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Innovent

信達生物製藥

INNOVENT BIOLOGICS, INC.

(Incorporated in the Cayman Islands with Limited Liability)

(Stock Code: 1801)

GRANT OF SHARE OPTIONS

AND

NON-EXEMPT CONNECTED TRANSACTION – PROPOSED GRANT OF RESTRICTED SHARES TO AN INDEPENDENT NON – EXECUTIVE DIRECTOR

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Listing Rules. The Board announces that on June 1, 2022, the Company granted 117,045 Options to Mr. Zieziula in accordance with the terms of the Post-IPO ESOP (the “**Option Grant**”), subject to acceptance.

Details of the Option Grant

The details of the Options granted to Mr. Zieziula are as follows:

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| Grant Date: | June 1, 2022 |
| Total number of new Shares to be subscribed upon exercise of the Options granted: | 117,045 |
| Consideration for the Option Grant: | HK\$1.00 to be paid by Mr. Zieziula upon acceptance of the Options granted |
| Exercise price of the Options granted: | HK\$24.30 per Share |
| Validity period of the Options: | The validity period of the Options shall be ten years from the Grant Date and the Options shall lapse at the expiry of the validity period. |

- Vesting period:
- The Options granted to Mr. Zieziula shall vest as follows:
- 33.33% shall vest on June 1, 2023;
 - 33.33% shall vest on June 1, 2024; and
 - 33.33% shall vest on June 1, 2025.

Exercise Price

The exercise price of the Options of HK\$24.30 per Share represents the highest of (i) the closing price of the Shares of HK\$24.30 as stated in the daily quotation sheet issued by the Stock Exchange on the Grant Date, (ii) the average closing price of the Shares of HK\$22.41 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the Grant Date, or (iii) the nominal value of each Share, which is US\$0.00001.

Grant to Mr. Zieziula

Pursuant to Rule 17.04(1) of the Listing Rules, such grant of Options to Mr. Zieziula had (1) been approved by the independent non-executive Directors (excluding Mr. Zieziula) and (2) would not result in the shares issued and to be issued upon exercise of all options already granted and to be granted to Mr. Zieziula in the 12-month period up to and including the date of such grant (a) representing in aggregate over 0.1% of the shares in issue; and (b) having an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HK\$5 million.

The Option Grant to Mr. Zieziula will not be subject to approval by the Independent Shareholders.

Reason for and Benefits of the Option Grant

The purposes of the aforesaid Option Grant are to (i) attract, remunerate, incentivize and reward Mr. Zieziula and (ii) encourage Mr. Zieziula to work towards enhancing the value of the Company and its Shares.

PROPOSED GRANT OF RESTRICTED SHARES TO AN INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board announces that it has resolved to grant 14,631 Restricted Shares to Mr. Zieziula under the 2020 RS Plan on the Grant Date (the “**Proposed RS Grant**”), subject to acceptance and the Independent Shareholders’ approval at the General Meeting.

In accordance with the terms of the 2020 RS Plan, the Proposed RS Grant will be made under the following terms:

- (a) Each of the Restricted Shares is granted for nil consideration;
- (b) Each of the Restricted Shares granted to Mr. Zieziula represents the right to receive one Share on the date it vests;
- (c) the Restricted Shares shall vest as follows:
 - 33.33% shall vest on June 1, 2023;
 - 33.33% shall vest on June 1, 2024; and
 - 33.33% shall vest on June 1, 2025.

Subject to the Independent Shareholders’ approval of the Proposed RS Grant at the General Meeting, the maximum number of Shares that may be issued to Mr. Zieziula under the Proposed RS Grant would be 14,631, representing approximately 0.00% of the total number of issued Shares and 0.00% of the enlarged total issued Shares (excluding the Option Grant) as at the date of this announcement; and Mr. Zieziula’s total interests in the Shares or underlying Shares after the Proposed RS Grant would be 14,631 Shares, representing approximately 0.00% of the total issued Shares, and 0.00% of the enlarged total issued Shares (excluding the Option Grant) as at the date of this announcement pursuant to Divisions 7 and 8 of Part XV of the SFO.

Market Value

Based on the closing price of HK\$24.30 per Share as quoted on the Stock Exchange on the date of this announcement, the market value of the Restricted Shares under the Proposed RS Grant amounts to approximately HK\$355,533.30.

Reasons for and Benefits of the Proposed RS Grant

The Proposed RS Grant form part of the remuneration to Mr. Zieziula and has been approved by the remuneration committee of the Company. The Proposed RS Grant aims to attract, incentivize, motivate, reward and remunerate Mr. Zieziula, and encourages him to work towards enhancing the value of the Company and the Shares for the benefits of the Company and Shareholders as a whole by providing his independent opinion and judgment to the Board in building the strategy and long-term development of the Company given that Mr. Zieziula has rich experience in leading the successful global commercialization of drugs in many large pharmaceutical companies and biotechnology companies prior to joining the Group, and has deep insight into the global layout, evaluation and promotion of pipelines in the pharmaceutical industry.

In this regard, the Directors (including independent non-executive Directors but excluding Mr. Zieziula) consider that the terms of the Proposed RS Grant to Mr. Zieziula are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

Listing Rules Implications

Mr. Zieziula is an independent non-executive Director, and is therefore a connected person of the Company. The Proposed RS Grant and the transactions contemplated therein constitute non-exempt connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to reporting, announcement and the Independent Shareholders' approval requirements.

Pursuant to Chapter 14A of the Listing Rules, each of Mr. Zieziula and his associates is required to abstain from voting on the resolutions at the General Meeting to approve the Proposed RS Grant to Mr. Zieziula and transactions contemplated therein. To the best of the Directors' knowledge, information and belief: (i) each of Mr. Zieziula and his associates is not interested in any Shares; and (ii) there are no other Shareholders having any material interest in the Proposed RS Grant to Mr. Zieziula and transactions contemplated therein.

Mr. Zieziula did not vote on the Board resolution approving the Proposed RS Grant to Mr. Zieziula. No other Director is considered to be interested in this grant and therefore none of them other than Mr. Zieziula abstained from voting on the relevant Board resolution.

The Company has established the Independent Board Committee to advise the Independent Shareholders in respect of the Proposed RS Grant and any transactions contemplated thereunder. The Company has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed RS Grant and any transactions contemplated thereunder.

The Board does not consider that the Proposed RS Grant would affect or hinder the independence of Mr. Zieziula pursuant to Rule 3.13(1) of the Listing Rules.

ARRANGEMENTS FOR ORDINARY RESOLUTION

Ordinary resolutions will be proposed at the General Meeting to approve the Proposed RS Grant, and any transactions contemplated thereunder (including the allotment and issue of any new Shares thereunder). A circular containing, among other things, details of the Proposed RS Grant, a letter from the Independent Board Committee and a letter from the Independent Financial Adviser together with the notice convening the General Meeting will be despatched to the Shareholders in due course.

DEFINITIONS

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| “associates” | has the same meaning ascribed to it under the Listing Rules |
| “Board” | the board of Directors |
| “China” or “PRC” | the People’s Republic of China |
| “Company” | Innovent Biologics, Inc. 信达生物製藥, an exempted company with limited liability incorporated under the laws of the Cayman Islands on April 28, 2011, the Shares on which are listed on the main board of the Stock Exchange (stock code: 1801) |
| “connected person” | has the same meaning ascribed to it under the Listing Rules |
| “Directors” | the directors of the Company |
| “General Meeting” | the general meeting of the Company to be held to consider the Proposed RS Grant |
| “Grant Date” | June 1, 2022 |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Board Committee” | an independent committee of the Board comprising all independent non-executive Directors (excluding Mr. Zieziula), established to advise the Independent Shareholders in respect of the non-exempt connected transactions relating to the Proposed RS Grant |

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| “Independent Financial Advisor” | the independent financial advisor acceptable to the Stock Exchange to be appointed by the Company pursuant to Rule 14A.44 of the Listing Rules to advise the Independent Board Committee and the Independent Shareholders on whether the Independent Shareholders should vote in favour of the non-exempt connected transactions relating to the Proposed RS Grant |
| “Independent Shareholders” | the Shareholders who are not required under the Listing Rules to abstain from voting at the General Meeting to approve the non-exempt connected transactions relating to the Proposed RS Grant |
| “Listing Rules” | Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “Mr. Zieziula” | Mr. Gary Zieziula, an independent non-executive Director |
| “Option(s)” | option(s) to subscribe for or acquire Shares which are granted under the Post-IPO ESOP |
| “Option Grant” | the grant of an aggregate of 117,045 Options to Mr. Zieziula in accordance with the terms of the Post-IPO ESOP |
| “Post-IPO ESOP” | the post-IPO share option scheme adopted by the Company on June 12, 2018 |
| “Proposed RS Grant” | the proposed grant of 14,631 Restricted Shares to Mr. Zieziula under the 2020 RS Plan |
| “RMB” | Renminbi, the lawful currency of People’s Republic of China |
| “Restricted Share(s)” | restricted share(s), being a contingent right to receive Shares awarded under the 2020 RS Plan |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Shareholder(s)” | holder(s) of Shares in the Company |
| “Shares” | ordinary shares in the issued capital of the Company with a nominal value of US\$0.00001 |

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| “short position” | has the meaning ascribed to it by the SFO |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “subsidiary(ies)” | has the meaning ascribed to it by the Listing Rules |
| “substantial shareholder” | has the meaning ascribed to it by the Listing Rules |
| “2020 RS Plan” | the restricted share plan adopted by the Company on June 12, 2020 |

By Order of the Board
Dr. De-Chao Michael Yu
Chairman and Executive Director

Hong Kong, China, June 1, 2022

As at the date of this announcement, the Board comprises Dr. De-Chao Michael Yu as Chairman and Executive Director and Mr. Ronald Hao Xi Ede as Executive Director, and Dr. Charles Leland Cooney, Ms. Joyce I-Yin Hsu, Dr. Kaixian Chen and Mr. Gary Zieziula as Independent Non-executive Directors.