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If you are in doubt about this circular, you should consult your stockbroker, other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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

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This circular appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

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

**(2) PROPOSED ADOPTION OF THE 2025 A SHARE INCENTIVE SCHEME
ASSESSMENT MANAGEMENT MEASURES**

**(3) PROPOSED AUTHORIZATION TO THE BOARD TO DEAL WITH MATTERS
RELATING TO THE 2025 A SHARE INCENTIVE SCHEME**

(4) PROPOSED ADOPTION OF THE 2025 H SHARE OPTION SCHEME

**(5) PROPOSED AUTHORIZATION TO THE BOARD TO DEAL WITH MATTERS
RELATING TO THE 2025 H SHARE OPTION SCHEME**

(6) PROPOSED GRANT OF 371,300 H SHARE OPTIONS TO DR. XUEFENG YU

**(7) PROPOSED CANCELLATION OF REPURCHASED A SHARES AND
REDUCTION OF REGISTERED CAPITAL**

AND

NOTICE OF THE 2025 FIRST EXTRAORDINARY GENERAL MEETING

The EGM of CanSino Biologics Inc. will be held at 2:00 p.m. on Thursday, October 23, 2025 at No. 1, Yuebin Hall, 2nd Floor, Hyatt Regency Tianjin East, No. 126 Weiguo Road, Hedong District, Tianjin, the PRC. Notice convening the EGM of CanSino Biologics Inc. is set out in this circular. The corresponding form of proxy for use at the EGM is also enclosed and published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.cansinotech.com).

Shareholders who intend to appoint a proxy to attend the EGM shall complete and return the enclosed form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for convening the EGM (i.e. not later than 2:00 p.m. on Wednesday, October 22, 2025) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM.

References to dates and time in this circular are to Hong Kong dates and time.

October 6, 2025

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DEFINITIONS

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

“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
“Actual Selling Price”	in respect of the 2025 H Share Option Scheme, an amount that is equal to the actual price at which the H Shares are sold (net of brokerage, Hong Kong Stock Exchange trading fee, transaction levy of the SFO, transaction levy of the Accounting and Financial Reporting Council and any other applicable costs) on exercise of an Option pursuant to the 2025 H Share Option Scheme
“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

DEFINITIONS

“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 Participant(s)”	Participant(s) who is a connected person of the Company
“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 to be held at 2:00 p.m. on Thursday, October 23, 2025
“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

DEFINITIONS

“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
“Latest Practicable Date”	September 30, 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“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
“Notice of EGM”	the notice of the EGM dated October 6, 2025
“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

DEFINITIONS

“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 circular, 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
“Repurchased A Shares”	A Shares repurchased by the Company through bidding on the Shanghai Stock Exchange
“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
“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
“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》)
“Supervisor(s)”	the Supervisor(s) of the Company

DEFINITIONS

“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

In this circular, unless the context otherwise requires, any reference to the singular includes the plural and vice versa and any reference to a gender includes a reference to the other gender and the neuter. Further, certain amounts and percentage figures included in this circular have been subject to rounding adjustments. Accordingly, figures shown as totals in certain paragraphs and tables in this circular may not be an arithmetic aggregation of the figures preceding them.

LETTER FROM THE BOARD

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)

Executive Directors:

Dr. Xuefeng YU (Chairman)

Dr. Shou Bai CHAO

Ms. Jing WANG (王靖)

Non-Executive Director:

Mr. Chi Shing LI (李志成)

Independent Non-executive Directors:

Mr. Shuifa GUI (桂水發)

Mr. Jianzhong LIU (劉建忠)

Mr. Yiu Leung Andy CHEUNG (張耀樑)

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in the PRC:*

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PRC

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Causeway Bay

Hong Kong

October 6, 2025

To the Shareholders

Dear Sir/Madam,

**(1) PROPOSED ADOPTION OF THE 2025 A SHARE INCENTIVE SCHEME AND
THE PROPOSED ISSUE OF RESTRICTED SHARES UNDER THE 2025 A SHARE
INCENTIVE SCHEME**

**(2) PROPOSED ADOPTION OF THE 2025 A SHARE INCENTIVE SCHEME
ASSESSMENT MANAGEMENT MEASURES**

**(3) PROPOSED AUTHORIZATION TO THE BOARD TO DEAL WITH MATTERS
RELATING TO THE 2025 A SHARE INCENTIVE SCHEME**

(4) PROPOSED ADOPTION OF THE 2025 H SHARE OPTION SCHEME

**(5) PROPOSED AUTHORIZATION TO THE BOARD TO DEAL WITH MATTERS
RELATING TO THE 2025 H SHARE OPTION SCHEME**

(6) PROPOSED GRANT OF 371,300 H SHARE OPTIONS TO DR. XUEFENG YU

**(7) PROPOSED CANCELLATION OF REPURCHASED A SHARES AND
REDUCTION OF REGISTERED CAPITAL**

AND

NOTICE OF THE 2025 FIRST EXTRAORDINARY GENERAL MEETING

LETTER FROM THE BOARD

I. INTRODUCTION

Reference is made to the announcement of the Company dated September 26, 2025 in relation to (a) the proposed adoption of the 2025 A Share Incentive Scheme and the proposed issue of Restricted Shares under the 2025 A Share Incentive Scheme, (b) the proposed adoption of the 2025 A Share Incentive Scheme Assessment Management Measures, (c) the proposed authorization to the Board to deal with matters relating to the 2025 A Share Incentive Scheme, (d) the proposed adoption of the 2025 H Share Option Scheme, (e) the proposed authorization to the Board to deal with matters relating to the 2025 H Share Option Scheme, (f) the proposed grant of H Share Options under the 2025 H Share Option Scheme, and (g) the proposed cancellation of Repurchased A Shares and reduction of registered capital.

The purpose of this circular is to provide you with the notice of the EGM and the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM.

The following special resolutions will be proposed at the EGM for the Shareholders to consider, and if thought fit, to approve:

- (1) the proposed adoption of the 2025 A Share Incentive Scheme and the proposed issue of Restricted Shares under the 2025 A Share Incentive Scheme;
- (2) the proposed adoption of the 2025 A Share Incentive Scheme Assessment Management Measures;
- (3) the proposed authorization to the Board to deal with matters relating to the 2025 A Share Incentive Scheme;
- (4) the proposed adoption of the 2025 H Share Option Scheme;
- (5) the proposed authorization to the Board to deal with matters relating to the 2025 H Share Option Scheme;
- (6) the proposed grant of 371,300 H Share Options to Dr. Xuefeng YU; and
- (7) the proposed cancellation of Repurchased A Shares and reduction of registered capital.

LETTER FROM THE BOARD

II. DETAILS OF THE RESOLUTIONS

Special Resolutions

(1) Proposed Adoption of the 2025 A Share Incentive Scheme

Principal Terms of the 2025 A Share Incentive Scheme

The principal terms of the 2025 A Share Incentive Scheme are set out below:

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.

LETTER FROM THE BOARD

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, the Guidelines for Self-Discipline and the Hong Kong Listing Rules 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.

LETTER FROM THE BOARD

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
I. First Grant of the 2025 A Share Incentive Scheme						
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%
II. Reserved Grant of the 2025 A Share Incentive Scheme				514,500	19.94%	0.21%
Total				2,580,000	100.00%	1.04%

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.
- 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.

LETTER FROM THE BOARD

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 Latest Practicable Date, among which 2,065,500 Restricted Shares representing approximately 0.83% of the total share capital of the Company as of the Latest Practicable Date 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 Latest Practicable Date 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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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/attributed 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/attributed 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/attributed 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.

LETTER FROM THE BOARD

(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.

LETTER FROM THE BOARD

(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 42 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 40 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.

LETTER FROM THE BOARD

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

Attribution arrangement	Attribution period	Attribution amount as a percentage of the total amount of the First Grant of the 2025 A Share Incentive Scheme
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%

LETTER FROM THE BOARD

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

Attribution arrangement	Attribution period	Attribution amount as a percentage of the total amount of the Reserved Grant of the 2025 A Share Incentive Scheme
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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

- 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;

LETTER FROM THE BOARD

(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;

LETTER FROM THE BOARD

- (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.

LETTER FROM THE BOARD

(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	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).
Second attribution tranche	2026	1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2026 shall not be less than 71.0%;	1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2026 shall not be less than 69.0%;	1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2026 shall not be less than 66.0%;

LETTER FROM THE BOARD

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%
		<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>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>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>
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.

LETTER FROM THE BOARD

- (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:

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 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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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).

LETTER FROM THE BOARD

- (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.

LETTER FROM THE BOARD

**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.

LETTER FROM THE BOARD

- (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.

LETTER FROM THE BOARD

- (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 re-hired 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.

LETTER FROM THE BOARD

- (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.

LETTER FROM THE BOARD

- (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;

LETTER FROM THE BOARD

(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.

LETTER FROM THE BOARD

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.

Details of the 2025 A Share Incentive Scheme are set out in Appendix I to this circular. The 2025 A Share Incentive Scheme was prepared in Chinese language. In the event of any discrepancy between the English translation and the Chinese version of the 2025 A Share Incentive Scheme, the Chinese version shall prevail.

Approval of the 2025 A Share Incentive Scheme by the Board and the Shareholders at the EGM

The resolution in relation to the proposed adoption of the 2025 A Share Incentive Scheme was considered and approved at the meeting of the Board held on September 26, 2025. On the same date, the Board has also resolved to propose the 2025 A Share Incentive Scheme to be approved by the Shareholders at the EGM. A special resolution will be proposed at the EGM to consider and, if thought fit, approve the proposed adoption of the 2025 A Share Incentive Scheme.

Purposes and Reasons for and Benefits of the Adoption of the 2025 A Share Incentive 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 Company is of the view that the adoption and implementation of the 2025 A Share Incentive Scheme is beneficial to the Company and its Shareholders as a whole, and the terms and conditions of the 2025 A Share Incentive 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 is considered a critical component of the Company's employee appraisal system and effectively aligns 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 will aid in achieving the aforesaid goals. The terms of the 2025 A Share Incentive 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.

LETTER FROM THE BOARD

Hong Kong Listing Rules Implications

The 2025 A Share Incentive Scheme constitutes a share scheme 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.

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.

Ms. Jing Wang, an executive Director, the chief commercial officer and deputy general manager of the Company, is a Connected Participant under the First Grant of the 2025 A Share Incentive Scheme. As her participation in the 2025 A Share Incentive 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 (including the independent non-executive Directors) are of the view that the proposed grant of Restricted Shares to Ms. Jing Wang under the First Grant of the 2025 A Share Incentive Scheme will achieve the purpose of the 2025 A Share Incentive Scheme, and the terms and conditions of the proposed grant of Restricted Shares to Ms. Jing Wang under the First Grant of the 2025 A Share Incentive Scheme are on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Ms. Jing Wang, as a Connected Participant under the First Grant of the 2025 A Share Incentive Scheme, has declared her interests in the 2025 A Share Incentive Scheme and abstained from voting on the resolutions in relation to the proposed adoption of the 2025 A Share Incentive Scheme, the 2025 A Share Incentive Scheme Assessment Management Measures and the proposed issue of Restricted Shares under the 2025 A Share Incentive Scheme at the Board meeting as a result of her interests. Save for the abovementioned Director, there is no other Director who is required to abstain from voting on the Board resolutions in relation to the 2025 A Share Incentive Scheme. The Board (including all the independent non-executive Directors) has approved the A Share Incentive Scheme that proposed to grant to Ms. Jing Wang.

In the event that any grant of the Restricted Shares under the 2025 A Share Incentive 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 Restricted Shares 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.

LETTER FROM THE BOARD

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 Latest Practicable Date, 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.

LETTER FROM THE BOARD

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

The Company proposed to grant its 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 Latest Practicable Date, 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.

Total funds to be raised and the proposed use of proceeds

No more than RMB106,296,000 will be paid by the Participants to subscribe for no more than 2,580,000 Restricted Shares under the 2025 A Share Incentive Scheme. The proceeds from the subscription of the Restricted Shares to be issued under the 2025 A Share Incentive Scheme are intended to supplement working capital of the Group.

Dilution Effect

The shareholding structure of the Company before and after the attribution of the Restricted Shares granted under the 2025 A Share Incentive Scheme and the Options granted under the 2025 H Share Option Scheme to the Participants is set out as follows:

	As of the Latest Practicable Date	Assuming full attribution and issue of the Restricted Shares under the 2025 A Share Incentive Scheme ⁽¹⁾	Assuming full attribution and issue of the Options under the 2025 H Share Option Scheme ⁽²⁾	Assuming full attribution and issue of both the Restricted Shares under the 2025 A Share Incentive Scheme and the Options under the 2025 H Share Option Scheme ⁽³⁾
Number of A Shares	114,778,999	117,358,999	114,778,999	117,358,999
Number of H Shares	132,670,900	132,670,900	133,530,900	133,530,900
Total	247,449,899	250,029,899	248,309,899	250,889,899

LETTER FROM THE BOARD

Notes:

1. Assuming that (i) all Restricted Shares under the 2025 A Share Incentive Scheme are issued by the Company; and (ii) no other Shares are issued or repurchased by the Company.
2. Assuming that (i) exercise of all Options are granted by the Company under the 2025 H Share Option Scheme; and (ii) no other Shares are issued or repurchased by the Company.
3. Assuming that (i) all Restricted Shares under the 2025 A Share Incentive Scheme are issued by the Company; (ii) exercise of all Options are granted by the Company under the 2025 H Share Option Scheme; and (iii) no other Shares are issued or repurchased by the Company.

Grant Price

The Grant Price of the Restricted Shares under the 2025 A Share Incentive Scheme shall be RMB41.20 per A Share, which was determined with reference to the basis set out in the section headed “Principal Terms of the 2025 A Share Incentive Scheme” above.

Aggregate nominal value

The nominal value of the A Shares is RMB1.00 per A Share. The aggregate nominal value of the Restricted Shares to be granted under the 2025 A Share Incentive Scheme shall be no more than RMB2,580,000.

Fund Raising Activities in the Past 12 Months

The Company has not conducted any fund raising activities involving the issue of share capital within the 12 months immediately preceding the Latest Practicable Date.

(2) 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 is set out in Appendix II to this circular. The 2025 A Share Incentive Scheme Assessment Management Measures was prepared in Chinese language. In the event of any discrepancy between the English translation and the Chinese version of the 2025 A Share Incentive Scheme Assessment Management Measures, the Chinese version shall prevail.

A special resolution will be proposed at the EGM to consider and, if thought fit, approve the proposed adoption of the 2025 A Share Incentive Scheme Assessment Management Measures.

LETTER FROM THE BOARD

(3) 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/attribution 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;

LETTER FROM THE BOARD

- (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.

LETTER FROM THE BOARD

(4) Proposed Adoption of the 2025 H Share Option Scheme

The details of the 2025 H Share Option Scheme are set out in Appendix III to this circular.

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 Appendix III to this circular, 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 Board has resolved to grant 371,300 Options to Dr. Xuefeng YU, 204,300 Options to Dr. Tao ZHU, 162,500 Options to Dr. Shou Bai CHAO, and 121,900 Options to Dr. Dongxu QIU. Each Option shall be entitled to subscribe for one H Share. For details of the grants to each of Dr. Xuefeng YU, Dr. Tao ZHU, Dr. Shou Bai CHAO and Dr. Dongxu QIU, please refer to the announcement of the Company dated September 26, 2025.

LETTER FROM THE BOARD

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 of the Company, and 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.

LETTER FROM THE BOARD

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:

Vesting Arrangement	Assessment Year	Performance Target	Performance Target	Performance Target
		A Company Vesting Factor: 100%	B Company Vesting Factor: 90%	C 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).
Second attribution tranche	2026	1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2026 shall not be less than 71.0%;	1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2026 shall not be less than 69.0%;	1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2026 shall not be less than 66.0%;

LETTER FROM THE BOARD

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%
		<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>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>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>
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>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>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>

LETTER FROM THE BOARD

Vesting Arrangement	Assessment Year	Performance Target	Performance Target	Performance Target
		A Company Vesting Factor: 100%	B Company Vesting Factor: 90%	C Company Vesting Factor: 80%
		3. No fewer than 6 new clinical trials have been initiated cumulatively in 2025, 2026 and 2027 (based on achieving first case enrolment).	3. No fewer than 5 new clinical trials have been initiated cumulatively in 2025, 2026 and 2027 (based on achieving first case enrolment).	3. No fewer than 4 new clinical trials have been initiated cumulatively in 2025, 2026 and 2027 (based on achieving first case enrolment).

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:

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 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.

LETTER FROM THE BOARD

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.

Scheme Limit

The scheme limit, being the maximum limit on the number of Shares which may be issued upon exercise of option(s) and vesting of award(s), if any, under the 2025 H Share Option Scheme and all other share scheme(s) of the Company (excluding options or awards lapsed in accordance with relevant scheme rules), is approximately 1.39% of the total number of issued Shares (excluding Treasury Shares) as of the Adoption Date, being 3,440,000 Shares. ("**Scheme Limit**").

An application will be made to the Stock Exchange for approval of the listing of, and permission to deal in, the H Shares to be issued pursuant to the exercise of any Option which may be granted under the 2025 H Share Option Scheme. The total number of H Shares that the Company would apply for the listing is 860,000 H Shares. The Company may issue new H Shares or utilize Treasury Shares (if any) to satisfy grant of the Options under the 2025 H Share Option Scheme.

Approval of the 2025 H Share Option Scheme by the Board and the Shareholders at the EGM

The resolution in relation to the proposed adoption of the 2025 H Share Option Scheme was considered and approved at the meeting of the Board held on September 26, 2025. On the same date, the Board has also resolved to propose the 2025 H Share Option Scheme to be approved by the Shareholders at the EGM. A special resolution will be proposed at the EGM to consider and, if thought fit, approve the proposed adoption of the 2025 H Share Option Scheme.

Purposes and Reasons for and Benefits of the Adoption of the 2025 H Share Option Scheme

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.

LETTER FROM THE BOARD

The Company is of the view that the adoption and implementation of the 2025 H Share Option Scheme is beneficial to the Company and its Shareholders as a whole, and the terms and conditions of 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 retain talents, especially the Core Management. The 2025 H Share Option Scheme is considered a critical component of the Company's appraisal system for the Core Management and effectively aligns the Core Management's achievements at the individual level with the Company's overall performance. The Company is of the view that the adoption of the 2025 H Share Option Scheme will aid in achieving the aforesaid goals. The terms of 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 H Share Option Scheme.

Dilution Effect

The shareholding structure of the Company before and after the attribution of the Restricted Shares granted under the 2025 A Share Incentive Scheme and the Options granted under the 2025 H Share Option Scheme to the Participants is set out as follows:

	As of the Latest Practicable Date	Assuming full attribution and issue of the Restricted Shares under the 2025 A Share Incentive Scheme ⁽¹⁾	Assuming full attribution and issue of the Options under the 2025 H Share Option Scheme ⁽²⁾	Assuming full attribution and issue of both the Restricted Shares under the 2025 A Share Incentive Scheme and the Options under the 2025 H Share Option Scheme ⁽³⁾
Number of A Shares	114,778,999	117,358,999	114,778,999	117,358,999
Number of H Shares	132,670,900	132,670,900	133,530,900	133,530,900
Total	247,449,899	250,029,899	248,309,899	250,889,899

Notes:

1. Assuming that (i) all Restricted Shares under the 2025 A Share Incentive Scheme are issued by the Company; and (ii) no other Shares are issued or repurchased by the Company.
2. Assuming that (i) all Options under the 2025 H Share Option Scheme are granted by the Company; and (ii) no other Shares are issued or repurchased by the Company.
3. Assuming that (i) all Restricted Shares under the 2025 A Share Incentive Scheme are issued by the Company; (ii) all Options under the 2025 H Share Option Scheme are granted by the Company; and (iii) no other Shares are issued or repurchased by the Company.

LETTER FROM THE BOARD

Aggregate nominal value

The nominal value of the H Shares is RMB1.00 per H Share. The aggregate nominal value of the Options to be granted, when exercised in full, under the 2025 H Share Option Scheme shall be no more than RMB860,000.

Fund Raising Activities in the Past 12 Months

The Company has not conducted any fund raising activities involving the issue of share capital within the 12 months immediately preceding the Latest Practicable Date.

Hong Kong Listing Rules Implications

The 2025 H Share Option Scheme constitutes a share scheme 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 H Share Option Scheme.

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 involve 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 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.

The Board (including all the independent non-executive Directors) has approved the grant of H Share Options to each of Dr. Xuefeng YU, Dr. Tao ZHU, Dr. Shou Bai CHAO, and Dr. Dongxu QIU under the 2025 H Share Option Scheme. Dr. Xuefeng YU and Dr. Shou Bai CHAO, being the directors who are associated with the 2025 H Share Option Scheme, have abstained from voting on the board resolution in relation to the grant of H Share Options to each of Dr. Xuefeng YU, Dr. Tao ZHU, Dr. Shou Bai CHAO, and Dr. Dongxu QIU respectively.

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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.

(5) 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

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- (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.

The resolution was considered and approved at the Board meeting on September 26, 2025, and is hereby submitted to the EGM as a special resolution for consideration and approval.

(6) Proposed Grant of 371,300 H Share Options to Dr. Xuefeng YU

References are made to the announcements of the Company dated September 26, 2025 and September 30, 2025 in relation to, among others, conditional upon the 2025 H Share Option Scheme taking effect, the conditional grant of 371,300 Options to Dr. Xuefeng YU, the chairman of the Board, an executive Director, the chief executive officer and a substantial shareholder of our Company, to subscribe for 371,300 Shares, representing approximately 0.15% of the total number of Shares in issue as of the Latest Practicable Date, subject to the approval of the independent Shareholders, pursuant to the 2025 H Share Option Scheme. No other Participants under the 2025 H Share Option Scheme shall be granted Options exceeding 0.1% of the issued Shares (excluding Treasury shares).

Details of the Options to be granted to Dr. Xuefeng YU are set out below:

- Date of Grant** : September 26, 2025
- Number of Options conditionally granted** : 371,300 Options (each Option shall be entitled to subscribe for one H Share), subject to the Shareholders' approval
- 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.

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- Closing price of the Shares on the Date of Grant** : HK\$46.96 per H Share
- Consideration for the grant of the Options** : No consideration is payable on acceptance of each grant of Options.
- Exercise period of the Options** : The Options vested may be exercised at any time until the expiry of 48 months from the date of grant.
- Vesting Schedule** : 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.
- 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%;

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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%
		<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>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>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>
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>

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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%
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 Dr. Xuefeng YU is carried out according to the internal performance assessment system of the Company. The results of the individual assessment of Dr. Xuefeng YU 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%

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- (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 Dr. Xuefeng YU 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 Dr. Xuefeng YU 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.

LETTER FROM THE BOARD

Reasons for and Benefits of the Proposed Grant

The Board is of the view that the proposed grant of 371,300 H Share Options to Dr. Xuefeng YU aligns with the purpose of the 2025 H Share Option Scheme primarily taking into account the following:

Dr. Xuefeng YU serves as the chairman of the Board, an executive Director and chief executive officer. He is responsible for the Company's overall strategic development planning, coordination of business operations, and formulation of major decisions. He also plays a critical role in the Company's strategic development and production operations.

Hence, the Board (including all the independent non-executive Directors but excluding Dr. Xuefeng YU and Dr. Shou Bai CHAO, who had abstained from voting on the resolution relating to the proposed grant of 371,300 H Share Options to Dr. Xuefeng YU) is of the view that the proposed grant of 371,300 H Share Options to Dr. Xuefeng YU is fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

Hong Kong Listing Rules Implications

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, has abstained from voting on the relevant board resolution in respect of the proposed grant. 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.

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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 Latest Practicable Date, 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 Latest Practicable Date. Therefore, these above persons must abstain from voting in favour of the resolution approving the proposed grant at the EGM.

(7) 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 Latest Practicable Date, 406,098 repurchased A Shares have not been utilized.

The Company intends 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.

III. EXISTING SHARE SCHEME

As of the Latest Practicable Date, the existing share schemes of the Company are (i) the 2023 A Share Employee Stock Ownership Plan, which was adopted on April 20, 2023 and has been fully vested; and (ii) the 2018 Employee Share Plan of the Company, which was adopted on May 28, 2018 and has been fully vested.

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IV. DOCUMENT ON DISPLAY

A copy of the scheme document of each of the 2025 A Share Incentive Scheme and 2025 H Share Option Scheme will be published on the websites of Hong Kong Stock Exchange and the Company for display for a period of not less than 14 days before the date of the EGM, and the scheme document of each of the 2025 A Share Incentive Scheme and 2025 H Share Option Scheme will be made available for inspection at the EGM.

V. THE EGM

The EGM will be held at No. 1, Yuebin Hall, 2nd Floor, Hyatt Regency Tianjin East, No. 126 Weigu Road, Hedong District, Tianjin, the PRC, at 2:00 p.m. on Thursday, October 23, 2025.

The Notice of EGM is set out on pages N-1 to N-2 of this circular and published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.cansinotech.com).

VI. CLOSURE OF REGISTER OF MEMBERS OF H SHARES

The register of members of H Shares will be closed from Wednesday, October 22, 2025 to Thursday, October 23, 2025, both days inclusive, during which period no transfer of H Shares shall be registered, in order to determine the holders of the H Shares who are entitled to attend and vote at the forthcoming EGM to be held on Thursday, October 23, 2025.

To be eligible to attend and vote at the EGM, all properly completed transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Tuesday, October 21, 2025 for registration.

VII. PROXY ARRANGEMENT

The form of proxy of the EGM is enclosed and published on the websites of the Hong Kong Stock Exchange and the Company.

If you intend to appoint a proxy to attend the EGM, you are required to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. For holders of H Shares, the form of proxy should be returned to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time fixed for holding the EGM (i.e. not later than 2:00 p.m. on Wednesday, October 22, 2025) or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or at any other adjourned meeting(s) should you so wish.

LETTER FROM THE BOARD

VIII. VOTING BY POLL

Any vote of Shareholders at the EGM must be taken by poll except where the chairman of the meetings, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company shall publish the poll results announcement in the manner prescribed under Rule 13.39(5) of the Hong Kong Listing Rules. Accordingly, the chairman of the EGM will exercise his power under the Articles of Association to demand a poll in relation to all the proposed resolutions at the EGM.

Pursuant to the relevant STAR Market Listing Rules and the Hong Kong Listing Rules, (1) Ms. Jing Wang, who is a Participant under the 2025 A Share Incentive Scheme and is entitled to exercise approximately 0.01% of the voting rights in the Company, is required to abstain from voting on the following resolutions: (i) proposed adoption of the 2025 A Share Incentive Scheme and the proposed issue of Restricted Shares under the 2025 A Share Incentive Scheme; (ii) proposed adoption of the 2025 A Share Incentive Scheme Assessment Management Measures; and (iii) proposed authorization to the Board to deal with matters relating to the 2025 A Share Incentive Scheme; and (2) Dr. Xuefeng YU, Dr. Tao ZHU, Dr. Shou Bai CHAO, Dr. Helen Huihua MAO, and Dr. Dongxu QIU, who are participants (or a close associate of a participant) under the 2025 H Share Option Scheme and are collectively entitled to exercise approximately 28.08% of the voting rights in the Company, are required to abstain from voting on the following resolutions: (i) the proposed adoption of the 2025 H Share Option Scheme; (ii) the proposed authorization to the Board to deal with matters relating to the 2025 H Share Option Scheme; and (iii) the proposed grant of 371,300 H Share Options to Dr. Xuefeng YU.

Save for abovementioned Shareholders, to the best of the Directors' knowledge, information and belief, none of the other Shareholders are required to abstain from voting on the proposed resolutions at the EGM.

IX. RECOMMENDATION

The Board considers that all the resolutions proposed at the EGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favor of these proposed resolutions.

X. RESPONSIBILITY STATEMENT

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

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

STATEMENT

The board of directors of the Company and all of its directors undertake that there are no false records, misleading statements or material omissions herein, and assume individual and joint legal responsibility for its truthfulness, accuracy and completeness.

All the Participants of the Company undertake that, if there are false records, misleading statements or material omissions in the Company's information disclosure documents, resulting in non-compliance with the arrangement for granting or exercising rights and interests, the Participants shall return all the benefits obtained from the 2025 A Share Incentive Scheme to the Company after confirming the existence of false records, misleading statements or major omissions in relevant information disclosure documents.

SPECIAL NOTES

- I. The 2025 A Share Incentive Scheme is formulated in accordance with the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Securities Law of the People's Republic of China (《中華人民共和國證券法》), the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》), the Management Measures for Share Incentive Scheme Adopted by Listed Companies (《上市公司股權激勵管理辦法》), the Guidelines for Self-Discipline of Listed Companies on the STAR Market No. 4 – Disclosure of Equity Incentive Information (《科創板上市公司自律監管指南第4號–股權激勵信息披露》), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (香港聯合交易所有限公司證券上市規則) and other relevant laws, administrative regulations, regulatory documents and the relevant requirements of the Articles of Association of CanSino Biologics Inc.
- II. The form of incentive adopted by the 2025 A Share Incentive Scheme is Restricted Shares (Type II Restricted Shares). The source of the shares shall be ordinary A shares repurchased from secondary market by CanSino Biologics Inc. (the “**Company**”) or/and ordinary A shares issued by the Company to the Participants.

Participants that meet the conditions for the grant under the 2025 A Share Incentive Scheme, after fulfilling the corresponding attribution conditions, shall obtain the Company's ordinary A shares repurchased from secondary market or/and ordinary A shares issued by the Company at the grant price in tranches. Such shares will be registered at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. Prior to the attribution, the Restricted Shares granted to the Participants do not carry any shareholders' rights, and such Restricted Shares shall not be transferred, used to guarantee or repay debts, etc..

- III. The number of Restricted Shares proposed to be granted to the Participants under the 2025 A Share Incentive Scheme shall be 2,580,000 shares, representing approximately 1.04% of the total share capital of the Company of 247,449,899 shares as of the date of the announcement of the draft 2025 A Share Incentive Scheme. Among which, 2,065,500 Restricted Shares are proposed to be granted under the first grant, representing approximately 0.83% of the total share capital of the Company as of the date of the announcement of the draft 2025 A Share Incentive Scheme and 80.06% of the total number of the Restricted Shares proposed to be granted under the 2025 A Share Incentive Scheme; and 514,500 Restricted Shares are to be reserved, representing approximately 0.21% of the total share capital of the Company as of the date of the announcement of the draft 2025 A Share Incentive Scheme and 19.94% of the total number of the Restricted Shares proposed to be granted under the 2025 A Share Incentive Scheme.

The cumulative total number of underlying shares involved under all share schemes of the Company which are within their validity period shall not exceed 10.00% of the Company's total share capital as of the date on which the 2025 A Share Incentive Scheme is submitted for approval at a general meeting. The total number of shares to be granted to any Participant under all share schemes of the Company which are within their validity period shall not exceed 1.00% of the total share capital of the Company as of the date on which the 2025 A Share Incentive Scheme is submitted for approval at a general meeting.

- IV. The grant price of the Restricted Shares to be granted to the Participants under the 2025 A Share Incentive Scheme (including the reserved grant) shall be RMB41.20 per share.

In the event of conversion of capital reserve into share capital, bonus issue, sub-division or consolidation of shares, share allotment, dividend distribution and other matters concerned of the Company during the period from the date of announcement of the 2025 A Share Incentive Scheme to the date of completion of the attribution registration by the Participants, the grant price and the number of Restricted Shares to be granted shall be adjusted in accordance with the 2025 A Share Incentive Scheme accordingly.

- V. The total number of the Participants for the first grant under the 2025 A Share Incentive Scheme shall be 87 persons, representing approximately 7.87% of the number of employees in total (1,105 as of December 31, 2024). The Participants for the first grant are director and senior management who are serving in the Company and other employees as considered by the board of directors to be required to be incentivized by the Company as of the date of the announcement of the 2025 A Share Incentive Scheme.

The Participants for the reserved grant shall mean those who are not yet determined when the 2025 A Share Incentive Scheme is approved at a general meeting but are to be included in the 2025 A Share Incentive Scheme during the validity period of the 2025 A Share Incentive Scheme, and shall be determined within 12 months after the 2025 A Share Incentive Scheme being considered and approved at a general meeting. The principles for determining the Participants for the reserved grant shall refer to the principles for determining the Participants for the first grant.

- VI. The validity period of the 2025 A Share Incentive Scheme commences from the grant date of the Restricted Shares under the first grant until the date on which all Restricted Shares granted to the Participants have been attributed or lapsed. The validity period shall not exceed 48 months. The Restricted Shares granted under the 2025 A Share Incentive Scheme may be attributed in tranches upon the Participants satisfying the corresponding attribution conditions, and each vesting of interest is conditional after fulfilling the corresponding attribution conditions.
- VII. None of the following circumstances under which the implementation of the 2025 A Share Incentive Scheme shall not be carried out as stipulated in Article 7 of the Management Measures for Share Incentives of Listed Companies has occurred to 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;
 - (5) other circumstances as determined by the CSRC.
- VIII. The Participants of the Restricted Scheme won't include independent non-executive Directors and Supervisors. None of the following circumstances under which one shall not be a Participant as stipulated in Article 8 of the Management Measures for Share Incentive Scheme Adopted by Listed Companies has occurred to a Participant under the 2025 A Share Incentive Scheme:
- (1) the Participant has been determined as an inappropriate candidate by 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;
 - (6) other circumstances as determined by the CSRC.
- IX. The Company undertakes not to provide loans and any other forms of financial assistance, including providing guarantee for their loans, to the Participants to obtain their Restricted Shares under the 2025 A Share Incentive Scheme.
- X. The 2025 A Share Incentive Scheme shall be implemented after being considered and approved at the general meeting of the Company.
- XI. The implementation of the 2025 A Share Incentive Scheme will not result in the shareholding structure of the Company failing to meet the listing requirements.

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CHAPTER I DEFINITIONS

Unless otherwise required, the following expressions herein shall have the following meanings:

“CanSino, Company, Listed Company”	CanSino Biologics Inc. (康希諾生物股份公司)
“2025 A Share Incentive Scheme”	the 2025 A Share Restricted Share Incentive Scheme of CanSino Biologics Inc.
“Restricted Shares, Type II Restricted Shares”	the shares of the Company to be obtained and registered in tranches by the Participants who meet the conditions for grant under the 2025 A Share Incentive Scheme, after meeting the corresponding attribution conditions
“Participant(s)”	directors, senior management, and other 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
“grant date”	the date on which the Company grants the Restricted Shares to the Participants
“grant price”	the price at which each of the Company’s Restricted Shares is granted by the Company to a Participant
“validity period”	the period commencing on the first grant date of the Restricted Shares and ending on the date on which all Restricted Shares granted to the Participants have been attributed or lapsed
“attribution”	the act of registering the Restricted Shares by the Listed Company to the account of a Participant after the attribution conditions having been satisfied by the Participant
“attribution conditions”	the attribution conditions as stipulated under the 2025 A Share Incentive Scheme which must be satisfied by a Participant in order to obtain the incentive shares
“attribution date”	the date on which the registration of the granted Restricted Shares is completed after the attribution conditions having been satisfied by a Participant, which must be a trading day
“IND”	investigational new drug
“NDA”	new drug application

APPENDIX I THE 2025 RESTRICTED A SHARE INCENTIVE SCHEME (DRAFT)

“Company Law”	the Company Law of the People’s Republic of China (《中華人民共和國公司法》)
“Securities Law”	the Securities Law of the People’s Republic of China (《中華人民共和國證券法》)
“Management Measures”	the Management Measures for Share Incentives of Listed Companies (《上市公司股權激勵管理辦法》)
“STAR Market Listing Rules”	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》)
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (《香港聯合交易所有限公司證券上市規則》)
“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》)
“Articles of Association”	the Articles of Association of CanSino Biologics Inc. (《康希諾生物股份公司章程》)
“Remuneration and Assessment Committee”	the remuneration and assessment committee of the board of directors of the Company
“supervisory authority”	the Company’s board of supervisors, or the Remuneration 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
“CSRC”	the China Securities Regulatory Commission
“Stock Exchange”	stock exchanges where all classes of shares of the Company are listed
“yuan, 0,000 yuan”	RMB, RMB0,000

Notes:

1. The financial data and indicators cited in this draft, if not specifically stated, refer to the audited financial data of the consolidated statements and indicators calculated on the basis of such financial data of the consolidated statements.
2. Any discrepancies in this draft between the total shown and the breakdowns of the amounts listed are due to rounding.

**CHAPTER II PURPOSE AND PRINCIPLE OF
THE 2025 A SHARE INCENTIVE SCHEME**

For the purpose of improving the Company's incentive mechanism, further enhancing the enthusiasm, creativity, and cohesion of employees, promoting the continuous growth of Company's performance, and achieving common development by enhancing the value of the Company and granting benefits to the employees, the Company formulates this 2025 A Share Incentive Scheme in accordance with the relevant laws, regulations and regulatory documents including the Company Law, the Securities Law, the Management Measures, the STAR Market Listing Rules, the Guidelines for Self-Discipline and the Hong Kong Listing Rules, as well as the Articles of Association.

As of the date of the announcement of the 2025 A Share Incentive Scheme (Draft), the Company does not have any other A-share incentive scheme that has been adopted and is currently effective under the STAR Market Listing Rules and Management Measures.

**CHAPTER III ADMINISTRATIVE BODIES OF
THE 2025 A SHARE INCENTIVE SCHEME**

- I. The general meeting, as the ultimate authority of the Company, shall be responsible for considering and approving the implementation, amendment and termination of the 2025 A Share Incentive Scheme. The general meeting may, within its powers and authority, authorize the board of directors to handle certain matters relating to the 2025 A Share Incentive Scheme.

- II. The board of directors of the Company shall act as the executive and administrative body for the 2025 A Share Incentive Scheme and be responsible for the implementation of the 2025 A Share Incentive Scheme. The Remuneration and Assessment Committee under the board of directors shall be responsible for drafting and revising the 2025 A Share Incentive Scheme, and submitting the 2025 A Share Incentive Scheme to the board of directors of the Company for review and approval. Upon approval by the board of directors, the 2025 A Share Incentive Scheme shall be further submitted to the general meeting of the Company for review and approval, and the board of directors may handle matters relating to the 2025 A Share Incentive Scheme within its scope of authority as delegated by the general meeting.

- III. The board of supervisors shall act as the supervisory authority for the 2025 A Share Incentive Scheme, and shall express opinions as to whether the 2025 A Share Incentive Scheme is conducive to the sustainable development of the Company, and whether there are any situations that clearly harm the interests of the Company and all shareholders. The board of supervisors shall supervise the implementation of the 2025 A Share Incentive Scheme as to whether it is in compliance with the relevant laws, administrative regulations, regulatory documents and operational rules of the Stock Exchange, and shall review the list of the Participants under the 2025 A Share Incentive Scheme.

Where amendments are being made to the 2025 A Share Incentive Scheme before or after the 2025 A Share Incentive Scheme is approved at the general meeting, the board of supervisors shall express clear opinions as to whether the amended 2025 A Share Incentive Scheme will be conducive to the sustainable development of the Company or whether there are any situations that clearly harm the interests of the Company and all shareholders.

Before the Restricted Shares are granted to a Participant, the board of supervisors shall express clear opinions on the conditions stipulated for the Participant to receive such Restricted Shares as set out in the 2025 A Share Incentive Scheme. In the event of any discrepancy between the Restricted Shares to be granted to a Participant and the arrangement under the 2025 A Share Incentive Scheme, the board of supervisors (where there are changes occurred to the Participants) shall express their clear opinions thereon at the same time.

Before the granted Restricted Shares are attributed to a Participant, the board of supervisors shall express clear opinions as to whether the attribution conditions stipulated under the 2025 A Share Incentive Scheme for the Participants have been fulfilled.

If, during the subsequent implementation of the 2025 A Share Incentive Scheme (including, but not limited to, verification of Participants, lapse of the Restricted Shares, and implementation procedures such as effectiveness, grant, vesting, amendment, and termination of the 2025 A Share Incentive Scheme scheme), the Company shall revise or adjust the corporate governance rules and regulations in accordance with the Company Law and relevant regulatory authorities' provisions. Then the supervisory authority of this incentive scheme, as well as the aforementioned related procedures and responsibilities shall be conducted in accordance with the revised Articles of Association and relevant regulations.

**CHAPTER IV BASIS FOR DETERMINING
THE PARTICIPANTS AND SCOPE OF PARTICIPANTS**

I. Basis for Determining the Participants

(1) Legal Basis for Determining the Participants

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, the Guidelines for Self-Discipline and the Hong Kong Listing Rules as well as the relevant provisions of the Articles of Association and the actual situation of the Company.

(2) Positions held by the Participants

The Participants for the first grant under the 2025 A Share Incentive Scheme are director, senior management and other employees considered by the board of directors to be required to be incentivized by the Company as of the date of the announcement of 2025 A Share Incentive Scheme and exclude independent non-executive Directors and supervisors. The Remuneration and Assessment Committee shall draft the list of the Participants to determine the specific Participants fulfilling the conditions under the 2025 A Share Incentive Scheme, which shall also be reviewed by the board of supervisors of the Company (or the supervisory authority).

II. Scope of Participants

The total number of the Participants for the first grant under the 2025 A Share Incentive Scheme shall be 87 persons, representing approximately 7.87% of the total number of 1,105 employees of the Company as of December 31, 2024, are:

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

The above Participants do not include independent non-executive Directors and supervisors, nor shareholders who individually or collectively hold more than 5% of the shares of the listed company, the actual controllers of the listed company, and their spouses, parents and children.

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 A Share Incentive Scheme. There is no related party participant or service provider participant under the 2025 A Share Incentive Scheme.

The above Participants include 3 foreign employees and 1 employee from Hong Kong, China . The reasons for which they are included in the 2025 A Share Incentive Scheme are that: the Company operates in the vaccine industry, which is characterized by its fierce competition for talents. The Company devotes its effort to an international development strategy, and the overseas businesses are a crucial part of the Company's future sustainable development. Therefore, attracting and stabilizing international high-end talents is very important for the Company's development; the Participants who are foreign employees play a pivotal role in areas such as the Company's technology research and development, and business development. Equity incentives are commonly used as incentives for overseas companies, the 2025 A Share Incentive Scheme will further promote the construction and stability of the Company's core talent team, thereby contributing to the long-term development of the Company.

The Participants of the reserved grant shall be determined within 12 months after the 2025 A Share Incentive Scheme being considered and approved at a general meeting. The Company will announce relevant information about the Participants timely and accurately in accordance with the requirements after the board of directors having made such proposal, the board of supervisors (or the supervisory authority) having expressed clear opinions, and the Company's counsel having provided professional opinions and issued legal opinions. The reserved grant shall lapse if the Participants cannot be determined within the 12-month period. The principles for determining the Participants for the reserved grant shall refer to the principles for determining the Participants for the first grant.

III. Verification of Participants

- (1) After the board of directors of the Company has reviewed and approved the 2025 A Share Incentive Scheme, the Company shall publish the names and positions of the Participants internally for no less than 10 days.
- (2) The board of supervisors of the Company (or the supervisory authority) shall review the list of the Participants and take sufficient consideration of the public response. The Company shall disclose the information regarding the review by the board of supervisors (or the supervisory authority) regarding the list of Participants and the publication response 5 days prior to the 2025 A Share Incentive Scheme being considered at the general meeting. Any adjustments to the list of the Participants made by the board of directors of the Company shall also be reviewed by the board of supervisors of the Company (or the supervisory authority).

**CHAPTER V FORM, SOURCE, NUMBER AND
ALLOCATION OF RESTRICTED SHARES TO BE GRANTED**

I. Form and Source of Shares to be Granted

The form of incentive to be adopted under the 2025 A Share Incentive Scheme is the Type II Restricted Shares. The Company will repurchase ordinary A shares from secondary market or/and issue ordinary A shares of the Company to Participants as the source of shares under the 2025 A Share Incentive Scheme.

II. The Number of Restricted Shares to be Granted

The number of the Restricted Shares proposed to be granted to the Participants under the 2025 A Share Incentive Scheme shall be 2,580,000 shares, representing approximately 1.04% of the total share capital of the Company of 247,449,899 shares as of the date of the announcement of the draft 2025 A Share Incentive Scheme. Among which, 2,065,500 Restricted Shares are proposed to be granted under the first grant, representing approximately 0.83% of the total share capital of the Company as of the date of the announcement of the draft 2025 A Share Incentive Scheme and 80.06% of the total number of the Restricted Shares proposed to be granted under the 2025 A Share Incentive Scheme; and 514,500 Restricted Shares are to be reserved, representing approximately 0.21% of the total share capital of the Company as of the date of the announcement of the draft 2025 A Share Incentive Scheme and 19.94% of the total number of the Restricted Shares proposed to be granted under the 2025 A Share Incentive Scheme.

The cumulative total number of underlying shares involved under all share schemes of the Company which are within their validity period shall not exceed 10.00% of the Company's total share capital as of the date on which the 2025 A Share Incentive Scheme is submitted for approval at a general meeting. The total number of the shares to be granted to any Participant in the 2025 A Share Incentive Scheme under all share schemes of the Company which are within their validity period shall not exceed 1.00% of the total share capital of the Company as of the date on which the 2025 A Share Incentive Scheme is submitted for approval at a general meeting.

In the event of conversion of capital reserve into share capital, bonus issue, sub-division or consolidation of shares, share allotment and other matters concerned of the Company happens during the period from the date of the announcement of the 2025 A Share Incentive Scheme until the granting of Restricted Shares to the Participants and from the granting of Restricted Shares to the Participants to the date of attribution of the Restricted Shares, the number of the Restricted Shares shall be adjusted accordingly.

III. Allocation of Restricted Shares to be Granted to the Participants

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 proposed to be granted (shares)	Percentage to the total number of the Restricted Shares proposed to be granted	Percentage to the total share capital as of the date of the announcement of the draft 2025 A Share Incentive Scheme
I. First grant of the 2025 A Share Incentive Scheme						
1.	Directors and senior management					
1	Ms. Jing WANG	China	Executive Director, chief commercial officer and deputy general manager	103,700	4.02%	0.04%
2	Mr. Jin CUI	China	Secretary to the Board	46,300	1.79%	0.02%
2.	Other persons considered by the board of directors 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				2,065,500	80.06%	0.83%
II. Reserved grant				514,500	19.94%	0.21%
Total				2,580,000	100.00%	1.04%

Notes:

1. 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 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 of the scheme exclude independent non-executive Directors and supervisors. It also excludes shareholders who individually or collectively hold more than 5% of the shares of the listed company, the actual controllers of the listed company, and their spouses, parents and children.

3. The Participants under the reserved grant shall be determined within 12 months after the scheme is considered and approved by the general meeting of the Company. After the board of directors determine, the board of supervisors (or the supervisory authority) give clear opinions, and lawyers give 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 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 or distribute among other Participants.

**CHAPTER VI VALIDITY PERIOD, GRANT DATE,
ATTRIBUTION ARRANGEMENT AND LOCK-UP PERIOD
OF THE 2025 A SHARE INCENTIVE SCHEME**

I. Validity Period of the 2025 A Share Incentive Scheme

The validity period of the 2025 A Share Incentive Scheme commences on the grant date of the Restricted Shares under the first grant and ends on the date on which all Restricted Shares granted to the Participants have been attributed or lapsed. Such validity period shall not exceed 48 months.

II. Grant Date of the 2025 A Share Incentive Scheme

The grant date shall be determined by the board of directors of the Company after the 2025 A Share Incentive Scheme has been considered and approved at a general meeting of the Company. The grant date must be a trading day. The Company shall convene a meeting of the board of directors to grant the Restricted Shares to the Participants and complete the relevant procedures including making relevant announcement(s) according to the relevant regulations, within 60 days after the 2025 A Share Incentive Scheme having been adopted and approved at a general meeting. If the Company is unable to complete the above procedures within the 60-day period, the Company shall make a timely announcement to disclose the reasons for being unable to complete the procedures and declare the termination of the 2025 A Share Incentive Scheme. The Restricted Shares which have not been granted will lapse. The period during which no Restricted Shares shall be granted pursuant to the Management Measures is excluded from the calculation of the 60-day period. The grant date of reserved shares shall follow the above principles and be determined by the board of directors within 12 months after the 2025 A Share Incentive Scheme is considered and approved by the general meeting of the Company. The grant date shall be a trading day and relevant interests shall not be granted during the following periods:

- (1) 60 days prior to the publication of the annual report of the Company (inclusive of the date of publication of the annual report), or the period from the end of the relevant financial year to the date of publication of the annual report, whichever is shorter;
- (2) 30 days prior to the Company's consideration of the announcement of the interim report or quarterly report (inclusive of the date of publication of the interim report or quarterly report), or the period from the end of the relevant quarterly or interim period to the date of announcement of the periodic report, whichever is shorter;
- (3) Within 5 days prior to the announcement of the Company's results forecast and preliminary results;

- (4) From the date of occurrence of a major event that may have a significant impact on the trading price of the Company's shares and derivatives or the date on which the decision-making process is commenced in relation to such event after such event is disclosed in accordance with the law;
- (5) Such other period as stipulated by the CSRC and the stock exchanges.

III. Attribution Arrangement under the 2025 A Share Incentive Scheme

- (1) The Restricted Shares granted under the 2025 A Share Incentive Scheme will be attributed in tranches and upon the Participants satisfying the corresponding attribution conditions. The attribution date must be a trading day, and shall not fall within any of the following periods:
 - (i) within 15 days prior to the publication of the annual report and half-year report of the Company;
 - (ii) within 5 days prior to the disclosure of quarterly results, results preview or preliminary financial results of the Company;
 - (iii) from the date of occurrence of a material event which may have considerable impact on the trading price of the securities and their derivatives of the Company, or the date of entering the decision-making process, after relevant disclosure has been made in accordance with the laws;
 - (iv) any other period stipulated by the stock exchanges.

The above "material events" are the transactions or other significant events that shall be disclosed by the Company in accordance with the requirement of the STAR Market Listing Rules. If there are other provisions in relevant laws, administrative regulations and department rules on the period when the Restricted Shares cannot be attributed, the relevant provisions shall prevail.

APPENDIX I THE 2025 RESTRICTED A SHARE INCENTIVE SCHEME (DRAFT)

- (2) The attribution period and arrangement for the first grant of the Restricted Shares are shown in the table below:

Attribution arrangement	Attribution period	Attribution amount as a percentage of the total amount of the first grant of the 2025 A Share Incentive Scheme
First attribution tranche	From the first trading day after the expiry of 12 months following the grant date of the Restricted Shares under the first grant to the last trading day within the 24 months following the grant date of the Restricted Shares under the first grant.	40%
Second attribution tranche	From the first trading day after the expiry of 24 months following the grant date of the Restricted Shares under the first grant to the last trading day within the 36 months following the grant date of the Restricted Shares under the first grant.	30%
Third attribution tranche	From the first trading day after the expiry of 36 months following the grant date of the Restricted Shares under the first grant to the last trading day within the 48 months following the grant date of the Restricted Shares under the first grant.	30%

APPENDIX I THE 2025 RESTRICTED A SHARE INCENTIVE SCHEME (DRAFT)

- (3) Attribution period and arrangements for the Restricted Shares reserved for grant under the 2025 A Share Incentive Scheme are shown in the table below:

The attribution period and arrangements for the Restricted Shares under the reserved grant shall be as follows:

Attribution arrangement	Attribution period	Attribution amount as a percentage of the total amount of the reserved grant of the 2025 A Share Incentive Scheme
First attribution tranche	From the first trading day after the expiry of 12 months following the grant date of the Restricted Shares under the reserved grant to the last trading day within the 24 months following the grant date of the Restricted Shares under the reserved grant.	50%
Second attribution tranche	From the first trading day after the expiry of 24 months following the grant date of the Restricted Shares under the reserved grant to the last trading day within the 36 months following the grant date of the Restricted Shares under the reserved grant.	50%

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 being attributed. The increased part of the Restricted Shares that have been granted but not yet attributed to the Participants due to conversion of capital reserve into share capital, stock dividend, and other circumstances, are also subject to the constraint. The increased part shall not be transferred, pledged for guarantees or used for repayment of debt before being attributed. If the Restricted Shares cannot be attributed, the increased part of shares obtained for the aforementioned reasons shall also not be attributed.

Those Restricted Shares which have not been attributed during the 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 provisions under the 2025 A Share Incentive Scheme.

IV. Lock-up Period under the 2025 A Share Incentive Scheme

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 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 Administration of Reduction of Shareholdings by Shareholders of Listed Companies (《上市公司股東減持股份管理暫行辦法》) and the Guidelines No.15 of Shanghai Stock Exchange for Self-Regulation of Listed Companies--Shareholding Reduction by Shareholders, Directors 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》) 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 Participants who are directors or members of the senior management of the Company, if they have sold the Company's shares held by them within six (6) months after purchasing such shares, or if they have purchased the shares within six (6) months after selling their shares, the gains obtained therefrom shall be attributed to the Company and the board of directors of the Company 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 Provisional Measures for the Administration of Reduction of Shareholdings by Shareholders of Listed Companies (《上市公司股東減持股份管理暫行辦法》) and the Guidelines No.15 of Shanghai Stock Exchange for Self-Regulation of Listed Companies--Shareholding Reduction by Shareholders, Directors 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》) 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.

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

I. Grant Price of Restricted Shares

The grant price of the Restricted Shares (including the reserved grant) shall be RMB41.20 per share. A Participant who has met the granting conditions and attribution conditions may subscribe for ordinary A shares repurchased from the secondary market or/and the new ordinary A shares to be issued by the Company to the Participants at the price of RMB41.20 per share.

II. Basis of Determination of the Grant Price of Restricted Shares

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 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 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 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 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.

III. Basis of Determination of the Grant Price of Restricted Shares under the Reserved Grant

The grant price of the Restricted Shares under the reserved grant shall be the same as the grant price of the Restricted Shares under the first grant, which is RMB41.20 per share. Before granting the reserved Restricted Shares, the board of directors shall review and approve relevant proposals and disclose the granting.

**CHAPTER VIII GRANT AND ATTRIBUTION CONDITIONS OF
THE RESTRICTED SHARES**

I. Conditions for Grant of the Restricted Shares

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

- (1) None of the following has occurred on the part of the Company:
 - (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 as determined by the CSRC.
- (2) None of the following has occurred on the part of the Participants:
 - (i) the Participant has been determined as an inappropriate candidate by the 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 is prohibited by the Company Law from acting as a director or member of the senior management of a company;
 - (v) applicable laws and regulations stipulate that the Participant shall not participate in equity incentives of listed companies;
 - (vi) other circumstances as determined by the CSRC.

II. Conditions for Attribution of the Restricted Shares

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

- (1) None of the following has occurred on the part of the Company:
 - (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) applicable laws and regulations stipulate that equity incentives shall not be implemented;
 - (v) other circumstances as determined by the CSRC.

- (2) None of the following has occurred on the part of the Participants:
 - (i) the Participant has been determined as an inappropriate candidate by the 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 shall not act as a director or member of the senior management of a company according to the Company Law;
 - (v) applicable 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.

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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 all 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.

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

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

- (4) 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 from 2025 to 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, company-level performance assessment targets and attribution factors for the Restricted Shares granted under the 2025 A Share Incentive Scheme are shown in the following table:

- (i) The company-level performance assessment targets for the first granted Restricted Shares 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>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>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>

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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%
		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).
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>
Third attribution tranche	2027	1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2027 shall not be less than 109.0%;	1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2027 shall not be less than 105.0%;	1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2027 shall not be less than 101.0%;

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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%
		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;	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;	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;
		3. No fewer than 6 new clinical trials have been initiated cumulatively in 2025, 2026 and 2027 (based on achieving first case enrolment).	3. No fewer than 5 new clinical trials have been initiated cumulatively in 2025, 2026 and 2027 (based on achieving first case enrolment).	3. No fewer than 4 new clinical trials have been initiated cumulatively in 2025, 2026 and 2027 (based on achieving first case enrolment).

Note: The above “operating revenue” is calculated based on the data set out in the consolidated audited financial statements.

- (ii) The performance assessment targets for the Restricted Shares under the reserved grant are as follows:

The assessment years and the relevant performance targets for the Restricted Shares reserved for grant under the 2025 A Share Incentive Scheme shall be the same as those for the first grant in 2026 and 2027.

During the attribution period, the Company shall handle the registration for Participants meeting the attribution conditions. If the Company’s performance level fails to meet or partially meets the performance assessment indicator requirements in each attribution period, the Restricted Shares of the Participants that cannot be attributed for the relevant year shall not be attributed and shall lapse.

(5) 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 divided 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:

Assessment Level	A	B
Individual attribution factor	100%	0%

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.

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.

The specific content of the assessment under the 2025 A Share Incentive Scheme is implemented in accordance with the Management Measures for Assessment for the Implementation of the 2025 Restricted A Share Incentive Scheme of CanSino Biologics Inc. (《康希諾生物股份公司2025年A股限制性股票激勵計劃實施考核管理辦法》).

III. Explanation on the scientificity and reasonableness of the performance appraisal indicators of the Restricted Shares

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 divided 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 under the 2025 A Share Incentive Scheme, 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.

**CHAPTER IX PROCEDURES FOR IMPLEMENTATION OF
THE 2025 A SHARE INCENTIVE SCHEME**

I. Procedures for Effectiveness of the 2025 A Share Incentive Scheme

- (1) The Remuneration and Assessment Committee of the board of directors of the Company is responsible for formulating the draft 2025 A Share Incentive Scheme and its summary.
- (2) The board of directors of the Company shall make the resolution on the 2025 A Share Incentive Scheme pursuant to the laws. When the board of directors make the resolution, directors being a Participant or related directors shall abstain from voting. After approving the 2025 A Share Incentive Scheme and the procedures of public announcements, the board of directors shall submit this 2025 A Share Incentive Scheme to the general meeting of shareholders for reviewing; meanwhile, the board of directors shall submit to the general meeting of shareholders for authorization to the implementation of the grant and attribution (registration) of the Restricted Shares.
- (3) The board of supervisors (or the supervisory authority) shall express opinions as to whether the 2025 A Share Incentive Scheme is conducive to the sustainable development of the Company and whether there are any circumstances apparently harmful to the interests of the Company and all shareholders. The Company will engage an independent financial adviser to give professional opinions on the feasibility of the 2025 A Share Incentive Scheme, whether the 2025 A Share Incentive Scheme is conducive to the sustainable development of the Company and whether there are any circumstances apparently harmful to the interests of the Company and all shareholders. The legal adviser engaged by the Company will issue a legal opinion on the 2025 A Share Incentive Scheme.
- (4) The Company shall carry out self-investigation on the trading of shares and their derivatives of the Company by individuals in possession of inside information within six (6) months prior to the announcement of the draft Incentive Scheme, and state whether there is any insider trading behavior. Anyone who trades in the Company's shares with knowledge of the insider information or discloses the insider information leading to the occurrence of insider trading shall not become a Participant, except for the cases that are not insider trading under the provisions of laws, administrative regulations and relevant judicial interpretations.
- (5) The 2025 A Share Incentive Scheme shall only implement after approved by the general meeting. Before convening a general meeting, the Company shall announce the names and positions of the Participants internally for not less than 10 days on the Company's website or by other means. The board of supervisors (or the supervisory authority) shall review the list of Participants and take sufficient consideration of the public response. The Company shall disclose the information regarding the review by the board of supervisors (or the supervisory authority) regarding the list of Participants and the publication responses 5 days prior to the consideration of the 2025 A Share Incentive Scheme at the general meeting.

- (6) The content of the 2025 A Share Incentive Scheme stipulated by Article 9 of the Management Measures shall be considered and voted by the general meeting of shareholders and shall only be approved by more than 2/3 of the voting rights held by shareholders attending the meeting. The voting situation of other shareholders except for the Company's directors, supervisors, senior managers, and shareholders who individually or collectively hold more than 5% of the Company's shares shall be calculated separately and disclosed. When the 2025 A Share Incentive Scheme is considered at the general meeting, the shareholders who is a Participant or have connected relationship with the Participants shall abstain from voting.
- (7) After the 2025 A Share Incentive Scheme has been considered and approved by the general meeting of the Company, and satisfies the conditions for grant, the Company will grant the Restricted Shares to the Participants within the stipulated period. After being authorized by the general meeting of shareholders, the board of directors is responsible for implementing the granting and attribution of the Restricted Shares.

II. Procedures for Grant of the Restricted Shares

- (1) The Company shall enter into the Agreement on the Granting of Restricted Shares with the Participants setting out their respective rights and obligations after the 2025 A Shares Incentive Scheme is approved by the general meeting and the resolution of granting the Restricted Shares to the Participants is made by the board of directors.
- (2) Before granting the Restricted Shares to the Participants by the Company, the board of directors shall consider whether the Participants have satisfied the conditions for grant prescribed in the 2025 A Share Incentive Scheme and make an announcement thereafter. The grant of Restricted Shares under the reserved grant is determined and approved by the board of directors. The board of supervisors (or the supervisory authority) shall also issue their express opinions at the same time. The legal advisor shall issue a legal opinion on whether the Participants have satisfied the conditions of the grant.
- (3) The board of supervisors of the Company (or the supervisory authority) shall verify the list of the Participants and the grant date of the Restricted Shares and issue its opinion.
- (4) When there is any discrepancy between the Company's grant of the Restricted Shares to the Participants and the arrangement stipulated under the 2025 A Share Incentive Scheme (when there are changes to the Participants), the board of supervisors (or the supervisory authority), legal advisor shall issue their clear opinions simultaneously.

- (5) Upon the general meeting's consideration and approval of the 2025 A Share Incentive Scheme, the Company shall grant the Restricted Shares to the Participants and make an announcement within 60 days. If the Company fails to publish an announcement in respect of the grant of the Restricted Shares within the 60-day period, the 2025 A Share Incentive Scheme shall be terminated, and the board of directors shall promptly disclose the reasons for the failure to complete and is prohibited from approving a share incentive scheme again within 3 months thereafter (The period during which listed companies are not allowed to grant Restricted Shares according to the Administrative Measures and related laws and regulations is not counted within the 60 days).
- (6) The Participants of the reserved grant shall be determined within 12 months after the 2025 A Share Incentive Scheme being reviewed and approved at the general meeting. The reserved grant shall lapse if such Participants cannot be determined within the said 12-month period.

III. Procedures for the Attribution of the Restricted Shares

- (1) Prior to attribution, the Remuneration and Assessment Committee of the board of directors and the board of directors of the Company shall consider whether the attribution conditions under the 2025 A Share Incentive Scheme have been satisfied, and the board of supervisors (or the supervisory authority) shall express clear opinions at the same time. The legal advisor shall issue a legal opinion on whether the conditions for exercising the Restricted Shares have been satisfied. The attribution of the Restricted Shares to the Participants who have fulfilled the attribution conditions shall be handled by the Company uniformly. The Restricted Shares of the Participants who have not fulfilled the attribution conditions in the relevant tranche shall not be attributed and shall lapse. The Company shall make timely disclosure in respect of the resolutions of the board of directors, the opinions of the board of supervisors (or the supervisory authority), and legal advisor and the implementation of the 2025 A Share Incentive Scheme after attribution to the Participants.
- (2) The Company shall in a unified manner make an application to the Stock Exchange, and after confirmation by the Stock Exchange, the securities registration and settlement authorities will handle the matters for the attribution of the Restricted Shares.

IV. Procedures for Amendment of the 2025 A Share Incentive Scheme

- (1) If the Company intends to make amendments to the 2025 A Share Incentive Scheme before it is considered and approved at the general meeting, the amendments shall be considered and approved by the Remuneration and Assessment Committee of the board of directors and the board of directors.

- (2) If the Company intends to make amendments to the 2025 A Share Incentive Scheme that has been adopted at the general meeting, such amendments shall be submitted to the general meeting for its approval and shall not include the following circumstances:
 - (i) acceleration of attribution;
 - (ii) reduction of the grant price (except for circumstance where the grant price is reduced due to conversion of capital reserve into share capital, bonus issue, share allotment and other matters concerned).
- (3) The board of supervisors (or the supervisory authority) of the Company shall provide opinions as to whether the amendments to the 2025 A Share Incentive Scheme is conducive to the sustainable development of the Company and whether there are any situations that clearly harm the interests of the Company and all shareholders. The legal advisor shall express its professional opinions as to whether the amended proposal 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.

V. Procedures of termination of the 2025 A Share Incentive Scheme

- (1) If the Company intends to terminate the 2025 A Share Incentive Scheme before it is considered and approved at the general meeting, the board of directors shall consider and approve.
- (2) 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.
- (3) 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.
- (4) 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.

**CHAPTER X METHODS AND PROCEDURES FOR ADJUSTMENT UNDER
THE 2025 A SHARE INCENTIVE SCHEME****I. Adjustment Method for the Number of the Restricted Shares Granted and Attributed**

In the event of any conversion of capital reserve into share capital, bonus issue, sub-division of shares, share allotment, share consolidation and other matters 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/attributed shall be adjusted accordingly. The adjustment method is as follows:

- (1) Conversion of capital reserve into share capital, bonus issue and sub-division of shares

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

Where: Q_0 represents the number of Restricted Shares granted/attributed 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/attributed after adjustment.

- (2) Share allotment

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

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.

II. Adjustment Method of the Grant Price of the Restricted Shares

In the event of any conversion of capital reserve into share capital, bonus issue, sub-division of shares, share allotment, share consolidation or dividend distribution and other matters 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) Conversion of capital reserve into share capital, 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.

III. Adjustment procedures for the 2025 A Share Incentive Scheme

When the above situation occurs, the Company's board of directors shall review and approve the proposal on adjusting the number of Restricted Shares granted/attributed and the granted price (If the number and the grant price of the Restricted Shares need to be adjusted due to matters other than the above circumstances, in addition to the approval of the relevant proposals from the board of directors, such adjustments must be submitted to the general meeting of the Company for approval). The Company shall engage legal advisers to provide professional opinions to the board of directors of the Company on whether the above adjustments comply with the requirements under the Management Measures, the Articles of Association and the 2025 A Share Incentive Scheme. After the proposal of adjusting is approved by the board of directors, the Company shall disclose the resolution of the board of directors and the corresponding legal opinion.

CHAPTER XI 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 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 on 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 charged to recurring profit or loss.

APPENDIX I THE 2025 RESTRICTED A SHARE INCENTIVE SCHEME (DRAFT)

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

Number of Restricted Shares under the First Grant (share)	Total cost to be amortized (RMB0'000)	2025	2026	2027	2028
		(RMB0'000)	(RMB0'000)	(RMB0'000)	(RMB0'000)
2,065,500	7,590.56	814.30	4,392.07	1,733.01	651.17

Notes:

1. The above calculation results do not represent the final accounting costs. The actual accounting costs are related to the Grant Date, the Grant Price and the number of Restricted Shares attributed. If a Participant resigns before attribution, or the Company or the Participant fails to meet the corresponding performance assessment standards, the actual number of shares attributed will be reduced accordingly and thus the share-based payment will be lower. Meanwhile, the Company draws the Shareholders' attention to the possible dilutive effect of the share-based payment;
2. The final impact of the above on the Company's operating results is subject to the audit report issued by the accountants.

The Company estimates that, based on current 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.

CHAPTER XII RIGHTS AND OBLIGATIONS OF THE COMPANY/PARTICIPANTS

I. Rights and Obligations of the Company

- (1) The Company has the right to interpret and implement the 2025 A Share Incentive Scheme and to conduct performance assessment of the Participants. If a Participant fails to fulfill the attribution conditions as determined under the 2025 A Share Incentive Scheme, according to the principles of the 2025 A Share Incentive Scheme, the Restricted Shares that have been granted but have not yet been attributed shall not be attributed and shall lapse.
- (2) The Company undertakes not to provide loans and any other forms of financial assistance, including providing guarantee for their loans, to the Participants to obtain relevant Restricted Shares according to the 2025 A Share Incentive Scheme.
- (3) The Company shall timely fulfill its reporting and information disclosure and other obligations related to the 2025 A Share Incentive Scheme in accordance with relevant laws and regulations.
- (4) In accordance with the 2025 A Share Incentive Scheme and relevant requirements of the CSRC, the Stock Exchange and China Securities Depository and Clearing Co., Ltd., the Company shall handle the registration of the attribution of Restricted Shares for the Participants that meet the attribution conditions. However, the Company shall not be held liable if the Participants fails to complete the registration of the attribution of Restricted Shares and causes losses to the Participants due to the reasons on the part of the CSRC, the Stock Exchange and the China Securities Depository and Clearing Co., Ltd.
- (5) If the Participant violates the laws and professional ethics, divulges company secrets, and neglects his/her duty or malfeasance or performs other acts that seriously damage the Company's interests or reputation, upon the approval of the Remuneration and Assessment Committee of the board of directors of the Company, the Restricted Shares that have been granted to the Participant but have not yet been attributed, shall not be attributed and shall lapse. If the circumstances are serious, the Company may also seek compensation for the losses incurred in accordance with the provisions of relevant laws.
- (6) The Company shall, in accordance with the relevant provisions of national tax laws and regulations, withhold and pay on behalf of the Participants the personal income tax and other taxes payable by the Participants for participation in the 2025 A Share Incentive Scheme.
- (7) Other relevant rights and obligations as stipulated under the laws, regulations and the 2025 A Share Incentive Scheme.

II. Rights and Obligations of the Participants

- (1) The Participants shall be diligent and responsible, abide by professional ethics, and make due contributions to the development of the Company in accordance with the requirements of the positions at which he/she is employed by the Company.

APPENDIX I THE 2025 RESTRICTED A SHARE INCENTIVE SCHEME (DRAFT)

- (2) The Participants have the right to receive the attributed Restricted Shares granted in accordance with the provisions of the 2025 A Share Incentive Scheme, and shall lock-up and deal with his/her Restricted Shares in accordance with relevant provisions.
- (3) Source of funds for the Participants shall be their own financing.
- (4) The income received by the Participants as a result of the 2025 A Share Incentive Scheme shall be subject to personal income tax and other taxes and fees in accordance with national tax regulations.
- (5) The Participants undertake that, if there are false records, misleading statements or material omissions in the Company's information disclosure documents, resulting in non-compliance with the arrangement for granting rights and interests, the Participants shall return all the benefits obtained from the 2025 A Share Incentive Scheme to the Company after confirming the existence of false records, misleading statements or major omissions in relevant information disclosure documents.
- (6) If the Participant is no longer eligible to be a Participant under the 2025 A Share Incentive Scheme as stipulated in Article 8 of the Management Measures during the implementation of the 2025 A Share Incentive Scheme, the Restricted Shares that have been granted but have not yet been attributed shall not be attributed, and shall lapse.
- (7) The Company shall enter into the Agreement on the Granting of Restricted Shares with each Participant after the 2025 A Share Incentive Scheme having been considered and approved at the general meeting, setting out the parties' respective rights and obligations under the 2025 A Share Incentive Scheme and other relevant matters.
- (8) Other relevant rights and obligations as stipulated by laws, administrative regulations and the 2025 A Share Incentive Scheme.

CHAPTER XIII HANDLING UNUSUAL CHANGES TO THE COMPANY/PARTICIPANTS

I. In the Event of any Changes Occurred in respect of the Company

- (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 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.

II. In the Event of 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 re-hired 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) Resignation due to incapacity of the Participants will be handled in the following two manners:
- (i) If the Participants resigns due to incapacity resulting from performing their duties, 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 of the Company 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 resign. 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' resignation is not due to incapacity resulting from performing their duties, 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 resigns due to incapacity in the course of performing their duties.
- (5) Death of the Participants will be handled in the following two manners:
- (i) If the Participants are deceased due to work injury, 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 of the Company 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 reasons other than work injury, the Restricted Shares that have been granted to such Participant but have not yet been attributed on the date of the occurrence of such event 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 China Securities Regulatory Commission, 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 of directors of the Company 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 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.

III. Dispute Resolution Mechanism for Disputes between the Company and Participants

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 of the board of directors of the Company. 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.

CHAPTER XIV SUPPLEMENTARY PROVISIONS

- I. The 2025 A Share Incentive Scheme shall become effective after being considered and approved at the general meeting of the Company.
- II. The board of directors of the Company shall be responsible for the interpretation of the 2025 A Share Incentive Scheme.
- III. During the effective period of this incentive scheme, if there are any changes in the Company Law, Securities Law, Management Measures and other relevant laws, administrative regulations, normative documents, or in the Articles of Association, this incentive scheme shall be implemented in accordance with the applicable provisions in effect at that time.

Should there be any discrepancy between the Chinese and English versions of the 2025 A Share Incentive Scheme, the Chinese version shall prevail.

CANSINO BIOLOGICS INC.**THE MANAGEMENT MEASURES FOR ASSESSMENT FOR THE
IMPLEMENTATION OF THE 2025 RESTRICTED A SHARE
INCENTIVE SCHEME**

To further perfect the incentive mechanism of CanSino Biologics Inc. (the “**Company**”), formulate a well-balanced value distribution system, effectively combine the interests of shareholders, the Company and employees, and stimulate employees to work more honestly and diligently, so as to ensure the steady improvement of the Company’s performance and the realization of the Company’s development strategy and business objectives, the Company intends to implement the 2025 Restricted A Share Incentive Scheme (the “**2025 A Share Incentive Scheme**”) in accordance with the principles of income equivalent to contribution.

To ensure the smooth implementation of the 2025 A Share Incentive Scheme of the Company, the Management Measures for Assessment for the Implementation of the 2025 Restricted A Share Incentive Scheme of CanSino Biologics Inc. (《康希諾生物股份公司 2025年A股限制性股票激勵計劃實施考核管理辦法》) (the “**2025 A Share Incentive Scheme Assessment Management Measures**”) are specially formulated according to the Company Law of the People’s Republic of China (《中華人民共和國公司法》), the Securities Law of the People’s Republic of China (《中華人民共和國證券法》), the Management Measures for Share Incentives of Listed Companies (《上市公司股權激勵管理辦法》), the Rules Governing the Listing of Stocks on the STAR Market of Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》) and other relevant laws, administrative regulations, regulatory documents, relevant articles of the Articles of Association of CanSino Biologics Inc. (《康希諾生物股份公司章程》), as well as the 2025 Restricted A Share Incentive Scheme of CanSino Biologics Inc. (Draft) (《康希諾生物股份公司2025年A股限制性股票激勵計劃（草案）》).

1. Purpose of Assessment

The purposes of these measures are to improve the Company’s incentive and restraint mechanism, ensure the smooth implementation of the Company’s 2025 A Share Incentive Scheme and give full play to the role of the 2025 A Share Incentive Scheme, so as to ensure the achievement of the Company’s development strategy and business objectives.

2. Principles of Assessment

The assessment and evaluation must adhere to the principles of fairness, openness and fairness, and be carried out in strict accordance with the 2025 A Share Incentive Scheme Assessment Management Measures and the performance of the Participants, so as to realize the close combination of the 2025 A Share Incentive Scheme with the work performance and contribution of the participants, so as to improve the overall performance of the Company and maximize the interests of the Company and shareholders as a whole.

3. Scope of Assessment

The 2025 A Share Incentive Scheme Assessment Management Measures are applicable to all Participants determined in the Company's 2025 A Share Incentive Scheme, including Directors, senior management of the Company and other persons considered by the board of directors to be required to be incentivized. The Participants exclude independent non-executive Directors and supervisors. All the 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 A Share Incentive Scheme.

4. Assessment Body

- (1) The Remuneration and Assessment Committee of the board of directors is responsible for leading and organizing the assessment of the Participants.
- (2) The human resources department of the Company is responsible for the implementation of specific assessment work. The human resources department of the Company is responsible for and will report to the Remuneration and Assessment Committee.
- (3) The human resources department, finance management centre and other relevant departments of the Company are responsible for the collection and provision of relevant assessment data, as well as the authenticity and reliability of the data.
- (4) The board of directors of the Company is responsible for reviewing the 2025 A Share Incentive Scheme Assessment Management Measures and the assessment results.

5. Performance Assessment Indicators and Standards

- (1) 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 from 2025 to 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, Company-level performance assessment targets and attribution factors for the Restricted Shares are shown in the following table:

APPENDIX II**THE MANAGEMENT MEASURES FOR
ASSESSMENT FOR THE IMPLEMENTATION OF
THE 2025 A SHARE INCENTIVE SCHEME**

1. The Company-level performance assessment targets for the first granted Restricted Shares 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>
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>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>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>

APPENDIX II

THE MANAGEMENT MEASURES FOR ASSESSMENT FOR THE IMPLEMENTATION OF THE 2025 A SHARE INCENTIVE SCHEME

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%
		2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025 and 2026 should not be less than 9;	2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025 and 2026 should not be less than 8;	2. The number of approved INDs and approved NDAs (including new age group expansions) in 2025 and 2026 should not be less than 7;
		3. No fewer than 4 new clinical trials have been initiated cumulatively in 2025 and 2026 (based on achieving first case enrolment).	3. No fewer than 3 new clinical trials have been initiated cumulatively in 2025 and 2026 (based on achieving first case enrolment).	3. No fewer than 3 new clinical trials have been initiated cumulatively in 2025 and 2026 (based on achieving first case enrolment).
Third attribution tranche	2027	1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2027 shall not be less than 109.0%;	1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2027 shall not be less than 105.0%;	1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2027 shall not be less than 101.0%;
		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;	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;	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;
		3. No fewer than 6 new clinical trials have been initiated cumulatively in 2025, 2026 and 2027 (based on achieving first case enrolment).	3. No fewer than 5 new clinical trials have been initiated cumulatively in 2025, 2026 and 2027 (based on achieving first case enrolment).	3. No fewer than 4 new clinical trials have been cumulatively initiated in 2025, 2026 and 2027 (based on achieving first case enrolment).

Note: The above “operating revenue” is calculated based on the data set out in the consolidated audited statements.

2. The performance assessment targets for the Restricted Shares under the reserved grant are as follows:

The assessment years and the relevant performance targets for the Restricted Shares reserved for grant under the 2025 A Share Incentive Scheme shall be the same as those for the first grant in 2026 and 2027.

During the attribution period, the Company shall handle the registration for Participants meeting the attribution conditions. If the Company's performance level fails to meet or partially meets the performance assessment indicator requirements in each attribution period, the Restricted Shares of the Participants that cannot be attributed for the relevant year shall not be attributed and shall lapse.

- (2) Performance assessment requirements at the Participant's individual 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 divided into two levels – "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:

Assessment Level	A	B
Individual attribution factor	100%	0%

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.

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.

6. Period and Times of Assessment

The assessment years for the first grant of the 2025 A Share Incentive Scheme are the three accounting years of 2025-2027, The assessment years for the reserved grant of the 2025 A Share Incentive Scheme are the two accounting years of 2026-2027. The assessment at the Company level and individual level shall be conducted once a year.

7. Assessment Procedures

The human resources department of the Company is responsible for the specific assessment work under the guidance of the Remuneration and Assessment Committee of the board of directors and retaining the assessment results. On this basis, a performance assessment report shall be prepared and submitted to the Remuneration and Assessment Committee of the board of directors.

8. Management of Assessment Results**(1) Feedback and appealing of assessment results**

The Participants under assessment are entitled to know their own assessment results. The Remuneration and Assessment Committee of the board of directors shall inform the Participants under assessment of the assessment results within 5 working days after the completion of the assessment.

If the Participants under assessment have objections against the assessment results, they can communicate with the human resources department to resolve. If the objections cannot be resolved through communication, the Participants under assessment may appeal to the Remuneration and Assessment Committee of the board of directors which shall review and determine the final assessment result within 10 working days.

(2) Record of assessment results

After the completion of assessment, the human resources department shall retain all the records of the assessment results as confidential information. The performance assessment results shall be kept for 5 years. Documents and records that exceed the storage period shall be uniformly destroyed by the human resources department upon approval by the Remuneration and Assessment Committee of the board of directors.

9. Supplementary Provisions

- (1) The board of directors is responsible for the formulation, interpretation and revision of the 2025 A Share Incentive Scheme Assessment Management Measures. If the relevant provisions of the 2025 A Share Incentive Scheme Assessment Management Measures conflict with the relevant laws, administrative regulations and departmental rules, the relevant laws, administrative regulations and departmental rules shall prevail.
- (2) The 2025 A Share Incentive Scheme Assessment Management Measures shall be subject to consideration and approval at the Company's general meeting and become effective upon the 2025 A Share Incentive Scheme becoming effective.

Should there be any discrepancy between the Chinese and English versions of the Management Measures for Assessment for the Implementation of the 2025 A Share Incentive Scheme, the Chinese version shall prevail.

**RULES RELATING TO THE
2025 H SHARE OPTION
SCHEME OF**

CanSino Biologics Inc.
(康希諾生物股份公司)

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1. DEFINITIONS AND INTERPRETATION

1.1 In these Scheme Rules, unless the context otherwise requires, each of the following words and expressions shall have the meaning respectively shown opposite to it:

“1% Individual Limit”	shall have the meaning as set out in Scheme Rule 15.2;
“0.1% Limit”	shall have the meaning as set out in Scheme Rule 15.3;
“Actual Selling Price”	an amount that is equal to the actual price at which the H Shares are sold (net of brokerage, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy and any other applicable costs) on exercise of an Option pursuant to the Scheme;
“Adoption Date”	the date on which the proposed adoption of the Scheme is approved by the Shareholders in the relevant general meeting(s) as required under the Articles;
“Articles”	the articles of association of the Company, as amended from time to time;
“Applicable Laws”	all applicable laws, regulations, ordinances or requirements of the relevant regulatory authorities including without limitation the Company Law of the PRC, the Securities Law of the PRC, the SFO, the Listing Rules or the relevant provisions of the Articles;
“AFRC”	the Accounting and Financial Reporting Council;
“associate”	shall have the meaning as set out in the Listing Rules;
“Auditors”	the auditors for the time being of the Company;
“Board”	the board of directors of the Company (please also refer to Rule 1.2(f)), from time to time;
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities;
“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, or, where the context requires (as the case may be), its predecessor, Tianjin CanSino Biotechnology Inc. (天津康希諾生物技術有限公司), a company incorporated in the PRC with limited liability on January 13, 2009;

“connected person”	shall have the meaning as set out in the Listing Rules;
“Core Management”	directors of the Company 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;
“Disability”	permanent and total disability, determined by the Board in accordance with non-discriminatory standards as adopted by the Board from time to time;
“Eligible Person”	a Core Management Participant, whom the Board consider(s), in their sole discretion, to have contributed or will contribute to the Group;
“Exercise Price”	the price per H Share, determined by the Board, at which a Participant may subscribe for H Shares on the exercise of an Option as described in Scheme Rule 9.3;
“Grant Date”	the date on which the grant of an Option is made to a Participant, being the date of an Offer Letter in respect of such Option, which shall be a Business Day;
“Grantee”	any Eligible Person who accepts an Offer in accordance with the terms of the Scheme;
“Group”	the Company and its subsidiaries from time to time, and the expression “ member of the Group ” shall be construed accordingly;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“H Share(s)”	the overseas listed foreign shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Stock Exchange and subscribed for and traded in HK\$;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing”	the listing of the H Shares on the Stock Exchange;
“Listing Committee”	the listing committee of the Stock Exchange;
“Listing Date”	the date on which the H Shares are listed and on which dealings in the H Shares are first permitted to take place on the Stock Exchange;

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Offer”	shall have the meaning as set out in Scheme Rule 9.1;
“Offer Letter”	shall have the meaning as set out in Scheme Rule 9.1;
“Option”	a right to subscribe for such number of H Shares pursuant to the Scheme;
“Option Period”	the period within which a Participant may exercise an Option, to be determined and notified by the Board to a Participant;
“Participant”	any Eligible Person who is approved for participation in the Scheme and who has been granted any Option pursuant to Rule 6.1;
“PRC”	the People’s Republic of China (for purpose of the Option Scheme, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan);
“RMB” or “Renminbi”	Renminbi Yuan, the lawful currency of China;
“Scheme”	the share option scheme adopted by the Company in accordance with these Scheme Rules;
“Scheme Limit”	shall have the meaning set out in Scheme Rule 15.1;
“Scheme Rule(s)”	the rules set out herein relating to the Scheme as amended from time to time;
“Scheme Period”	a period of 48 months commencing from the date on which the Share Option Scheme is approved by the Shareholders at the Adoption Date, unless terminated earlier in accordance with the Scheme Rules;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong);
“Shareholder(s)”	the shareholders of the Company;
“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each;

“ Stock Exchange ”	The Stock Exchange of Hong Kong Limited;
“ subsidiary ” or “ subsidiaries ”	any subsidiary (as the term is defined in the Listing Rules) of the Company;
“ substantial shareholder(s) ”	shall have the meaning as set out in the Listing Rules;
“ treasury share(s) ”	has the meaning ascribed to it in the Listing Rules;
“ % ”	per cent.

In these Scheme Rules, except where the context otherwise requires:

- (a) references to Rules are to rules of the Scheme Rules;
- (b) references to times of the day are to Hong Kong time;
- (c) if a period of time is specified as from a given day, or from the day of an act or event, it shall be calculated exclusive of that day;
- (d) a reference to “**dollars**” or to “**\$**” shall be construed as a reference to the lawful currency for the time being of Hong Kong;
- (e) a reference, express or implied, to statutes, statutory provisions or the Listing Rules shall be construed as references to those statutes, provisions or rules as respectively amended or re-enacted or as their application is modified from time to time by other provisions (whether before or after the date hereof) and shall include any statutes, provisions or rules of which are re-enacted (whether with or without modification) and shall include any orders, regulations, instruments, subsidiary legislation, other subordinate legislation or practice notes under the relevant statute, provision or rule;
- (f) unless otherwise indicated, the Board can make determinations in its absolute discretion;
- (g) a reference to “**include**”, “**includes**” and “**including**” shall be deemed to be followed by the words “**without limitation**”;
- (h) words importing the singular include the plural and vice versa, and words importing a gender include every gender;
- (i) headings are included in the Scheme Rules for convenience only and do not affect its interpretation;
- (j) references to any statutory body shall include the successor thereof and anybody established to replace or assume the functions of the same; and
- (k) references to new shares or new securities include treasury shares, and references to the issue of shares or securities include the transfer of treasury shares.

2. PURPOSES

- 2.1 The purpose of the 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 Incentive Scheme is formulated in accordance with the relevant rules and regulations and the Articles of Association.

3. CONDITIONS

- 3.1 The Scheme shall take effect upon:

- (a) the approval by the Shareholders as required under the Articles; and
- (b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the H Shares which may fall to be issued and allotted upon the exercise of Options that may be granted under the Scheme.

- 3.2 In addition, the Participants are determined in accordance with the Applicable Laws and regulatory documents and the relevant provisions of the Articles, together with the actual circumstances and matters of the Company including the present and expected contribution of the relevant Participant to the Group. No person shall be considered as a Participant of the Scheme if he or she:

- (a) has been publicly reprimanded or deemed as an inappropriate candidate for similar share schemes or share incentive plans of a listed company by any securities regulatory bodies with authority in the last twelve (12) months;
- (b) has been imposed with penalties or is banned from trading securities by securities regulatory bodies due to material non-compliance with laws or regulations in the last twelve (12) months;
- (c) is prohibited from serving as a Director or the senior management of the Company under the Company Law of the PRC; and
- (d) is prohibited by any Applicable Laws to participate in share schemes or share incentive plans of a listed company.

4. DURATION

- 4.1 Subject to Rule 19, the Scheme shall be valid and effective for the Scheme Period (after which no further Options may be granted under the Scheme). For the avoidance of doubt, Options granted during the life of the Scheme shall continue to be valid and exercisable in accordance with their terms of grant within the Scheme Period and that the provisions of the Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of Options granted prior to the expiration of the Scheme.

5. ADMINISTRATION

- 5.1 The Scheme shall be subject to the administration of the Board in accordance with the Scheme Rules. A decision of the Board shall be final and binding on all persons affected thereby.
- 5.2 Subject to the Scheme Rules and any Applicable Laws, the Board shall have the power from time to time to:
- (a) construe and interpret the Scheme Rules and the terms of the Options granted under the Scheme;
 - (b) make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the Scheme, provided that they are not inconsistent with the 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 Person's employment with any member of the Group;
 - (g) where applicable, establish and administer performance targets in respect of the 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 Scheme;
 - (j) take such other steps or actions to give effect to the terms and intent of the 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.

- 5.3 None of the directors of the Company shall be personally liable by reason of any contract or other instrument executed by him/her, or on his/her behalf or for any mistake of judgment made in good faith, for the purposes of the Scheme, and the Company shall, to the extent not prohibited by any Applicable Laws, indemnify and hold harmless each member of the Board to whom the Board has delegated its authority in relation to the administration or interpretation of the Scheme, against any cost or expense (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with the Scheme unless arising out of such person's own willful default, fraud or bad faith.

6. PARTICIPANTS

- 6.1 The Participants who may participate in the 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.

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 Scheme. The Board has resolved to grant 371,300 Options to Dr. Xuefeng YU, 204,300 Options to Dr. Tao ZHU, 162,500 Options to Dr. Shou Bai CHAO, and 121,900 Options to Dr. Dongxu QIU. Each Option shall be entitled to subscribe for one H Share.

The reasons for the Core Management's participation in the 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 of the Company, and 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.

7. OPERATION OF THE SCHEME

- 7.1 The Board may, subject to Rule 7.3, grant such Options to such Participant during the Scheme Period. The nature, amount, terms and conditions of any such Options so granted shall be determined by the Board in its sole and absolute discretion, subject to these Scheme Rules.
- 7.2 In determining the Participants, the Board may take into consideration matters including (but not limited to) the present and potential contribution of the relevant Participant to the Group.
- 7.3 Notwithstanding the provision in Scheme Rule 7.1, no grant of any Options to or for the benefit of any Participant may be made:
- (a) in any circumstances where the requisite approval from any applicable regulatory authorities has not been granted, provided that to the extent permissible under Applicable Laws, an Option may be made conditional upon such approval being obtained;
 - (b) in any circumstances that any member of the Group will be required under Applicable Laws to issue a prospectus or other offer documents in respect of such grant or the Scheme;
 - (c) where such Offer would result in a breach by any member of the Group or its directors of any Applicable Laws in any jurisdiction;
 - (d) (save where relevant waiver(s) from the Stock Exchange and/or the required approval of the Shareholders have been obtained) where such grant of Option would result in a breach of the Scheme Limit or the 1% Individual Limit as set out in Scheme Rule 15, or the minimum public float requirement as required under the Listing Rules (or the minimum percentage of public float as prescribed by the Stock Exchange), or would otherwise cause the Company to issue H Shares in excess of the permitted amount in the mandate approved by the Shareholders; and/or
 - (e) where an Option is granted to, or for the benefit of, a connected person of the Company and will require specific approval of the Shareholders under the Listing Rules, until such Shareholders' approval is obtained, provided that to the extent permissible under Applicable Laws, such Offer may be made conditional upon such Shareholders' approval being obtained, and any such grant so made (or made without the necessary conditions as contemplated above) shall be null and void to the extent (and only to the extent) that it falls within any of the circumstances described above.

8. TIMING OF OFFER

8.1 No Options shall be granted to a Participant under the Scheme:

- (a) where the Company has come to knowledge of any inside information (as defined in the SFO), until (and including) the trading day after the Company has announced the information;
- (b) during the period commencing 30 days immediately before the earlier of:
 - (i) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the results of the Company for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement, provided that such period will also cover any period of delay in the publication of any results announcement; and

- (c) in circumstances prohibited by the Listing Rules or where dealings by the Participant will be prohibited under any code or requirement of the Listing Rules or any Applicable Laws.

8.2 Except where approval from the Stock Exchange has been obtained or otherwise permitted under the Listing Rules, for a period of 30 days after the Company's purchase of its H Shares (whether on the Stock Exchange or otherwise), the Company may not issue any new H Shares or announce any proposed issue of new H Shares for purposes of the Scheme.

8.3 In addition to the restrictions set out in Scheme Rule 8.1, no Options shall be granted to any director of the Company under the Scheme on any day on which the financial results of the Company are published and:

- (i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and the half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,

unless the circumstances are exceptional (for example, where a pressing financial commitment has to be met) and otherwise in accordance with the Listing Rules.

8.4 In respect of the administration and implementation of the Scheme, the Company shall comply with all applicable disclosure regulations including those imposed by the Listing Rules.

9. OFFER LETTER AND NOTIFICATION OF GRANT

- 9.1 The Company shall, in respect of the offer of each Option (the “**Offer**”), on the grant date issue a letter to each Participant in such form as the Board may from time to time determine, which may specify the number of Options, the vesting period, any vesting criteria and conditions (where applicable), the date by which the grant must be accepted and such other details as the Board may consider necessary, and requiring the Participant to undertake to be bound by the terms and provisions of the Scheme Rules (an “**Offer Letter**”).
- 9.2 The Board may determine the amount payable (if any) on an application or acceptance of an Option and the period(s) within which any such payments must be made. Subject to Applicable Laws, the consideration to be paid (if any) for the H Shares underlying the Options, including the method of payment, shall also be determined by the Board as it deems appropriate.
- 9.3 The Board shall determine and notify the Participant in the Offer Letter:
- (a) the Exercise Price in respect of such Options, provided that such Exercise Price must be at least the higher of:
 - (i) the official closing price of the H Shares as stated in the daily quotations sheet of the Stock Exchange on the Grant Date which shall be a Business Day;
 - (ii) the average of the official closing price of the H Shares as stated in the daily quotations sheet of the Stock Exchange for the five (5) Business Days immediately preceding the Grant Date which shall be a Business Day; and
 - (iii) the nominal value of an H Share,provided that in the event of fractional prices, the Exercise Price per Share shall be rounded upwards to the nearest whole cent; and
 - (b) the Option Period for such Options, provided that the Option Period shall in any event be not longer than 10 years from the Grant Date. An Option shall lapse automatically and shall not be exercisable (to the extent not already exercised) on the expiry of the Option Period.
- 9.4 Save as otherwise set out in the Offer Letter:
- (a) a Participant shall have 14 Business Days from the Grant Date to accept the Offer. A Participant may accept an Offer by giving a written notice of acceptance to the Company, together with remittance in favor of the Company of the consideration payable (if any) upon the grant of the Options;
 - (b) an Offer may be accepted in respect of any number of Options up to the number in respect of which the Offer is offered; and
 - (c) to the extent that the offer of an Option is not accepted within the time and in the manner as set out in this Rule, the Offer will be deemed to have been irrevocably declined and shall lapse, unless the Board in its sole and absolute discretion determines otherwise.

10. EXERCISE OF OPTIONS

10.1 An Option may be exercised in whole or in part by the Grantee (or his or her personal representatives) giving notice to the Company stating that the Option is thereby exercised and the number of H Shares in respect of which it is exercised. Subject to compliance with the Applicable Laws, within ten (10) Business Days or such other period as agreed between the Company and the Grantee (or his or her personal representatives) after receipt of the notice and the remittance, the Company shall satisfy the Option by either one (or a combination) of the following ways,

- (a) allot, and shall instruct the relevant share registrar to issue, the relevant H Shares, or transfer out of treasury that are held as treasury shares to the Grantee (or their personal representative(s)) credited as fully paid and issue or transfer out of treasury that are held as treasury shares to the Grantee (or their estate in the event of an exercise by their personal representative(s) as aforesaid) and, where appropriate, share certificate(s) in respect of the H Shares so allotted, issued or transferred out of treasury that are held as treasury shares. In the case of a Grantee who is a national or a resident of such other country or jurisdiction as the Board shall determine from time to time and notify to the Grantee, the Grantee shall acknowledge and confirm that the funds representing the Exercise Price payable upon exercise of the Option were obtained in accordance with the Applicable Laws;
- (b) sell the relevant H Shares on-market at prevailing market prices and remit the Actual Selling Price to the Grantee; or
- (c) a combination thereof.

10.2 Each such notice must be accompanied by a payment for the full amount of the Exercise Price multiplied by the number of Options in respect of which the notice is given to the Company. After the Company's receipt of the notice and the related payment, the Company may satisfy the exercise of the Options by allotment and issuance to the Participant the number of H Shares in respect of which the Option has been exercised.

10.3 The H Shares to be allotted and issued, or transferred out of treasury that are held as treasury shares upon the exercise of an Option shall be identical to all existing issued H Shares and shall be allotted and issued, or transferred out of treasury that are held as treasury shares subject to all the provisions of the Articles for the time being in force and will rank *pari passu* with the other fully paid H Shares in issue on the date the name of the Grantee is registered on the register of members of the Company or if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, save that the Grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the Shareholders on the register on a date prior to such registration.

11. VESTING OF OPTIONS

11.1 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.

11.2 Under the 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:

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%
First attribution tranche	2025	<ol style="list-style-type: none"> 1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2025 shall not be less than 22.0%; 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). 	<ol style="list-style-type: none"> 1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2025 shall not be less than 20.0%; 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). 	<ol style="list-style-type: none"> 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; 3. No fewer than 1 new clinical trials have been initiated in 2025 (based on achieving first case enrolment).
Second attribution tranche	2026	<ol style="list-style-type: none"> 1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2026 shall not be less than 71.0%; 	<ol style="list-style-type: none"> 1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2026 shall not be less than 69.0%; 	<ol style="list-style-type: none"> 1. Based on the operating revenue in 2024, the growth rate of the operating revenue in 2026 shall not be less than 66.0%;

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%
		<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>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>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>
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 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”, and 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.

11.3 The Board may, in respect of each Option and subject to Applicable Laws, determine any other criteria as condition(s) to the vesting of Options. If any of the vesting conditions (including any performance targets as referred to in this Rule) for the Options are not satisfied on or prior to the relevant vesting date, the relevant Options shall lapse automatically and shall not be vested in the Participant, unless the Board determines otherwise in its sole and absolute discretion.

12. LAPSE OR CANCELLATION OF OPTIONS

12.1 Without prejudice to other circumstances where an Option shall lapse pursuant to the terms in an Offer Letter as determined by the Board at its discretion, an Option shall lapse automatically (to the extent not already vested in the Participant and, where relevant, exercised) on the earliest of:

- (a) Where the Grantee is a director or an employee of the Group and their employment ceases for any reason other than death or becoming permanently disabled as described in sub-paragraph (c) below, the Option may not be exercised after the date of such cessation, which date shall be their last actual working day with the Group whether salary is paid in lieu of notice or not;
- (b) where the Grantee is a director or an employee of the Group and the Board at its absolute discretion determines that they are unable to pay or to have no reasonable prospect of being able to pay his debts, or has become insolvent, or has made any arrangements or composition with their creditors generally or on which he has been convicted of any criminal offence involving his integrity or honesty, the Option granted to such Grantee may not be exercised on or after the date on which the Board has so determined;

- (c) where the Grantee of an outstanding Option dies or becomes permanently disabled before exercising the Option in full or at all, the Option may not be exercised after the date of his death or permanent Disability. However, if the Board, upon receiving the written notice from such Grantee's personal representatives within 60 days after the date of such Grantee's death or permanent Disability, issues a written consent to his personal representatives, the Option may be transferred to the personal representative as soon as practicable; and
- (d) if the Board at its absolute discretion determines that the Grantee (other than an employee of the Group) or his associate has committed any breach of any contract entered into between the Grantee or his associate on one part and the Group on the other part or that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally, the Option granted to such Grantee may not be exercised on or after the date on which the Board has so determined,

provided that a determination of the Board to the effect that the Options shall lapse and not be vested or exercisable on one or more of the grounds as specified above shall be conclusive and binding on the Participant and that in each case above the Board in its absolute discretion may decide that such Options shall not so lapse or determine subject to such conditions or limitations as it may decide; and that any of such decision shall be conclusive and binding on the Participant. The Company shall not owe any liability to any Participant for the lapse of any Options under this Rule 12.1. Any Options lapsed in accordance with the terms of the Scheme will not be regarded as utilized for the purpose of calculating the Scheme Limit set out in Scheme Rule 14.1.

12.2 The right to exercise an Option (to the extent not already exercised) shall terminate immediately upon the earliest of:

- (a) the expiry of the Option Period;
- (b) the date referred to in Scheme Rule 12.1(a);
- (c) the date referred to in Scheme Rule 12.1(b);
- (d) the expiry of the 60-day period referred to in Scheme Rule 12.1(c);
- (e) the date referred to in Scheme Rule 12.1(d);
- (f) the expiry of the period referred to in Scheme Rule 16.2 as regards general offers;
- (g) subject to the compromise or arrangement becoming effective, the expiry of the period referred to in Scheme Rule 16.3;
- (h) subject to Rule 16.1, the date of the commencement of the winding-up of the Company; or
- (i) the non-fulfillment of any condition of the Scheme on or before the date stated therein.

The Company shall owe no liability to any Grantee for the lapse of any Option under this Rule 12.2.

12.3 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 set out in Scheme Rule 15. 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 Listing Rules.

13. TRANSFERABILITY

13.1 Any Option granted hereunder shall be personal to the Participant to whom it is made and shall not be assignable or transferable, except in circumstances where approval from the Board has been obtained and the transfer is in compliance with the Listing Rules (or a waiver has been granted by the Stock Exchange for such transfer) and provided that any such transferee agrees to be bound by this Scheme and the Scheme Rules as if the transferee were the Participant.

13.2 Any actual or purported breach of Rule 13.1 shall result in lapse of any outstanding Options or part thereof granted to such Participant. For this purpose, a determination by the Board to the effect that the Participant has or has not breached Rule 13.1 shall be final and conclusive.

14. REORGANIZATION OF CAPITAL STRUCTURE

14.1 The method of adjustment of number of Option so far as unexercised is set out as below:

Capitalization or bonus issue, and right issue or open offer of Shares

$$Q = Q_0 \times F$$

Where: “ Q_0 ” represents the number of Option before the adjustment; “ Q ” represents the number of Option after the adjustment, and “ F ” represents $CUM \div TEEP$

“ CUM ” = closing price as shown in the daily quotation sheet of the Stock Exchange on the last day of trading before going ex-entitlement

“ $TEEP$ ” (theoretical ex entitlement price) = $[CUM + (M \times R)] \div (1+M)$, where “ M ” represents entitlement per existing Share and “ R ” represents subscription price.

Consolidation of Shares or share subdivision or reduction of the share capital

$$Q = Q_0 \times n$$

Where: “ Q_0 ” represents the number of Option before the adjustment; “ n ” represents the ratio of share consolidation or share subdivision or reduction of share capital; “ Q ” represents the number of Option after the adjustment.

14.2 The method of adjustment of the Exercise Price is set out as below:

Capitalisation issue or bonus issue, and rights issue or open offer of Shares

$$P = P_0 \div F$$

Where: “P₀” represents the Exercise Price before the adjustment; “P” represents the Exercise Price after the adjustment, and “F” represents CUM ÷ TEEP.

“CUM” = closing price as shown in the daily quotation sheet of the Stock Exchange on the last day of trading before going ex-entitlement

“TEEP” (theoretical ex entitlement price) = [CUM + (M × R)] ÷ (1+M), where “M” represents entitlement per existing Share and “R” represents subscription price.

Consolidation of Shares or share subdivision or reduction of the share capital

$$P = P_0 \div n$$

Where: “P₀” represents the Exercise Price before the adjustment; “n” represents the ratio of share consolidation or share subdivision or reduction of share capital; “P” represents the Exercise Price after the adjustment.

15. SCHEME LIMITS

15.1 The maximum limit on the number of Shares which may be issued upon exercise of option(s) and vesting of award(s), if any, under the Scheme and all other share scheme(s) of the Company (excluding options or awards lapsed in accordance with relevant scheme rules), shall be 3,440,000 Shares, representing approximately 1.39% of the total number of Shares in issue (excluding treasury shares) as at the Adoption Date (the “**Scheme Limit**”). For the avoidance of doubt, any H Shares which would have been issued pursuant to any exercise of Options which have lapsed in accordance with the terms of the Scheme Rules will not be regarded as utilized for the purpose of calculating the Scheme Limit.

15.2 The total number of H Shares issued and to be issued upon the exercise of Options granted and to be granted under the Scheme and other awards schemes of the Company to each Participant (excluding options or awards lapsed in accordance with the relevant scheme rules) in any 12-month period up to (and including) the date of the latest grant shall not exceed 1% of the total number of Shares in issue (excluding any treasury shares) (the “**1% Individual Limit**”). Any further grant of Options to a Participant which would exceed the 1% Individual Limit shall be subject to separate approval of the Shareholders in general meeting in accordance with the Listing Rules. In respect of any Options to be granted in such circumstances, the date of the meeting of the Board proposing any such further grant shall be taken as the Grant Date for the purpose of calculating the Exercise Price of such Options.

15.3 Any grant of Options to any director, chief executive or substantial shareholder of the Company or any of their respective associates shall be subject to the prior approval of the independent non-executive directors of the Company (excluding any independent non-executive director who is a proposed recipient of the grant of Options). Furthermore, where any grant of Options to an independent non-executive director or substantial shareholder of the Company or any of their respective associates would result in all options and awards granted (excluding options or awards lapsed in accordance with the relevant scheme rules) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of Shares in issue (excluding any treasury shares) (the “**0.1% Limit**”), such further grant of Options must be approved by the Shareholders in general meeting in the manner required and subject to the requirements set out in the Listing Rules.

16. RIGHTS ON GENERAL OFFER, WINDING-UP AND OTHER ARRANGEMENTS

16.1 In the event a notice is given by the Company to its Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind- up the Company other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees who are Employee Participants (together with a notice of the existence of the provisions of this paragraph) and thereupon, each such Grantee (or his personal representatives) shall be entitled to exercise all or any of his Options (to the extent vested but not yet exercised) at any time not later than four (4) Business Days or such other period as agreed between the Company and the Grantee prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the H Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than one Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant H Shares to such Grantee credited as fully paid. The Grantee shall accordingly be entitled, in respect of the H Shares issued in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation pari passu with the holders of the H Shares in issue on the day prior to the date of such proposed general meeting. Subject thereto, all Options (where vested or unvested) then outstanding shall lapse and determine on the commencement of the winding-up of the Company.

16.2 If a general offer (whether by way of a takeover, share repurchase offer, scheme of arrangement or otherwise in like manner) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer, having been approved in accordance with all Applicable Laws, becomes or is declared unconditional, any Grantee who is an Employee Participant (or his personal representatives) may by notice in writing to the Company within twenty-one (21) days after such offer becoming or being declared unconditional exercise the Option (to the extent vested but not yet exercised) to its full extent or to the extent specified in such notice. Subject to the above, an option will lapse automatically (to the extent not exercised) on the expiry of the said period.

16.3 Other than a general offer or a scheme of arrangement contemplated in this Rule, if a compromise or arrangement between the Company and its Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to the Grantee who is an Employee Participant (together with a notice of the existence of the provisions of this paragraph) on the same date or soon after it despatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon such Grantee (or his personal representatives) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of two (2) months thereafter and the date on which such compromise or arrangement is sanctioned by the court of competent jurisdiction, exercise any of his Options (to the extent vested but not yet exercised) in full or in part, but the aforesaid exercise of an Option shall be conditional upon such compromise or arrangement being sanctioned by the court of competent jurisdiction and becoming effective. Upon such compromise or arrangement becoming effective, all outstanding Options shall lapse except insofar as previously exercised under the Scheme. The Company may require the aforesaid Grantee (or his personal representatives) to transfer or otherwise deal with the H Shares issued as a result of the exercise of Options in these circumstances so as to place the aforesaid Grantee in the same position as nearly as would have been the case had such H Shares been subject to such compromise or arrangement.

17. INTERPRETATION/DISPUTES

17.1 Any decision to be made under the Scheme, including matters of interpretation with respect to the Scheme Rules, shall be made by the Board. The decision by the Board shall be final and binding on all parties.

17.2 Disputes arising in connection with the Scheme shall be referred to the decision of the Board in the first instance, which decision shall be final and binding. Should the Board decide, any dispute referred to it may be subsequently referred to the decision of the Auditors, who shall then act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final and binding on all parties. In such cases, the costs of the Auditors shall be shared equally between the Company and the relevant Participants.

18. ALTERATION OF THE SCHEME

18.1 Subject to the Scheme Limit and this Rule 18, the Board may amend any of the provisions of the Scheme or any Options granted under the Scheme at any time and in any respect, provided that the terms of the Scheme or Options so amended must comply with Rule 17.03 of the Listing Rules (as applicable). Approval of the Shareholders in general meeting is required for any amendment to the terms of the Scheme which are of a material nature or to any provisions of the Scheme which relate to the matters set out in Scheme Rule 17.03 of the Listing Rules to the extent that such amendment operates to the advantage of Participants.

- 18.2 Any change to the terms of Options the grant of which was subject to the approval of a particular authority (such as the Board, the remuneration committee of the Company, the independent non-executive directors or the Shareholders in general meeting) shall be subject to approval by that same authority, provided that this requirement does not apply where the relevant alteration takes effect automatically under the terms of the Scheme. Without limiting the foregoing, any change in the terms of the Options granted to any Participant who is a director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the Shareholders in general meeting in the manner required by the Listing Rules if the initial grant of the Options requires such approval (except where the changes take effect automatically under the terms of the Scheme).
- 18.3 No amendment shall be made to any Options to the extent that such amendment has a material adverse effect on the subsisting rights of a Participant at that date in respect of the Options already granted to that Participant and to the extent that such Options have been lapsed or forfeited, without the consent of such Participant, provided that no such consent shall be required if the Board determines in its sole and absolute discretion that such amendment or alteration either:
- (a) is necessary or advisable in order for the Company, the Scheme or the Options to satisfy any Applicable Laws (including the Listing Rules) or to meet the requirements of, or avoid any adverse consequences under, any accounting standards; or
 - (b) is not reasonably likely to diminish materially the benefits provided under such Options, or that any such diminishment has been adequately compensated.
- 18.4 Any change to the authority of the Board to alter the terms of the Scheme must be approved by Shareholders in general meeting.

19. TERMINATION

19.1 The Scheme shall terminate on the earlier of:

- (a) the end of the Scheme Period, except otherwise as may be required in accordance with the provisions of the Scheme; and
- (b) such date of early termination as determined by the Board,

following which no further Options will be offered or granted under the Scheme, provided that notwithstanding such termination, the Scheme and the Scheme Rules shall continue to be valid and effective to the extent necessary to give effect to the Options granted and remaining unvested, unexercised and unexpired prior to the termination of the Scheme, and that such termination shall not affect the subsisting rights already granted to a Participant.

20. GOVERNING LAW

20.1 The Scheme shall be governed by and construed in accordance with the laws of Hong Kong.

NOTICE OF THE 2025 FIRST EXTRAORDINARY GENERAL MEETING

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)

NOTICE OF THE 2025 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2025 first extraordinary general meeting (the “EGM”) of CanSino Biologics Inc. (the “Company”) will be held at No. 1, Yuebin Hall, 2nd Floor, Hyatt Regency Tianjin East, No. 126 Weiguo Road, Hedong District, Tianjin, the PRC on Thursday, October 23, 2025 at 2:00 p.m. for the following purposes:

SPECIAL RESOLUTIONS

1. To consider and approve the proposed adoption of the 2025 A Share Incentive Scheme and the proposed issue of Restricted Shares under the 2025 A Share Incentive Scheme;
2. To consider and approve the proposed adoption of the 2025 A Share Incentive Scheme Assessment Management Measures;
3. To consider and approve the proposed authorization to the Board to deal with matters relating to the 2025 A Share Incentive Scheme;
4. To consider and approve the proposed adoption of the 2025 H Share Option Scheme;
5. To consider and approve the proposed authorization to the Board to deal with matters relating to the 2025 H Share Option Scheme;
6. To consider and approve the proposed grant of 371,300 H Share Options to Dr. Xuefeng YU; and
7. To consider and approve the proposed cancellation of Repurchased A Shares and reduction of registered capital.

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

Hong Kong, October 6, 2025

NOTICE OF THE 2025 FIRST EXTRAORDINARY GENERAL MEETING

Notes:

- (1) Unless otherwise specified, the terms used in this notice should have the same meanings as those defined in the circular of the Company dated October 6, 2025.
- (2) All resolutions at the EGM will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The results of the poll will be published on the websites of the Company at www.cansinotech.com and Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk after the EGM.
- (3) Any shareholder entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
- (4) In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be completed and returned to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares), at least 24 hours before the EGM (i.e. not later than 2:00 p.m. on Wednesday, October 22, 2025) or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude a shareholder from attending and voting at the EGM or any adjourned meeting thereof should he/she so wish.
- (5) For the purpose of determining the list of holders of H shares who are entitled to attend the EGM, the H share register of members of the Company will be closed from Wednesday, October 22, 2025 to Thursday, October 23, 2025, both days inclusive, during which period no transfer of H shares will be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of the shares shall ensure all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Tuesday, October 21, 2025 for registration.
- (6) In case of joint shareholders, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.
- (7) Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.
- (8) A shareholder or his/her proxy should produce proof of identity when attending the EGM.
- (9) References to date and time in this notice are to Hong Kong dates and time.

As of the date of this notice, 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.