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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 DIRECTORS  
AND  
GRANT OF RESTRICTED SHARES**

This announcement is made pursuant to Rule 17.06A, 17.06B and 17.06C of the Listing Rules.

## **GRANT OF SHARE OPTIONS**

The Board announces that on March 22, 2024, the Company granted 4,416,644 Options to 63 grantees (including the Directors) in accordance with the terms of the Post-IPO ESOP (the “**Option Grants**”), subject to acceptance by the grantees.

### **Details of the Option Grants**

The details of the Options granted to the grantees are as follows:

Grant Date:	March 22, 2024
Number of grantees:	63, of which 57 are non-connected employees (not including senior management) of the Company and 6 Directors (details of which are set out below)
Total number of new Shares to be subscribed upon exercise of the Options granted:	4,416,644
Consideration for the Option Grants:	HK\$1.00 to be paid by each grantee upon acceptance of the Options granted

Exercise price of the Options granted:	<p data-bbox="643 112 927 151">HK\$40.24 per Share</p> <p data-bbox="643 193 1489 527">The exercise price of the Options of HK\$40.24 per Share represents the highest of (i) the closing price of the Shares of HK\$36.00 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\$40.24 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.</p>
Validity period of the Options:	<p data-bbox="643 570 1489 678">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.</p>
Vesting period:	<p data-bbox="643 721 1489 793">The Options granted to the grantees (other than the INEDs) shall vest in the grantees (other than the INEDs) as follows:</p> <ul data-bbox="643 832 1262 940" style="list-style-type: none"> <li data-bbox="643 832 1262 870">• 75% shall vest on March 22, 2027; and</li> <li data-bbox="643 908 1198 940">• 25% shall vest on March 22, 2028.</li> </ul> <p data-bbox="643 985 1489 1057">The Options granted to the INEDs shall vest in them as follows:</p> <ul data-bbox="643 1095 1302 1278" style="list-style-type: none"> <li data-bbox="643 1095 1246 1134">• 33.33% shall vest on March 22, 2025;</li> <li data-bbox="643 1172 1302 1210">• 33.33% shall vest on March 22, 2026; and</li> <li data-bbox="643 1249 1246 1278">• 33.33% shall vest on March 22, 2027.</li> </ul>
Performance targets:	<p data-bbox="643 1321 1489 1727">Each vesting of the Options granted to the grantees (other than INEDs) will be subject to the individual annual performance targets as stipulated in the respective grant letters entered into by the Company and each of the grantees (other than INEDs). These performance targets are set against certain benchmark of the functions in which the individual grantee (other than INEDs) serves, these functions include research and development, CMC, sales and marketing, and general and administration, etc. The vesting percentage of the Options at each vesting will be adjusted based on his/her annual performance appraisal.</p>

There are no performance targets attached to the Options granted to the INEDs. Having considered that the main duties of the INEDs to the Company include providing independent judgment and reviewing major decisions made by the Board, the Remuneration Committee is of the view that in order to incentivize the INEDs and to preserve their objectivity and independence, the grant of Options to INEDs without performance targets is market competitive, consistent with the Company's remuneration policy and aligns with the purpose of the Post-IPO ESOP.

Clawback mechanism:

If a grantee (other than the INEDs) (i) fails to meet the performance targets, the Company may cancel the Options granted; and/or (ii) terminates his/her employment with the Group, the Options shall automatically lapse according to the relevant schedule of the Company.

If any of the INEDs resigns from his/her position, all unvested Options granted to him/her shall automatically lapse.

### Grants to Directors

Among the Option Grants, 1,273,044 Options were granted to Directors, details of which are as follows:

Name of grantee	Position held in the Company	Number of Options granted
Dr. Yu	Executive Director, Chairman of the Board and Chief Executive Officer	972,000
Mr. Ede	Executive Director	267,000
Ms. Hsu	Independent Non-Executive Director	5,056
Dr. Cooney	Independent Non-Executive Director	5,056
Dr. Chen	Independent Non-Executive Director	2,022
Mr. Zieziula	Independent Non-Executive Director	21,910
	Other employees of the Company	<u>3,143,600</u>
	Total	<u><u>4,416,644</u></u>

### Reasons for and Benefits of the Option Grants

The purposes of the aforesaid Option Grants are to (i) retain, incentivize and reward the Directors and other employees of the Company and (ii) encourage the Directors and other employees to work towards enhancing the value of the Company and its Shares.

Each of the grant of Options to Dr. Yu and Mr. Ede had been approved by the independent non-executive Directors.

Pursuant to the terms of the Post-IPO ESOP (which entrenched rule 17.04(1) under the previous Chapter 17 of the Listing Rules (before the current Chapter 17 of the Listing Rules took effect on 1 January 2023)), such grant of Options to Ms. Hsu (1) had been approved by the independent non-executive Directors (excluding Ms. Hsu) 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 Ms. Hsu 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.

Pursuant to the terms of the Post-IPO ESOP (which entrenched rule 17.04(1) under the previous Chapter 17 of the Listing Rules (before the current Chapter 17 of the Listing Rules took effect on 1 January 2023)), such grant of Options to Dr. Cooney (1) had been approved by the independent non-executive Directors (excluding Dr. Cooney) 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 Dr. Cooney 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.

Pursuant to the terms of the Post-IPO ESOP (which entrenched rule 17.04(1) under the previous Chapter 17 of the Listing Rules (before the current Chapter 17 of the Listing Rules took effect on 1 January 2023)), such grant of Options to Dr. Chen (1) had been approved by the independent non-executive Directors (excluding Dr. Chen) 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 Dr. Chen 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.

Pursuant to the terms of the Post-IPO ESOP (which entrenched rule 17.04(1) under the previous Chapter 17 of the Listing Rules (before the current Chapter 17 of the Listing Rules took effect on 1 January 2023)), such grant of Options to Mr. Zieziula (1) had 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.

None of the Option Grants will be subject to approval by the Independent Shareholders, and save as disclosed above, none of the grantees is a Director, chief executive or substantial shareholder of the Company or an associate (as defined in the Listing Rules) of any of them.

## **PROPOSED GRANT OF RESTRICTED SHARES TO EXECUTIVE DIRECTORS**

The Board announces that on March 22, 2024, the Company granted 2,754,000 and 756,500 Restricted Shares to Dr. Yu and Mr. Ede, respectively under the 2020 RS Plan (respectively the “**Proposed RS Grant to Dr. Yu**” and the “**Proposed RS Grant to Mr. Ede**” and together, the “**Proposed RS Grants to EDs**”), subject to acceptance and the Independent Shareholders’ approval at the AGM.

Details of the Proposed RS Grants to EDs are as follows:

Grant Date: March 22, 2024

Name of grantee, the position held in the Company and the number of Restricted Shares granted:

- 2,754,000 Restricted Shares to Dr. Yu, executive Director, Chairman of the Board and Chief Executive Officer of the Company
- 756,500 Restricted Shares to Mr. Ede, executive Director

Each of the Restricted Shares granted to Dr. Yu and Mr. Ede represents the right to receive one Share on the date it vests.

Consideration: Nil

Market price of the Shares on the Grant Date: HK\$36.00 per Share

Vesting period: The Restricted Shares shall vest in Dr. Yu and Mr. Ede as follows:

- 75% shall vest on March 22, 2027; and
- 25% shall vest on March 22, 2028.

Performance targets: Each vesting of the Proposed RS Grants to EDs is subject to the individual annual performance targets as stipulated in the award letters entered into by the Company and each of Dr. Yu and Mr. Ede. The vesting percentage of the Restricted Shares at each vesting date (i.e. March 22, 2027 and March 22, 2028) may be adjusted based on Dr. Yu's or Mr. Ede's annual performance appraisal.

Specifically, the Group will conduct an annual performance appraisal of Dr. Yu and Mr. Ede, respectively, based on performance appraisal criteria which shall be determined at the discretion of the Board (excluding Dr. Yu and Mr. Ede) with reference to their contribution to the Company and the overall pipeline progress, financial position and operating conditions of the Group and upon the meeting the performance targets, the final vesting percentage of the Proposed RS Grants to EDs would be dependent on each of Dr. Yu and Mr. Ede achieving a stipulated grade in their respective annual performance appraisal for the years 2024 to 2027. If the final vesting percentage is reduced, such portion of the Restricted Shares would be cancelled.

For the Proposed RS Grant to Dr. Yu, these performance result requirements relate to and include the overall performance of the Company, marketing and sales of commercialized products, progress of the Group's portfolio development plans and achievement of the business plans of the Group.

For the Proposed RS Grant to Mr. Ede, these performance result requirements relate to and include the overall performance of the Company, and achievement of targets in areas in fund management.

Clawback mechanisms:

If Dr. Yu or Mr. Ede (i) fails to meet the performance targets, the Company may cancel the Restricted Shares granted; and/or (ii) terminates his employment with the Group, the Restricted Shares granted shall automatically lapse according to the relevant schedule of the Company.

As at the date of this announcement, the total number of issued Shares is 1,622,582,897 Shares. Subject to the Independent Shareholders' approval of the Proposed RS Grants to EDs at the AGM, the maximum number of Shares that may be issued to Dr. Yu and Mr. Ede under the Proposed RS Grants to EDs would be 2,754,000 and 756,500 respectively, representing approximately 0.17% and 0.05% respectively of the total number of issued Shares of the Company and 0.17% and 0.05% respectively of the enlarged total number of issued Shares of the Company (excluding the Option Grants, the RS Grants and the Proposed RS Grants to INEDs) as at the date of this announcement; and Dr. Yu's and Mr. Ede's total interests in the Shares or underlying Shares of the Company after the Proposed RS Grants to EDs would be 129,154,248 Shares (and 371,747 short position Shares) and 9,027,475 Shares respectively, representing approximately 7.96% (and 0.02% short position) and 0.56% respectively of the total number of issued Shares of the Company and 7.94% (and 0.02% short position) and 0.56% respectively of the enlarged total number of issued Shares of the Company (excluding the Option Grants, the RS Grants and the Proposed RS Grants to INEDs) 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\$36.00 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 to Dr. Yu and the Proposed RS Grant to Mr. Ede amounts to approximately HK\$99,144,000.00 and HK\$27,234,000.00, respectively.

## **Reasons for and Benefits of the Proposed RS Grants to EDs**

The Proposed RS Grants to EDs are part of the Company's remuneration policy. The purpose of such grants is to closely align the interests and benefits of the Company and its employees in order to maximize the motivation of the executive Directors. The Proposed RS Grants to EDs aim to provide sufficient incentive to retain and motivate Dr. Yu and Mr. Ede to participate in the formulation of strategy and long-term development of the Company and to recognize their contribution to the growth of the Company.

In this regard, the Directors (including the independent non-executive Directors but excluding (i) Dr. Yu (for the Proposed RS Grant to Dr. Yu) and (ii) Mr. Ede (for the Proposed RS Grant to Mr. Ede)) and the Remuneration Committee consider that the terms of each of the Proposed RS Grant to Dr. Yu and the Proposed RS Grant to Mr. Ede are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

## **Listing Rules Implications**

As Dr. Yu and Mr. Ede are executive Directors, and therefore are connected persons of the Company. The Proposed RS Grants to EDs and transactions contemplated therein constitute non-exempt connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to reporting, announcement and the Independent Shareholders' approval requirements.

Pursuant to Chapter 14A of the Listing Rules, each of Dr. Yu and his associates is required to abstain from voting on the resolutions at the AGM to approve the Proposed RS Grant to Dr. Yu and transactions contemplated therein. To the best of the Directors' knowledge, information and belief: (i) each of Dr. Yu and his associates is not interested in any Shares except Dr. Yu's interest in a total of 126,400,248 Shares or underlying Shares (and 371,747 short position Shares), representing approximately 7.79% (and 0.02% short position) of the total number of issued Shares of the Company for the purposes of the SFO; and (ii) there are no other Shareholders having any material interest in the Proposed RS Grant to Dr. Yu and transactions contemplated therein. Accordingly, save for Dr. Yu, Gloria Bingqinzi Yu and Catherine Tong Yu (as cotrustees of the Yu Tong Family Irrevocable Trust), no Shareholders are required under the Listing Rules to abstain from voting at the AGM on the resolutions approving the Proposed RS Grant to Dr. Yu and transactions contemplated therein.

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

Pursuant to Chapter 14A of the Listing Rules, each of Mr. Ede and his associates is required to abstain from voting on the resolutions at the AGM to approve the Proposed RS Grant to Mr. Ede and transactions contemplated therein. To the best of the Directors' knowledge, information and belief: (i) each of Mr. Ede and his associates is not interested in any Shares except Mr. Ede's interest in a total of 8,270,975 Shares or underlying Shares, representing approximately 0.51% of the total number of issued Shares of the Company for the purposes of the SFO; and (ii) there are no other Shareholders having any material interest in the Proposed RS Grant to Mr. Ede and transactions contemplated therein. Accordingly, save for Mr. Ede, no Shareholders are required under the Listing Rules to abstain from voting at the AGM on the resolutions approving the Proposed RS Grant to Mr. Ede and transactions contemplated therein.

Mr. Ede did not vote on the Board resolution approving the Proposed RS Grant to Mr. Ede. No other Director is considered to be interested in this grant and therefore none of them other than Mr. Ede 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 Grants to EDs 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 Grants to EDs and any transactions contemplated thereunder.

## **PROPOSED GRANT OF RESTRICTED SHARES TO INDEPENDENT NON-EXECUTIVE DIRECTORS**

The Board announces that the Company granted 14,326, 14,326, 5,730 and 62,079 Restricted Shares to Ms. Hsu, Dr. Cooney, Dr. Chen and Mr. Zieziula respectively, under the 2020 RS Plan on the Grant Date (respectively the "**Proposed RS Grant to Ms. Hsu**", the "**Proposed RS Grant to Dr. Cooney**", the "**Proposed RS Grant to Dr. Chen**" and the "**Proposed RS Grant to Mr. Zieziula**", and together, the "**Proposed RS Grants to INEDs**"), subject to acceptance and the Independent Shareholders' approval at the AGM.

Details of the Proposed RS Grants to INEDs are as follows:

Grant Date:	March 22, 2024
Name of grantee, the position held in the Company and the number of Restricted Shares granted:	<ul style="list-style-type: none"><li>• 14,326 Restricted Shares to Ms. Hsu, independent non-executive Director</li><li>• 14,326 Restricted Shares to Dr. Cooney, independent non-executive Director</li><li>• 5,730 Restricted Shares to Dr. Chen, independent non-executive Director</li><li>• 62,079 Restricted Shares to Mr. Zieziula, independent non-executive Director</li></ul>

Each of the Restricted Shares granted to the INEDs represents the right to receive one Share on the date it vests.



Consideration:	Nil
Market price of the Shares on the Grant Date:	HK\$36.00 per Share
Vesting period:	The Restricted Shares shall vest in the INEDs as follows: <ul style="list-style-type: none"> <li>• 33.33% shall vest on March 22, 2025;</li> <li>• 33.33% shall vest on March 22, 2026; and</li> <li>• 33.33% shall vest on March 22, 2027.</li> </ul>
Performance targets:	There are no performance targets attached to the Restricted Shares granted to INEDs. Having considered that the main duties of the INEDs to the Company include providing independent judgment and reviewing major decisions made by the Board, the Remuneration Committee is of the view that in order to incentivize the INEDs and to preserve their objectivity and independence, the grant of Restricted Shares to INEDs without performance targets is market competitive, consistent with the Company's remuneration policy and aligns with the purpose of the 2020 RS Plan.
Clawback mechanisms:	If any of the INEDs resigns from his/her position, all unvested Restricted Shares granted to him/her shall automatically lapse.

Subject to the Independent Shareholders' approval of the Proposed RS Grants to INEDs at the AGM, the maximum number of Shares that may be issued to Ms. Hsu, Dr. Cooney, Dr. Chen and Mr. Zieziula under the Proposed RS Grants to INEDs would be 14,326, 14,326, 5,730 and 62,079 respectively, representing approximately 0.00%, 0.00%, 0.00% and 0.00% respectively, of the total number of issued Shares and 0.00%, 0.00%, 0.00% and 0.00% respectively, of the enlarged total issued Shares (excluding the Option Grants, the RS Grants and the Proposed RS Grants to EDs) as at the date of this announcement; and Ms. Hsu, Dr. Cooney, Dr. Chen and Mr. Zieziula's total interests in the Shares or underlying Shares after the Proposed RS Grants to INEDs would be 102,946, 142,036, 43,998 and 369,091 Shares respectively, representing approximately 0.01%, 0.01%, 0.00% and 0.02% respectively of the total issued Shares, and 0.01%, 0.01%, 0.00% and 0.02% respectively of the enlarged total issued Shares (excluding the Option Grants, the RS Grants and the Proposed RS Grants to EDs) 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\$36.00 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 Grants to INEDs amounts to approximately HK\$3,472,596.00.

## **Reasons for and Benefits of the Proposed RS Grants to INEDs**

The Proposed RS Grants to INEDs form part of the remuneration to the independent non-executive Directors and have been approved by the Remuneration Committee. The Proposed RS Grants to INEDs are granted in light of the continued progress and performance of the Company and aim to retain and motivate the independent non-executive Directors to continue to provide their independent opinion and judgment to the Board in building the strategy and long-term development of the Company.

## **Listing Rules Implications**

In this regard, the Directors (including independent non-executive Directors but excluding (i) Ms. Hsu (for the Proposed RS Grant to Ms. Hsu), (ii) Dr. Cooney (for the Proposed RS Grant to Dr. Cooney), (iii) Dr. Chen (for the Proposed RS Grant to Dr. Chen), and (iv) Mr. Zieziula (for the Proposed RS Grant to Mr. Zieziula)) consider that the terms of each of the Proposed RS Grant to Ms. Hsu, the Proposed RS Grant to Dr. Cooney, the Proposed RS Grant to Dr. Chen, and 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.

As Ms. Hsu, Dr. Cooney, Dr. Chen and Mr. Zieziula are independent non-executive Directors, and therefore are connected persons of the Company. The Proposed RS Grants to INEDs and transactions contemplated therein constitute non-exempt connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to reporting, announcement and the Independent Shareholders' approval requirements.

Pursuant to Chapter 14A of the Listing Rules, each of Ms. Hsu and her associates is required to abstain from voting on the resolutions at the AGM to approve the Proposed RS Grant to Ms. Hsu and transactions contemplated therein. To the best of the Directors' knowledge, information and belief: (i) each of Ms. Hsu and her associates is not interested in any Shares or underlying Shares except Ms. Hsu's interest in a total of 88,620 Shares or underlying Shares for the purposes of the SFO, representing approximately 0.01% of the total issued Shares of the Company; and (ii) there are no other Shareholders having any material interest in the Proposed RS Grant to Ms. Hsu and transactions contemplated therein.

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

Pursuant to Chapter 14A of the Listing Rules, each of Dr. Cooney and his associates is required to abstain from voting on the resolutions at the AGM to approve the Proposed RS Grant to Dr. Cooney and transactions contemplated therein. To the best of the Directors' knowledge, information and belief: (i) each of Dr. Cooney and his associates is not interested in any Shares except Dr. Cooney's interest in a total of 127,710 Shares or underlying Shares for the purposes of the SFO, representing approximately 0.01% of the total issued Shares; and (ii) there are no other Shareholders having any material interest in the Proposed RS Grant to Dr. Cooney and transactions contemplated therein.

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

Pursuant to Chapter 14A of the Listing Rules, each of Dr. Chen and his associates is required to abstain from voting on the resolutions at the AGM to approve the Proposed RS Grant to Dr. Chen and transactions contemplated therein. To the best of the Directors' knowledge, information and belief: (i) each of Dr. Chen and his associates is not interested in any Shares or underlying Shares except Dr. Chen's interest in a total of 38,268 Shares or underlying Shares for the purposes of the SFO, representing approximately 0.00% of the total issued Shares of the Company; and (ii) there are no other Shareholders having any material interest in the Proposed RS Grant to Dr. Chen and transactions contemplated therein.

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

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 AGM 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 or underlying Shares except Mr. Zieziula's interest in a total of 307,012 Shares or underlying Shares for the purposes of the SFO, representing approximately 0.02% of the total issued Shares of the Company; 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 Committees for the Proposed RS Grants to INEDs to advise the Independent Shareholders in respect of the Proposed RS Grants to INEDs and any transactions contemplated thereunder. The Company has appointed the Independent Financial Adviser to advise the Independent Board Committees for the Proposed RS Grants to INEDs and the Independent Shareholders in respect of the Proposed RS Grants to INEDs and any transactions contemplated thereunder.

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

## **GRANT OF RESTRICTED SHARES**

On March 22, 2024, the Company granted 18,625,150 Restricted Shares to 1,026 grantees (who are unconnected employees of the Group, and not senior management) in accordance with the terms of the 2020 RS Plan (the "**RS Grants**"), subject to acceptance and the satisfaction of performance targets.

None of the RS Grants will be subject to approval by the Shareholders, and none of the said grantee is a connected person, Director, chief executive or substantial shareholder of the Company or an associate (as defined in the Listing Rules) of any of them.

Details of the RS Grants are as follows:

Grant Date:	March 22, 2024
Number of Restricted Shares granted:	18,625,150 Each of these Restricted Shares represents the right to receive one Share on the date it vests.
Consideration:	Nil
Market price of the Shares on the Grant Date:	HK\$36.00 per Share
Vesting period:	The Restricted Shares granted shall vest in the grantees as follows: <ul style="list-style-type: none"><li>• 33.33% shall vest on March 22, 2025;</li><li>• 33.33% shall vest on March 22, 2026; and</li><li>• 33.33% shall vest on March 22, 2027.</li></ul>
Performance targets:	Each vesting of the Restricted Shares granted to the grantees will be subject to the individual annual performance targets as stipulated in the respective grant letters entered into by the grantee and the Company. These performance targets are set against certain benchmark of the functions in which the individual grantee serves, these functions include research, CMC, sales and marketing, and general and administration, etc. The vesting percentage of the Restricted Shares at each vesting will be adjusted based on his/her annual performance appraisal.
Clawback mechanisms:	If a grantee (i) fails to meet the performance targets, the Company may cancel the Restricted Shares granted; and/or (ii) terminates his/her employment with the Group, the Restricted Shares shall automatically lapse according to the relevant schedule of the Company.

## **Market Value**

Based on the closing price of HK\$36.00 per Share as quoted on the Stock Exchange on the date of this announcement, the market value of the Restricted Shares granted to the grantees amounts to approximately HK\$670,505,400.00.

## **Reasons for and Benefits of the RS Grants**

The RS Grants are part of the Company's remuneration policy. The purpose of such grants is to closely align the interests and benefits of the Company and its employees in order to maximize the motivation of the employees of the Group. The proposed RS Grants are to (i) encourage and enable the employees of the Group to share the success of the Company and (ii) foster a closer relationship between these employees and the Group with aligned interests, thereby incentivizing their efforts and contribution to the Group's continued success and strengthening their sense of belonging.

## **SHARES AVAILABLE FOR FUTURE GRANT UNDER THE SHARE SCHEMES**

The total number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO ESOP and any other schemes is 111,815,071, being no more than 10% of the Shares in issue on the date the Shares commenced trading on the Stock Exchange. As of the date of this announcement (after taking into account of the Option Grants), 50,587,260 Shares are available for future grant under the aforementioned scheme mandate limit.

The total number of Shares issued and may be issued by the Company within five years of June 12, 2020 for distribution of Shares corresponding to the restricted shares granted under the 2020 RS Plan shall not exceed 67,152,410 Shares. As of the date of this announcement (after taking into account of the above RS Grants, Proposed RS Grants to EDs and Proposed RS Grants to INEDs), 4,295,158 Shares are available for future grant under the aforementioned scheme mandate limit.

The Option Grants and the RS Grants would not result in the options and awards granted and to be granted to each individual grantee in the 12-month period up to and including the date of such grant in aggregate to exceed 1% of the Shares in issue.

## **ARRANGEMENTS FOR ORDINARY RESOLUTION**

Ordinary resolutions will be proposed at the AGM to approve the Proposed RS Grants to EDs and the Proposed RS Grants to INEDs, 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 Grants to EDs, details of the Proposed RS Grants to INEDs, letters from the Independent Board Committee, letters from the Independent Board Committees for the Proposed RS Grants to INEDs and a letter from the Independent Financial Adviser together with the notice convening the AGM will be despatched to the Shareholders in due course.

The Post-IPO ESOP and the 2020 RS Plan were adopted before the effective date of the new Chapter 17 of the Listing Rules. The Company will comply with the new Chapter 17 to the extent required by the transitional arrangements for the existing share schemes.

## DEFINITIONS

“AGM”	the annual general meeting of the Company to be held on June 21, 2024
“associates”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“China”	the People’s Republic of China
“CMC”	chemistry, manufacturing and controls
“Company”	Innovent Biologics, Inc. 信達生物製藥, 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
“Dr. Chen”	Dr. Kaixian Chen, an independent non-executive Director
“Dr. Cooney”	Dr. Charles Leland Cooney, an independent non-executive Director
“Dr. Lu”	Dr. Shun Lu, an independent non-executive Director
“Dr. Yu”	Dr. De-Chao Michael Yu, an executive Director, Chairman of the Board and Chief Executive Officer of the Company
“EDs”	Dr. Yu and Mr. Ede
“Grant Date”	March 22, 2024
“grantees”	the eligible participants of the Group who were granted Options and/or Restricted Shares in accordance with the Post-IPO ESOP and/or the 2020 RS Plan respectively on the Grant Date
“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 Financial Adviser”	the independent financial adviser acceptable to the Stock Exchange appointed by the Company pursuant to Rule 14A.44 of the Listing Rules to advise the Independent Board Committee, the Independent Board Committees for the Proposed RS Grants to INEDs and the Independent Shareholders on whether the Independent Shareholders should vote in favour of the non-exempt connected transactions relating to the Proposed RS Grants to EDs and Proposed RS Grants to INEDs
“INEDs”	Ms. Hsu, Dr. Cooney, Dr. Chen and Mr. Zieziula
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors (being Ms. Hsu, Dr. Cooney, Dr. Chen, Mr. Zieziula, Dr. Lu) established to advise the Independent Shareholders in respect of the non-exempt connected transactions relating to the Proposed RS Grants to EDs
“Independent Board Committees for the Proposed RS Grants to INEDs”	independent committees of the Board, including (i) an independent committee of the Board comprising Dr. Cooney, Dr. Chen, Mr. Zieziula and Dr. Lu, established to advise the Independent Shareholders in respect of the non-exempt connected transactions relating to the Proposed RS Grant to Ms. Hsu; (ii) an independent committee of the Board comprising Ms. Hsu, Dr. Chen, Mr. Zieziula and Dr. Lu, established to advise the Independent Shareholders in respect of the non-exempt connected transactions relating to the Proposed RS Grant to Dr. Cooney; (iii) an independent committee of the Board comprising Ms. Hsu, Dr. Cooney, Mr. Zieziula and Dr. Lu, established to advise the Independent Shareholders in respect of the non-exempt connected transactions relating to the Proposed RS Grant to Dr. Chen; (iv) an independent committee of the Board comprising Ms. Hsu, Dr. Cooney, Dr. Chen and Dr. Lu, established to advise the Independent Shareholders in respect of the nonexempt connected transactions relating to the Proposed RS Grant to Mr. Zieziula
“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 Grants to EDs and Proposed RS Grants to INEDs
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Ede”	Mr. Ronald Hao Xi Ede, an executive Director
“Mr. Zieziula”	Mr. Gary Zieziula, an independent non-executive Director
“Ms. Hsu”	Ms. Joyce I-Yin Hsu, an independent non-executive Director
“Remuneration Committee”	the remuneration committee of the Board

“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
“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  
**Innovent Biologics, Inc.**  
**Dr. De-Chao Michael Yu**  
*Chairman and Executive Director*

Hong Kong, China, March 24, 2024

*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, Mr. Gary Zieziula and Dr. Shun Lu as Independent Non-executive Directors.*