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Keymed Biosciences Inc.
康諾亞生物醫藥科技有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2162)

ADOPTION OF THE 2022 RESTRICTED SHARE UNIT SCHEME

The Company is pleased to announce that on January 21, 2022, the Board considered and approved the 2022 restricted share unit scheme (the “**Scheme**”). The Scheme will not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. The Scheme will not involve any issue of new Shares. No shareholders’ approval will be required for the adoption of the Scheme.

A summary of the principal terms of the Scheme is set out in this announcement.

SUMMARY OF THE SCHEME RULES

I. Purposes of the Scheme

The purposes of the Scheme are to recognize and motivate the contributions by the Participants and give incentives thereto in order to retain them, as well as to attract suitable personnel for further development of the Group.

II. Administration

The Scheme will be subject to the administration of the Committee.

The Company has appointed the Trustee to assist with the administration and vesting of the Awards. The Trustee will hold the Shares and the income derived therefrom (if any) in accordance with the Scheme and subject to the terms of the trust deed to be executed by the Company. The Trustee is a professional trust service provider in Hong Kong and, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, is independent from the Company and its connected persons as at the date of this announcement.

Pursuant to the Scheme, the Committee may from time to time instruct the Trustee to purchase existing Shares (on-market and/or off-market). The Company shall provide funds to the Trustee to make such purchases of Shares. The Shares so purchased shall be allocated to each selected Participant at such time and at such amount and with such vesting conditions as the Committee may from time to time determine and notify the Trustee in writing accordingly.

III. Duration

The Scheme will be valid and effective for a term of 10 years commencing on the Adoption Date.

IV. Maximum Limit

The Shares in the share pool under the Scheme will be purchased from the secondary market. The aggregated amount of existing Shares to be purchased by the Trustee under the Scheme shall not exceed 2% of the Company's total issued share capital as of the Adoption Date (being no more than 5,594,711 Shares). The Shares acquired for the share pool will be funded out of the Company's internal resources. The maximum number of Shares which may be subject to an Award or Awards to a selected Participant shall not in aggregate exceed 1% of the total issued share capital of the Company as of the Adoption Date.

At no time shall the Trustee be holding more than 10% of the total number of Shares in issue. The Shares held by the Trustee will be regarded as public float unless the Trustee becomes a core connected persons of the Company or would otherwise cease to be regarded as member of the public under the Listing Rules.

As at the date of this announcement, no RSUs had been granted under the RSU Scheme.

V. Eligible Persons for the Scheme

Pursuant to the Scheme, the Committee may, from time to time, at its absolute discretion select any Participant for participation in the Scheme and make a Grant to such selected Participant during the Term, after taking into account various factors (including contributions made by such Participant to the Company's performance) as it deems appropriate.

The Participants may include connected persons of the Company (e.g. the Directors). The grant of RSU(s) to the connected persons of the Company will constitute a connected transaction which will be subject to the applicable requirements under Chapter 14A of the Listing Rules.

Where the Trustee becomes or is deemed to be a connected person of the Company under Rule 14A.12(1)(b) of the Listing Rules or for any other reasons, the Company shall comply with all applicable requirements under Chapter 14A of the Listing Rules in respect of the transactions with such Trustee.

VI. Awards

The Committee may at any time during the Term make a Grant to any selected Participant at its absolute discretion. A Grant shall be made to a Participant by a notice of Grant setting out, among other things, the terms and conditions of such Grant. Any Grant to the Directors or senior management of the Group must first be approved by the Remuneration Committee.

If a Participant accepts the Grant, he/she is required to sign the acceptance notice and return it to the Company within the period specified and in a manner prescribed in the notice of Grant. Each Participant shall pay RMB1.00 as the award price to accept the Awards granted to such Participant.

VII. Vesting and Lapse

The Committee may, from time to time while the RSUs are in force and subject to all applicable laws, determine in its sole discretion such vesting criteria and conditions or periods for the Award to be vested. All of such vesting conditions (including payment of any exercise price) and periods (including the vesting date) shall be set out in the relevant notice of Grant issued to each Grantee. The Committee may determine at its sole discretion, the exercise price as may be applicable to each RSU.

For the purposes of vesting of the RSU(s), the Committee may direct and procure the Trustee to release from the Trust the RSU(s) to the Grantee by transferring the number of the RSUs to the Grantee in such manner as determined by it from time to time. The Committee will send a vesting notice to the relevant Grantee and upon receiving such notice, the Grantee must execute certain documents set out in such notice for the purposes of vesting of the RSU(s). The Committee shall thereafter inform the Trustee of the number of the RSU(s) or the amount of Cash Equivalent being transferred, paid and/or released to the Grantee in the manner as determined by the Committee.

An unvested RSU shall lapse and be cancelled automatically upon certain events, including the termination of the Grantee's employment or service with the Company. The Committee may in its absolute discretion decide that any RSU shall not be cancelled or determined subject to such conditions or limitations as the Committee may decide. In certain circumstances such as when the Grantee's employment or services with the Group is terminated for cause, the Company shall have a right to instruct the Trustee to repurchase the Shares from the Grantee at the higher of (1) the par value of the Shares on the date the RSUs were granted; and (2) the exercise price (if any) paid by the Grantee for vesting of the relevant RSUs.

VIII. Restrictions

A Grant must not be made after inside information has come to the Company's knowledge until such inside information has been announced in accordance with the requirements of the Listing Rules. In particular, no Award may be granted during the period commencing one month immediately preceding the earlier of:

- (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to publish an announcement of 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. Such period will cover any period of delay in the publication of a results announcement.

IX. No Assignment of the RSUs

Unless otherwise approved by the Company in writing (to the extent permitted by law), an Award shall be personal to the Grantee and shall not be assignable or transferable by the Grantee provided that following the Grantee's death, the Committee shall, in its absolute discretion, determine that the RSUs under the Award(s) made to the deceased Grantee shall be deemed to have vested immediately prior to his death. Such vested RSUs may, subject to the provisions of the Scheme, be transferred by a will or by the laws of testacy and distribution.

X. Voting Rights and Entitlements

The Trustee shall not exercise the voting rights in respect of any Shares held under the Trust.

No Participant shall enjoy any of the rights of a shareholder by virtue of the grant of an Award pursuant to the Scheme, unless and until such Shares underlying the Award are actually transferred to the Participant upon the exercising the RSU(s) according to the Scheme.

Unless otherwise specified by the Committee in its entire discretion in the notice of Grant, the Participants do not have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Shares underlying an Award.

XI. Administration

The Scheme shall be subject to the administration of the Committee (pursuant to the delegation by the Board) and the decision of the Committee shall be final and binding on all parties. In the course of administering the Scheme, the Committee should consult the Remuneration Committee and seek its view and approval as and when necessary or desirable, taking into account the requirements and restrictions of the Listing Rules and any applicable laws.

XII. Termination

The Scheme shall terminate on the earlier of (i) the expiry of the period of 10 years from the Adoption Date; or (ii) such date of early termination as determined by the Board or Committee provided that no further RSUs will be offered after such termination but in all other respects the provisions of the Scheme shall remain in full force and effect in respect of RSUs which are granted during the life of the Scheme and which remain unvested immediately prior to the termination of the operation of the Scheme.

XIII. Scheme Costs

The Company shall bear the costs of establishing and administering the Scheme, including the fees of the Trustee. The administration of the Scheme and the acquisition of Shares will not be funded from the proceeds of the Global Offering.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Adoption Date”	January 21, 2022, being the date on which the Company adopted the Scheme
“Award”	an award of RSUs granted to a Participant pursuant to the Scheme; an award may include, if so specified by the Committee in its entire discretion in a notice of grant, cash and non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares underlying an Award from the date the Award is granted to the date that it vests
“Board”	the board of directors of the Company
“Committee”	the 2022 ESOP scheme management committee as appointed by the Board, which may consist of one or more member(s) as designated by the Board from time to time
“Company”	Keymed Biosciences Inc., an exempted company with limited liability incorporated in the Cayman Islands on April 23, 2018 and listed on the Main Board of the Stock Exchange (stock code: 2162)
“core connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Global Offering”	the offer of Shares for subscription as described in the prospectus of the Company dated June 25, 2021
“Grant”	the offer of the grant of an Award made in accordance with the Scheme
“Grantee”	any Participant who accepts a Grant in accordance with the terms of the Scheme, or (where the context so permits) any person who is entitled to any Award in consequence of the death of the original Grantee
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Participants”	employees or officers (including executive, non-executive and independent non-executive directors) of the Group, including any prospective employees (who receives the Grant as an inducement to join the Group)
“PRC”	means the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Taiwan and Macau Special Administrative Region

“Remuneration Committee”	the remuneration committee of the Company
“RSU(s)”	a conditional right when the Award vests whereby the Grantee shall be entitled to obtain either Shares or an equivalent value in cash (“ Cash Equivalent ”) with reference to the market value of the Shares on or about the date of vesting, as determined by the Committee in its absolute discretion
“Shares”	ordinary shares of US\$0.0001 each in the share capital of the Company, or if there has been a sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares forming part of the ordinary equity share capital of the Company of such nominal amount as shall result from any such sub-division, reduction, consolidation, reclassification or reconstruction
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Term”	the period of 10 years commencing on the Adoption Date (subject to the termination provisions as set forth in the paragraph headed “XII. Termination” of this announcement)
“Trust”	the trust constituted by the trust deed to service the Scheme
“Trustee”	THE CORE TRUST COMPANY LIMITED, the trustee appointed by the Company for the purpose of the Trust

By order of the Board
Keymed Biosciences Inc.
Dr. Bo CHEN
Chairman

Hong Kong, January 21, 2022

As at the date of this announcement, the Board of Directors of the Company comprises Dr. Bo CHEN, Dr. Changyu WANG and Dr. Gang XU as executive Directors; Mr. Qi CHEN, Dr. Dong LYU, Dr. Min Chuan WANG and Mr. Yilun LIU as non-executive Directors; Prof. Xiao-Fan WANG, Prof. Yang KE, Mr. Cheuk Kin Stephen LAW and Prof. Linqing LIU as independent non-executive Directors.