</li> </ul>

**Performance target** : Under the 2025 H Share Option Scheme, the Company’s performance indicators will be evaluated on an annual basis for the financial years from 2025 to 2027, and the achievement of performance target will be one of the vesting conditions for the Participants for the relevant year. The vesting arrangement, performance targets and vesting factors are shown in the following table:

Vesting Arrangement	Assessment Year	Performance Target A	Performance Target B	Performance Target C
		Company Vesting Factor: 100%	Company Vesting Factor: 90%	Company Vesting Factor: 80%
First attribution tranche	2025	1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2025 shall not be less than 22.0%;	1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2025 shall not be less than 20.0%;	1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2025 shall not be less than 19.0%%;
		2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025 should not be less than 4;	2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025 should not be less than 4;	2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025 should not be less than 4;
		3. No fewer than 2 new clinical trials have been initiated in 2025 (based on achieving first case enrolment).	3. No fewer than 2 new clinical trials have been initiated in 2025 (based on achieving first case enrolment).	3. No fewer than 1 new clinical trials have been initiated in 2025 (based on achieving first case enrolment).

Vesting Arrangement	Assessment Year	Performance Target A Company Vesting Factor: 100%	Performance Target B Company Vesting Factor: 90%	Performance Target C Company Vesting Factor: 80%
Second attribution tranche	2026	<p>1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2026 shall not be less than 71.0%;</p> <p>2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025 and 2026 should not be less than 9;</p> <p>3. No fewer than 4 new clinical trials have been initiated cumulatively in 2025 and 2026 (based on achieving first case enrolment).</p>	<p>1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2026 shall not be less than 69.0%;</p> <p>2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025 and 2026 should not be less than 8;</p> <p>3. No fewer than 3 new clinical trials have been initiated cumulatively in 2025 and 2026 (based on achieving first case enrolment).</p>	<p>1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2026 shall not be less than 66.0%;</p> <p>2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025 and 2026 should not be less than 7;</p> <p>3. No fewer than 3 new clinical trials have been initiated cumulatively in 2025 and 2026 (based on achieving first case enrolment).</p>

Vesting Arrangement	Assessment Year	Performance Target A Company Vesting Factor: 100%	Performance Target B Company Vesting Factor: 90%	Performance Target C Company Vesting Factor: 80%
Third attribution tranche	2027	<p>1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2027 shall not be less than 109.0%;</p> <p>2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025, 2026 and 2027 should not be less than 12;</p> <p>3. No fewer than 6 new clinical trials have been initiated cumulatively in 2025, 2026 and 2027 (based on achieving first case enrolment).</p>	<p>1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2027 shall not be less than 105.0%;</p> <p>2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025, 2026 and 2027 should not be less than 11;</p> <p>3. No fewer than 5 new clinical trials have been initiated cumulatively in 2025, 2026 and 2027 (based on achieving first case enrolment).</p>	<p>1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2027 shall not be less than 101.0%;</p> <p>2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025, 2026 and 2027 should not be less than 10;</p> <p>3. No fewer than 4 new clinical trials have been initiated cumulatively in 2025, 2026 and 2027 (based on achieving first case enrolment).</p>

*Note:* The above “operating revenue” is calculated based on the data set out in the consolidated audited financial statements in accordance with the Chinese Accounting Standards for Business Enterprises.

The individual performance assessment of the Participants is carried out according to the internal performance assessment system of the Company. The results of the individual assessment of Participants are categorized into two levels, namely “A” and “B”, the final number of Options to be attributed shall be determined based on their personal appraisal results, with the corresponding attribution percentage is as follows:

Assessment Level	A	B
Individual attribution factor	100%	0%

- (1) Under the premise of the Company achieving above its performance assessment target C (inclusive), the number of underlying Shares of the Options to be vested to the Participant in the relevant year equals to the number of underlying Shares planned to be vested to the individual Participant in that year multiplied by the Company attribution factor and further multiplied by the individual attribution factor.
- (2) In any event if the underlying Shares of the Options to be attributed to the Participant under the Scheme in the relevant year cannot be vested or fully vested due to assessment reasons, such underlying Shares of the Options shall lapse and cannot be deferred to the next year for vesting.

**Clawback mechanism** : Any Options granted but not yet vested may be cancelled by the Board in the event of any serious misconduct of the Participant or in other specific circumstances as the Board deems appropriate. The Options so cancelled will be regarded as utilized for the purpose of calculating the relevant Scheme Limit. Issuance of new Options to the same participant whose Options have been cancelled may only be made with Options available under the Scheme Limit and in compliance with the Hong Kong Listing Rules.

**Financial assistance** : There is no arrangement for the Group to provide any financial assistance to the Participants to facilitate his purchase of the Shares under the 2025 H Share Option Scheme.

The Shares to be allotted upon the exercise of the Options shall rank *pari passu* in all respects with the existing fully paid Shares and shall have the same voting rights, rights in respect of any dividend or other distributions paid or made on or after the date of issue, rights of transfer and other rights, including those arising on liquidation of the Company as attached to the Shares in issue on the date of such allotment and will be subject to all the provisions of the Articles of Associations for the time being in force. The Options themselves, however, do not carry any right to voting, dividend, transfer or other rights (including those arising on a liquidation of the Company) prior to their being exercised and the underlying Shares being issued.

No Option has been granted to the Participants within the 12-month period prior to the proposed grant. No Director will be, or is expected to be, a trustee of the 2025 H Share Option Scheme or has any direct or indirect interest in the trustee of the 2025 H Share Option Scheme.

After the grant of the Options to the four grantees, the number of Shares available for future grant under the Scheme Limit is 2,580,000.

Pursuant to Rules 17.04(3) and 17.04(4) of the Hong Kong Listing Rules, where any grant of options or awards to an independent non-executive director or a substantial shareholder of the listed issuer, or any of their respective associates, would result in the shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of shares in issue (excluding treasury shares), such further grant of options or awards must be approved by shareholders of the listed issuer in general meeting. Accordingly, Dr. Xuefeng YU, the chairman of the Board, an executive Director, the chief executive officer and a substantial shareholder of our Company, who is conditionally granted 371,300 Options to subscribe for 371,300 Shares, representing approximately 0.15% of the total number of Shares in issue (excluding Treasury Shares) as of the date of this announcement, shall be subject to the approval of the independent Shareholders. The grant of Options to other Participants under the 2025 H Share Option Scheme is not subject to the approval of the independent Shareholders pursuant to the requirements under the Hong Kong Listing Rules.

## **PURPOSE OF, REASONS FOR AND BENEFITS OF THE ADOPTION OF THE 2025 A SHARE INCENTIVE SCHEME AND 2025 H SHARE OPTION SCHEME**

The purpose of the 2025 A Share Incentive Scheme is to improve the Company's incentive mechanism, further enhance the enthusiasm, creativity, and cohesion of employees, promote the continuous growth of Company's business, and achieve development by enhancing the value of the Company and granting benefits to the employees. The 2025 A Share Incentive Scheme is formulated in accordance with the relevant rules and regulations and the Articles of Association. The purpose of the 2025 H Share Option Scheme is to improve the Company's incentive mechanism and motivate the Core Management as they have a critical influence on the decision-making and execution of major matters such as the Company's development strategy, business layout, and capital operations. Including these individuals in long-term incentive plans will contribute to their leadership in guiding the Company towards more long-term objectives.

The Company is of the view that the adoption and implementation of the 2025 A Share Incentive Scheme and the 2025 H Share Option Scheme are beneficial to the Company and its Shareholders as a whole, and the terms and conditions of the 2025 A Share Incentive Scheme and the 2025 H Share Option Scheme are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Given the nature of the business of the Company and the highly competitive industry in which it operates, it is extremely important for the Company to recruit and retain talents, and the Company's long-term development plan will highly depend on the loyalty and contribution of the Participants. The 2025 A Share Incentive Scheme and the 2025 H Share Option Scheme are considered as critical components of the Company's employee appraisal system and effectively align the employee's achievements at the individual level with the Company's overall performance. The Company is of the view that the adoption of the 2025 A Share Incentive Scheme and the 2025 H Share Option Scheme will aid in achieving the aforesaid goals. The terms of the 2025 A Share Incentive Scheme and the 2025 H Share Option Scheme are consistent with the Group's actual conditions and the industry norm, which aligns with the purpose of the 2025 A Share Incentive Scheme.

## **HONG KONG LISTING RULES IMPLICATIONS**

The 2025 A Share Incentive Scheme and the 2025 H Share Option Scheme constitute share schemes under Chapter 17 of the Hong Kong Listing Rules. The Company will comply with the applicable requirements under Chapter 17 of the Hong Kong Listing Rules in respect of the operation of the 2025 A Share Incentive Scheme and the 2025 H Share Option Scheme.

Pursuant to the 2025 A Share Incentive Scheme, the Participants of the 2025 A Share Incentive Scheme include one Director, namely, Ms. Jing Wang, who is a connected person of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules. Therefore, the grant of the Restricted Shares under the 2025 A Share Incentive Scheme involves the grant of the Restricted Shares to a connected person of the Company. Pursuant to Rule 14A.92(3)(a) of the Hong Kong Listing Rules, the grant of the Restricted Shares to any Participants who are connected persons of the Company under the 2025 A Share Incentive Scheme will be exempted from reporting, announcement and independent Shareholder's approval requirement.

Pursuant to the 2025 H Share Option Scheme, the Core Management includes the Directors and substantial shareholders of the Company, who are connected persons of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules. Therefore, the grant of the Options under the 2025 H Share Option Scheme involves the grant of the Options to connected persons of the Company. Pursuant to Rule 14A.92(3)(a) of the Hong Kong Listing Rules, the grant of the Options to any participants who are connected persons of the Company under the 2025 H Share Option Scheme will be exempted from reporting, announcement and independent Shareholder's approval requirement.

The Participants of the 2025 H Share Option Scheme are Dr. Xuefeng YU, Dr. Tao ZHU, Dr. Shou Bai CHAO and Dr. Dongxu QIU, all of whom are connected persons. These four persons are playing a significant and indispensable role in the strategic planning, operation and management, product development and business expansion of the Company. Their participation in the 2025 H Share Option Scheme will facilitate the stability and motivation of the Company's core personnel, thereby contributing to the long-term development of the Company.

The Directors who are connected persons under the 2025 H Share Option Scheme (namely Dr. Xuefeng YU and Dr. Shou Bai CHAO) have declared their interests in the 2025 H Share Option Scheme and abstained from voting on the resolutions in relation to the proposed adoption of the 2025 H Share Option Scheme and the proposed grant of H Share Options under the 2025 H Share Option Scheme to themselves respectively at the Board meeting as a result of their interests. Save for the abovementioned Directors, there is no other Director who is required to abstain from voting on the Board resolutions in relation to the 2025 H Share Option Scheme.

In the event that any grant of the Options under the 2025 H Share Option Scheme (i) will result in any grant of options or awards granted to any participant(s) representing in aggregate over 1% of the issued Shares of the Company (excluding Treasury Shares) over any 12-month period up to and including the relevant Grant Date; and/or (ii) will cause the Options or awards granted to any participant(s) who is a Director, chief executive, substantial shareholder of the Company or any of their respective associates, representing in aggregate over 0.1% of the issued Shares of the Company (excluding Treasury Shares) 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.

Rule 17.03(13) of the Hong Kong Listing Rules requires that the scheme document must include a provision for adjustment of the exercise or purchase price and/or the number of shares subject to options or awards granted under the scheme in the event of a capitalization 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 adjustments required under Rule 17.03(13) must give a participant the same proportion of the equity capital, rounded to the nearest whole share, as that to which that person was previously entitled. The Company has applied for, and the Hong Kong Stock Exchange has granted, 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 2025 A Share Incentive Scheme in the event of dividend distribution on the basis that, among other things:

- (a) the Company is a PRC issuer with its A Shares listed on the Sci-Tech Innovation Board of the Shanghai Stock Exchange, and the 2025 A Share Incentive Scheme involves issue of new A Shares instead of H Shares. Therefore, the 2025 A Share Incentive Scheme must comply with the PRC laws. Article 48 of the Management Measures issued by CSRC provides that, if the equity price or quantity needs to be adjusted due to share dividends, share splits or other reasons, the board of directors of the listed company shall make the adjustment in accordance with the principles, methods and procedures specified in the share incentive plan. As advised by the Company's PRC legal advisers for the 2025 A Share Incentive Scheme, Jingtian & Gongcheng, the adjustments to the Grant Price of Restricted Shares granted under the 2025 A Share Incentive Scheme in the event of dividend distribution are required by Article 48 of the Management Measures. As such, the Grant Price of Restricted Shares granted under the 2025 A Share Incentive Scheme shall be adjusted in the event of any dividend distribution to be conducted by the Company, in order to fully comply with the abovementioned rule;
- (b) the proposed adoption of the 2025 A Share Incentive Scheme will be subject to the approval of the Shareholders at the EGM, whereby the H Shareholders will have the opportunity to fully consider and evaluate the terms of the 2025 A Share Incentive Scheme at the EGM based on its merits and the interest of the H Shareholders will not be prejudiced;
- (c) the number of A Shares proposed to be issued and granted under the 2025 A Share Incentive Scheme is 2,580,000 Shares, representing only approximately 1.04% of the total Shares of 247,449,899 Shares as of the date of this announcement, and the dilution effect of the 2025 A Share Incentive Scheme is minimal;
- (d) the adjustment to grant price of restricted shares in the event of dividend distribution under the share schemes is in line with the market practice in the PRC; and

- (e) the Company believes that the adjustment to the Grant Price of Restricted Shares in the event of dividend distribution will not adversely affect interest of Shareholders.

Under Rule 17.04(1) of the Hong Kong Listing Rules, any grant of options or awards to a director, chief executive or substantial shareholder of a listed issuer, or any of their respective associates, under a scheme of the listed issuer must be approved by the independent non-executive directors of the listed issuer (excluding any independent non-executive director who is the grantee of the options or awards).

In addition, pursuant to Rules 17.04(3) and 17.04(4) of the Hong Kong Listing Rules, where any grant of options or awards to an independent non-executive director or a substantial shareholder of the listed issuer, or any of their respective associates, would result in the shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of shares in issue (excluding Treasury Shares), such further grant of options or awards must be approved by shareholders of the listed issuer in general meeting at which the grantee, his/her associates and all core connected persons of the listed issuer must abstain from voting in favor at such meeting.

Dr. Xuefeng YU, being the chairman of the Board and an executive Director and Dr. Shou Bai CHAO, an executive Director, have abstained from voting on the relevant Board resolutions in respect of the proposed grant to themselves respectively. In accordance with Rule 17.04(1) of the Hong Kong Listing Rules and the terms of the 2025 H Share Option Scheme, the Board (including all independent non-executive Directors) approved the proposed grant.

Further, given that (a) Dr. Xuefeng YU is a substantial shareholder of the Company; and (b) the number of H Shares to be issued upon exercise of the 371,300 Options granted to Dr. Xuefeng YU represents, in aggregate, 0.15% of the issued Shares (excluding Treasury Shares) as of the date of grant, which is over 0.1% of the issued Shares (excluding Treasury Shares), such grant of Options is conditional upon the approval of independent Shareholders at the EGM. To the extent it is aware by the Board having made all reasonable enquiries, as of the date of this announcement, Dr. Xuefeng YU and his associate and all core connected persons of the Company, held and entitled to exercise control over 28.08% of the Shares in issue as of the date of this announcement. Therefore, these above persons must abstain from voting in favour of the resolution approving the proposed grant at the EGM.

## **PROPOSED CANCELLATION OF REPURCHASED A SHARES AND REDUCTION OF REGISTERED CAPITAL**

Reference is made to the announcement of the Company dated January 23, 2022 in relation to, among other things, the repurchase of A shares through centralized price bidding by the Company and the results of the repurchase of A Shares.

During the repurchase period, the Company had repurchased an aggregate of 683,748 A Shares through bidding on the Shanghai Stock Exchange. As of January 22, 2023, the repurchase period of the Company's share repurchase plan has expired. In May 2023, 277,650 repurchased A Shares have been used for the 2023 A Share Employee Stock Ownership Plan. As of the date of this announcement, 406,098 repurchased A Shares have not been utilized.

The Board has resolved to, subject to approval at the EGM, proceed with the cancellation procedures of the 406,098 repurchased A Shares, to reduce the Company's registered capital and to amend the Articles of Association accordingly.

Upon completion of the proposed cancellation of the 406,098 repurchased A Shares and the reduction of registered capital by RMB406,098, it is expected that the total issued share capital of the Company will reduce from 247,449,899 Shares (consisting of 114,778,999 A Shares and 132,670,900 H Shares) to 247,043,801 Shares (consisting of 114,372,901 A Shares and 132,670,900 H Shares), and the total registered share capital will reduce from RMB247,449,899 to RMB247,043,801.

In order to handle specific matters relating to the cancellation of repurchased A Shares and reduction of registered capital, the Board, or a person duly designated by the Board, will be authorized to handle matters including but not limited to: applying to the Shanghai Stock Exchange and the Shanghai Branch of China Securities Depository and Clearing Corporation Limited for the cancellation of the repurchased A Shares in accordance with relevant regulations, notifying creditors, amending the corresponding provisions in the Articles of Association based on the cancellation results, handling relevant registration and filing procedures with the administration for industry and commerce, and fulfilling information disclosure obligations in a timely manner.

## THE EGM

An EGM will be convened to consider and, if thought fit, approve, among other things, (i) the proposed adoption of the 2025 A Share Incentive Scheme and the proposed issue of Restricted Shares under the 2025 A Share Incentive Scheme; (ii) the proposed adoption of the 2025 A Share Incentive Scheme Assessment Management Measures; (iii) the proposed authorization to the Board to deal with matters relating to the 2025 A Share Incentive Scheme; (iv) the proposed adoption of the 2025 H Share Option Scheme; (v) the proposed authorization to the Board to deal with matters relating to the 2025 H Share Option Scheme; (vi) the proposed grant of 371,300 H Share Options to Dr. Xuefeng YU; and (vii) the proposed cancellation of Repurchased A Shares and reduction of registered capital.

A circular of the Company containing, among other things, (i) further details of the 2025 A Share Incentive Scheme, the 2025 A Share Incentive Scheme Assessment Management Measures and the 2025 H Share Option Scheme; and (ii) notice convening the EGM is expected to be despatched to the Shareholders in due course.

## DEFINITIONS

In this announcement, unless otherwise defined, terms used herein shall have the following meanings:

“2023 A Share Employee Stock Ownership Plan”	the 2023 A Share Employee Stock Ownership Plan of the Company adopted by the Company on April 20, 2023
“2025 A Share Incentive Scheme”	the 2025 Restricted A Share Incentive Scheme of the Company, as amended from time to time
“2025 A Share Incentive Scheme Assessment Management Measures”	the Management Measures for Assessment for the Implementation of the 2025 A Share Incentive Scheme
“2025 H Share Option Scheme”	the 2025 Core Management H Share Option Scheme of the Company, as amended from time to time
“Adoption Date”	the date on which the 2025 H Share Option Scheme and/or the 2025 A Share Incentive Scheme is adopted, which is expected to the date of the EGM
“Articles of Association”	the articles of association of the Company, as amended from time to time

“A Share(s)”	ordinary shares in the share capital of our Company with a nominal value of RMB1.00 each and listed on the Sci-Tech Innovation Board of the Shanghai Stock Exchange and traded in RMB
“A Shareholder(s)”	holder(s) of A Shares
“Board of Directors” or “Board”	the board of Directors
“Board of Supervisors”	the board of Supervisors
“Business Day(s)”	a day (other than a Saturday or Sunday) on which the Hong Kong Stock Exchange is open for the business of dealing in securities, provided that where, as a result of a typhoon signal number 8, black rainstorm warning or other similar event, the period during which the Stock Exchange is open for business on any day is reduced, such day shall not be a Business Day
“Company”	CanSino Biologics Inc. (康希諾生物股份公司), a joint stock company incorporated in the PRC with limited liability on February 13, 2017, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 6185) and the A Shares of which are listed on Sci-Tech Innovation Board of the Shanghai Stock Exchange (stock code: 688185)
“Company Law”	the Company Law of the PRC (《中華人民共和國公司法》), as amended from time to time
“connected person(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“EGM”	the 2025 first extraordinary general meeting of the Company
“Exercise Price”	the price per H Share, determined by the Board, at which H Shares may be subscribed for on the exercise of an Option

“First Grant of the 2025 A Share Incentive Scheme”	the proposed grant of not more than 2,065,500 Restricted Shares, representing approximately 80.06% of the total number of Restricted Shares under the 2025 A Share Incentive Scheme
“Grant Date(s)”	the date(s) on which the Company grants the Options under the 2025 H Share Option Scheme and/or the Restricted Shares under the 2025 A Share Incentive Scheme
“Grant Price”	the price of each Option to be granted to the Participants under the 2025 H Share Option Scheme and/or each Restrict Share under the 2025 A Share Incentive Scheme
“Group”	the Company and its subsidiaries
“Guidelines for Self-Discipline”	the Guidelines for Self-Discipline of Companies Listed on the STAR Market No. 4 – Information Disclosure of Equity Incentive (《科創板上市公司自律監管指南第4號-股權激勵信息披露》)
“H Share(s)”	overseas-listed foreign share(s) in the share capital of our Company with a nominal value of RMB1.00 each which are subscribed for and traded in Hong Kong Dollars and listed on the Main Board of the Hong Kong Stock Exchange
“H Shareholder(s)”	holder(s) of H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IND”	Investigational New Drug
“Management Measures”	the Management Measures for Share Incentives of Listed Companies (《上市公司股權激勵管理辦法》)

“NDA”	new drug application
“Option(s)”	share option(s) to be granted to the Participants by the Company at the Grant Price stipulated under the 2025 H Share Option Scheme
“Option Scheme Period”	a period of 48 months commencing from the date on which the 2025 H Share Option Scheme is approved by the Shareholders on the Adoption Date, unless terminated earlier in accordance with the Option Scheme Rules
“Option Scheme Rules”	the rules set out in the 2025 H Share Option Scheme as amended from time to time
“Participant(s)”	the persons considered by the Board of Directors to be required to be incentivized by the Company, who shall be granted the Restricted Shares pursuant to the 2025 A Share Incentive Scheme or Options under the 2025 H Share Option Scheme
“PRC” or “China”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Remuneration and Assessment Committee”	the remuneration and assessment committee of the Company
“Reserved Grant of the 2025 A Share Incentive Scheme”	the reserved grant of not more than 514,500 Restricted Shares, representing approximately 19.94% of the total number of Restricted Shares under the 2025 A Share Incentive Scheme
“Restricted Share(s)”	Share(s) to be granted to the Participants by the Company at the Grant Price stipulated under the 2025 A Share Incentive Scheme
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Law”	the Securities Law of the PRC (《中華人民共和國證券法》), as amended from time to time
“SFO”	the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time

“STAR Market Listing Rules”	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》)
“Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Shares
“Supervisor(s)”	the Supervisor(s) of the Company
“supervisory authority”	The Company’s Board of Supervisors, or the Remuneration and Assessment Committee succeeding the supervisory functions of the Company’s Board of Supervisors following adjustments to the corporate governance structure in accordance with the Company Law, the Management Measures, and relevant laws and regulations as amended
“Treasury Shares”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“%”	per cent

By order of the Board  
**CanSino Biologics Inc.**  
**Xuefeng YU**  
*Chairman*

Hong Kong, September 26, 2025

*As at the date of this announcement, the board of directors of the Company comprises Dr. Xuefeng YU, Dr. Shou Bai CHAO and Ms. Jing WANG as executive Directors, Mr. Chi Shing LI as a non-executive Director, and Mr. Shuifa GUI, Mr. Jianzhong LIU and Mr. Yiu Leung Andy CHEUNG as independent non-executive Directors.*