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Asymchem Laboratories (Tianjin) Co., Ltd.

凱萊英醫藥集團(天津)股份有限公司

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

(Stock Code: 6821)

REPURCHASE AND CANCELLATION OF PART OF RESTRICTED A SHARES GRANTED UNDER THE A SHARE INCENTIVE SCHEMES

Reference is made to the prospectus (the “**Prospectus**”) of Asymchem Laboratories (Tianjin) Co., Ltd. (the “**Company**”) dated 30 November 2021 in relation to, among others, the A Share Incentive Schemes. Unless otherwise specified, capitalized terms used in this announcement shall have the same meanings as those defined in the Prospectus.

On 15 March 2024, the board of directors (the “**Board**”) of the Company has considered and approved the “Proposal on the Repurchase and Cancellation of Part of the Restricted A Shares Initially Granted under the 2020 Restricted A Share Incentive Scheme”, pursuant to which a total of 420 restricted A Shares granted but not yet unlocked under the A Share Incentive Schemes held by one eligible participant who has resigned will be repurchased and cancelled (the “**Repurchase and Cancellation**”).

I. Information about the Repurchase and Cancellation

1. Reasons for the Repurchase and Cancellation

As of the date of this announcement, Gao Chaoyang (an eligible participant under the 2020 Restricted A Share Incentive Scheme) has resigned from the Company, and he is not a connected person of the Company as defined under the Listing Rules.

Pursuant to the relevant terms of the A Share Incentive Schemes, where an incentive recipient leaves the Company due to resignation or redundancy, the restricted A shares granted but not yet unlocked held by such incentive recipient pursuant to such schemes shall not be unlocked, but shall be repurchased and cancelled at the grant price by the Company.

2. *Number of Restricted A Shares to be Repurchased and Cancelled*

The total number of restricted A Shares to be repurchased and cancelled is 420 restricted A Shares held by Gao Chaoyang under the initial grant of the 2020 Restricted A Share Incentive Scheme. Upon the completion of the Repurchase and Cancellation, the total number of eligible participants under the initial grant of the 2020 Restricted A Share Incentive Scheme would be adjusted from 195 to 194 while the total number of restricted A Shares initially granted would be adjusted from 1,305,780 to 1,305,360.

Upon completion of the Repurchase and Cancellation, the A Share capital of the Company would be adjusted from 341,918,273 A Shares to 341,917,853 A Shares.

3. *Repurchase Price and Pricing Basis*

Pursuant to the relevant terms of the A Share Incentive Schemes, the repurchase price of restricted A Shares shall be adjusted according to the 2022 profit distribution plan of the Company as considered and approved at the 2022 annual general meeting of the Company dated 9 June 2023. Therefore, the repurchase price of restricted A Shares for the initial grant under the 2020 Restricted A Share Incentive Scheme is adjusted to RMB80.46 per restricted A Share.

4. *Source of Funds*

All funds required for the Repurchase and Cancellation (i.e. RMB33,793.20) are derived from our internal funds.

II. Changes in the Company's Shareholding Structure

Class of Shares	Immediately before the Repurchase and Cancellation		Immediately after the Repurchase and Cancellation	
	Number of Shares issued	Percentage of shareholding	Number of Shares issued	Percentage of shareholding
A Shares	341,918,273	92.54%	341,917,853	92.54%
H Shares	27,553,260	7.46%	27,553,260	7.46%
Total number of Shares	369,471,533	100.00%	369,471,113	100.00%

III. Impact of the Repurchase and Cancellation on the Company

The Repurchase and Cancellation will not affect the continued implementation of A Share Incentive Schemes. The number of restricted A Shares of the Repurchase and Cancellation will be adjusted for annual expense amortization based on the fair value determined on the grant date. The Repurchase and Cancellation will not have any material impact on the Company's financial position and operating results, nor will it have any material impact on the Company's 2024 annual results. The Repurchase and Cancellation will not affect the Company's management team from discharging its duties diligently. The Company's management team will continue to perform its duties in an earnest manner and strive to create maximum value for shareholders of the Company.

IV. Opinion of the Independent Non-executive Directors of the Company

The independent non-executive Directors of the Company are of the view that Gao Chaoyang has resigned due to personal reasons, and therefore no longer meets the conditions for incentive under the A Share Incentive Schemes. The Board's decision of repurchasing and cancellation of 420 restricted A shares granted but not yet unlocked complies with the Administrative Measures for the Equity Incentives of Listed Companies (《上市公司股權激勵管理辦法》), the relevant terms of the A Share Incentive Schemes as well as relevant provisions of relevant laws and regulations. The reasons for and the repurchase number and price of the restricted A shares are legal and effective and the repurchase has fulfilled the necessary procedures. The above matters will neither affect the continued implementation of A Share Incentive Schemes and the continued operation of the Company, nor will they impair the interests of the Company and the shareholders of the Company as a whole.

V. Opinion of the Supervisory Committee of the Company

The Supervisory Committee of the Company are of the view that Gao Chaoyang has resigned due to personal reasons, and therefore no longer meets the conditions for incentive under the A Share Incentive Schemes. The Board's decision of repurchasing and cancellation of restricted A shares granted but not yet unlocked complies with the relevant terms of the A Share Incentive Schemes as well as relevant provisions of relevant laws and regulations. The procedures performed are legal and effective.

VI. Legal Opinion from the PRC Legal Advisor of the Company

DeHeng Law Offices, the PRC legal advisor of the Company, are of the view that, as of the date of the issuance of their legal opinions, the Repurchase and Cancellation has obtained the necessary approvals and authorization at the current stage, and is in compliance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Administrative Measures for the Equity Incentives of Listed Companies (《上市公司股權激勵管理辦法》) and the relevant provisions of the A Share Incentive Schemes. The Company shall perform its information disclosure obligations in time in relation to the Repurchase and Cancellation, and complete the deregistration procedures of the shares and perform the corresponding capital reduction procedures in accordance with the provisions of the Company Law of the People's Republic of China and the Articles of Association.

VII. General

The Repurchase and Cancellation is subject to the approval of shareholders of the Company. A circular containing, among others, details of the aforementioned issue will be despatched to the shareholders of the Company as soon as possible.

By order of the Board
Asymchem Laboratories (Tianjin) Co., Ltd.
Dr. Hao Hong

Chairman of the Board, Executive Director and Chief Executive Officer

Tianjin, the PRC, 15 March 2024

As of the date of this announcement, the Board of Directors of the Company comprises Dr. Hao Hong as the Chairman of the Board of Directors and executive Director, Ms. Yang Rui, Mr. Zhang Da and Mr. Hong Liang as executive Directors, Dr. Ye Song and Ms. Zhang Ting as non-executive Directors, and Dr. Sun Xuejiao, Mr. Hou Xinyi and Mr. Lee, Kar Chung Felix as independent non-executive Directors.