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Laekna, Inc.

來凱醫藥有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2105)

PROPOSED ADOPTION OF THE SHARE AWARD SCHEME

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The Board is pleased to announce that it has resolved to approve the proposed adoption of the Share Award Scheme, which is subject to the approval by the Shareholders at the AGM.

The purpose of the Share Award Scheme is to attract and retain Participants whose contributions are important to the long-term growth and success of the Group, to recognize and reward Participants for their past contribution to the Group, to provide Participants with the opportunity to acquire proprietary interests in the Company and to encourage Participants to further contribute to the Company and work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. The Share Award Scheme will provide the Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to Participants.

LISTING RULES IMPLICATIONS

The Share Award Scheme constitutes a share scheme that is funded by new Shares and/or existing Shares and shall be subject to the applicable disclosure requirements under Chapter 17 of the Listing Rules. Pursuant to Chapter 17 of the Listing Rules, share schemes involving the grant of new Shares must be approved by Shareholders of the listed issuer in general meeting. Accordingly, the adoption of the Share Award Scheme will be subject to, among others, the Shareholders' approval at the AGM.

A circular containing, inter alia, (i) further details of the adoption of the Share Award Scheme; (ii) the notice of the AGM; and (iii) other information in relation to the Company in accordance with the Listing Rules, will be despatched to the Shareholders in due course.

The Board is pleased to announce that it has resolved to approve the proposed adoption of the Share Award Scheme, which is subject to the approval by the Shareholders at the AGM.

A summary of the principal terms of the Share Award Scheme is set out below:

1. Purpose

The purpose of the Share Award Scheme is to attract and retain Participants whose contributions are important to the long-term growth and success of the Group, to recognize and reward Participants for their past contribution to the Group, to provide Participants with the opportunity to acquire proprietary interests in the Company and to encourage Participants to further contribute to the Company and work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. The Share Award Scheme will provide the Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to Participants.

2. Conditions

The Share Award Scheme is conditional upon (a) the passing of ordinary resolution(s) by the Shareholders at a general meeting of the Company to approve the adoption of the Share Award Scheme, and to authorize the Directors to grant Awards under the Share Award Scheme and to allot and issue, procure the transfer of and otherwise deal with the Shares (including treasury shares) underlying the Awards granted; and (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the new Shares to be allotted and issued underlying the Awards granted in accordance with the terms and conditions of the Share Award Scheme.

As at the date of this announcement, none of the aforesaid conditions of the Share Award Scheme had been fulfilled. An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the new Shares to be allotted and issued underlying the Awards granted in accordance with the terms and conditions of the Share Award Scheme. At the AGM, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, approve the adoption of the Share Award Scheme. So far as the Directors are aware, as at the date of this announcement, none of the Shareholders is required to abstain from voting on such resolution.

3. Duration and Administration

The Share Award Scheme shall be valid and effective for the Scheme Period (being ten years commencing on the Adoption Date). After the expiry of the Scheme Period, no further Awards shall be offered or granted, but in all other respects the provisions of the Share Award Scheme shall remain in full force and effect to the extent necessary to give effect to the settlement of any Awards granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Award Scheme.

The Share Award Scheme shall be administered by the Board and/or the Trustee appointed by the Board (if any) in accordance with the rules of the Share Award Scheme and the terms of the relevant trust deed (if any), and the decision of the Board regarding the administration and operation of the Share Award Scheme shall be final and binding on all parties. To the extent permitted under the Listing Rules, the Board may also delegate its administration authority of the Share Award Scheme to the Remuneration Committee, a member of the Remuneration Committee, or other person(s)/committee(s) as deemed appropriate at its sole discretion.

As of the date of this announcement, the Company had not appointed a Trustee under the Share Award Scheme. None of the Director is and will be a Trustee of the Share Award Scheme or has a direct or indirect interest in the Trustee.

4. Eligibility

The Participants who may be selected are any individual or corporate entity (as the case may be), being any of (i) Employee Participant(s); or (ii) Service Provider(s), who the Board considers, in its sole discretion, to have contributed or will contribute to the Group.

In assessing the eligibility of Employee Participants, the Board will consider, in its sole discretion, on a case-by-case basis, the following factors, including but not limited to (i) the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (ii) the length of engagement with the Group; (iii) the individual contribution or potential contribution to the development and growth of the Group; and (iv) the amount of support, assistance, guidance, advice or efforts that has been given or will be given towards the Group's success.

In assessing a Service Provider's eligibility as a Participant, the Board will consider, in its sole discretion, on a case-by-case basis, the following factors, including but not limited to: (i) in general, (a) the individual performance of the Service Provider; (b) the frequency of collaboration and the length of business relationship with the Group; (c) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (d) the track record in the quality of services provided to and/or cooperation with the Group and the ability to maintain the quality of services; (e) the scale of business dealings and/or collaboration with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Provider; (f) the actual contribution or potential contribution towards the long-term development and success of the Group; and (g) the remuneration packages of comparable listed peers for similar service providers based on available information in the industry; (ii) specifically in respect of the Service Provider in the category of independent contractors, (a) the benefits and strategic value brought by the Service Provider to the Group's development and future prospects in terms of the profits and/or income attributable to the Service Provider's collaboration with the Group; and (b) the business opportunities and external connections that the Service Provider has introduced or will potentially introduce to the Group; and (iii) specifically in respect of Service Provider in the category of consultant and/or advisor,

(a) the expertise, professional qualifications and industry experience of the Service Provider; (b) the prevailing market fees chargeable by other services providers; (c) the Group's period of engagement of or collaboration with the Service Provider; and (d) the Service Provider's actual or potential contribution to the Group in terms of a reduction in costs or an increase in turnover or profit.

5. Grant of Awards

On and subject to the terms of the Share Award Scheme, the Board shall be entitled (but shall not be bound) at any time within the Scheme Period to make an offer to any Participant, as the Board may in its absolute discretion select, of an Award consisting of RSUs as set forth in the offer documentation and on and subject to such terms and conditions as the Board may determine and impose. The offer shall specify the terms and conditions on which the Award is to be granted. Such terms and conditions may include any minimum period(s) for which an Award must be held, any minimum period(s) for which the Grantee must be employed or in service to the Group and/or any minimum performance target(s) that must be achieved such as linking its vesting to the attainment of program milestones and market capitalization milestones by the Group, before the Award shall vest in whole or in part, may include any clawback mechanism in respect of the Award as described in the rules of the Share Award Scheme, and may include at the discretion of the Board such other terms either on a case-by-case basis or generally. Any Award shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favor of or enter into any agreement with any other person over or in relation to any Award or any property held by the Trustee on trust for the Grantees. Any breach of the foregoing shall entitle the Company to cancel an outstanding Award without payment of any consideration therefor.

In addition, subject to the Individual Limit (as defined below), where any grant of Awards to a Director (other than an independent non-executive Director) or chief executive of the Company (or any of their associates) would result in the number of Shares issued and to be issued in respect of all Awards, options and any other awards involving issue of new Shares already granted under the Share Award Scheme and any other share scheme(s) of the Company (excluding Awards and such other options/awards lapsed in accordance with relevant schemes) 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 as at the date of grant (excluding treasury shares), such further grant of Awards shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting with the Grantees, their associates and all core connected persons (as defined under the Listing Rules) of the Company abstaining from voting in favour.

Where any grant of Awards or any other options or awards pursuant to any other concurrent share schemes to an independent non-executive Director or substantial shareholder of the Company or any of their respective associates would result in the number of Shares issued and to be issued in respect of all Awards and options/awards involving issue of new Shares already granted under the Share Award Scheme and any other share scheme(s) of the Company (excluding Awards and such other options/awards lapsed in accordance with the relevant schemes) to such person in the 12-month

period up to and including the date of grant representing in aggregate over 0.1% of the total number of Shares in issue as at the date of grant (excluding treasury shares), such further grant of Awards shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting with the Grantees, their associates and all core connected persons (as defined under the Listing Rules) of the Company abstaining from voting in favour.

6. Maximum number of Shares subject to Awards

The total number of Shares which may be issued in respect of all options and awards involving issue of new Shares that may be granted under the Share Award Scheme and any other share scheme(s) adopted by the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date (excluding treasury shares), being 39,010,035 Shares (the “**Scheme Mandate Limit**”), unless otherwise permitted by the Listing Rules or the Company obtains the approval of its Shareholders to refresh the Scheme Mandate Limit in accordance with the Share Award Scheme.

Within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all options and awards involving issue of new Shares that may be granted under the Share Award Scheme and any other share scheme(s) of the Company to each Participant who is a Service Provider must not in aggregate exceed 3,901,003 Shares, representing 1% of the total number of Shares in issue as at the Adoption Date (excluding treasury shares) (the “**Service Provider Sublimit**”).

Awards which have lapsed in accordance with the terms of the Share Award Scheme without Shares being issued and options and awards lapsed in accordance with any other share scheme(s) of the Company shall not be counted for the purpose of calculating the Scheme Mandate Limit or the Service Provider Sublimit.

Individual Limit

Unless approved by the Shareholders, the total number of Shares issued and to be issued in respect of all options and awards granted under the Share Award Scheme and any other share scheme(s) of the Company to each Participant in any 12-month period shall not exceed 1% of the total number of Shares in issue (excluding treasury shares) (the “**Individual Limit**”). Where any grant of Awards under the Share Award Scheme to a Participant would result in the aggregate number of Shares issued and to be issued in respect of all options and awards granted under the Share Award Scheme and any other share scheme(s) of the Company to such Participant (excluding any options and awards lapsed in accordance with the terms of the Share Award Scheme and any other share scheme(s) of the Company) in the 12-month period up to and including the date of such grant exceeding such individual limit, such grant shall be subject to separate approval of the Shareholders in general meeting with such Participant and his/her close associates (or his/her associates if the Participant is a connected person of the Company) abstaining from voting.

7. Purchase Price

Unless otherwise determined by the Board at its sole discretion or as required by applicable law in respect of the purchase price (if any) of any particular Award which shall be stated in the offer documentation, the Grantee is not required to pay any purchase price to the Company to purchase any RSU underlying an Award granted.

8. Vesting of Awards

The Board may determine the vesting period of the Awards, provided that the vesting period in respect of any Award shall be no less than 12 months from (and including) the date of the Grant, except with respect to Awards granted to an Employee Participant, for which a shorter vesting period may be permitted under specified circumstances pursuant to the Share Award Scheme.

According to the Share Award Scheme, upon vesting of the Awards granted to the Grantee, such Awards shall be satisfied by (i) existing Shares as may be purchased by the Trustee on the Stock Exchange or off the market; or (ii) new Shares to be allotted and issued (or treasury shares to be transferred) to the Grantee directly or (iii) payment to the Grantee of an amount equivalent to the market value of the Shares underlying the Awards in cash.

9. Performance Targets

The vesting of an Award shall be subject to the performance targets, if any, to be satisfied by the Grantees as determined by the Board or the Remuneration Committee from time to time. The Board or the Remuneration Committee shall have the authority, after the grant of any Award which is performance-linked, to make fair and reasonable adjustments to the prescribed performance targets during the vesting period if there is a change in circumstances, provided that any such adjustments shall be less onerous than the prescribed performance targets and are considered fair and reasonable by the Board or the Remuneration Committee (as the case may be).

The performance targets may include the attainment of program milestones and market capitalization milestones by the Group, which may vary among the Grantees. The Board or the Remuneration Committee (as the case may be) will conduct assessment from time to time by comparing the performance with the pre-set targets to determine whether and the extent to which such targets have been met. If, after the assessment, the Board or the Remuneration Committee determines that any prescribed performance targets have not been met, the unvested Award(s) shall lapse automatically. For the avoidance of doubt, the performance targets are not applicable to independent non-executive Directors.

10. Clawback Mechanism

Notwithstanding the terms and conditions of the Share Award Scheme, the Board has the authority to provide that any Award shall be subject to a clawback if any of the following events occur:

- (a) the Grantee (being an employee or a director of any member of the Group) ceases to be a Participant by reason of the termination of his or her employment or engagement on the grounds that he or she has been guilty of fraud or dishonesty or persistent or serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his or her debts or has become bankrupt or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which an employer would be entitled to terminate his or her employment summarily;
- (b) if the Grantee joins a company which the Board believes in its sole and reasonable opinion to be a competitor of the Company;
- (c) if the Grantee has failed to discharge, or failed to discharge properly, his/her/its duties, thereby resulting in a serious loss in assets to any member of the Group;
- (d) if the Grantee has failed to comply with any non-compete covenants or restrictive covenants or any terms and conditions of a similar effect applicable to the Grantee pursuant to any internal guideline(s) adopted by the Group (as amended, supplemented or modified from time to time); and
- (e) if any other clawback event implicitly or explicitly characterized in the offer documentation occurs.

The Board may issue a notice in writing to the relevant Grantee to claw back such number of unvested Awards granted as the Board may consider appropriate, subject to its sole determination. The Awards that have been clawed back shall be regarded as cancelled and the Awards so cancelled shall be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

11. Alteration

The Board may amend any of the provisions of the Share Award Scheme at any time, save and except that any alterations to the terms and conditions of the Share Award Scheme which are of a material nature, or any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Participants, or any change to the authority of the Board, the Trustee or other administrator of the Share Award Scheme in relation to any alternation to the terms of the Share Award Scheme must be approved by the Shareholders in general meeting.

Any change to the terms of Awards granted to a Participant, must also, to be effective, be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders in general meeting (as the case may be) if the initial grant of the Awards was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of the Share Award Scheme.

12. Termination

The Company by ordinary resolution in general meeting or the Board may at any time resolve to terminate the operation of the Share Award Scheme prior to the expiry of the Scheme Period, and in such event no further Awards will be offered or granted but the provisions of the Share Award Scheme shall remain in full force to the extent necessary to give effect to the settlement of any Awards granted prior thereto or as may be otherwise required in accordance with the provisions of the Share Award Scheme.

LISTING RULES IMPLICATIONS

The Share Award Scheme constitutes a share scheme that is funded by new Shares and/or existing Shares and shall be subject to the applicable disclosure requirements under Chapter 17 of the Listing Rules. Pursuant to Chapter 17 of the Listing Rules, share schemes involving the grant of new Shares must be approved by Shareholders of the listed issuer in general meeting. Accordingly, the adoption of the Share Award Scheme will be subject to, among others, the Shareholders' approval at the AGM.

A circular containing, inter alia, (i) further details of the adoption of the Share Award Scheme; (ii) the notice of the AGM; and (iii) other information in relation to the Company in accordance with the Listing Rules, will be despatched to the Shareholders in due course.

The Share Award Scheme is still subject to the approval of the Shareholders. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

“Adoption Date”	the date on which the proposed adoption of the Share Award Scheme is approved by the Shareholders at the AGM
“AGM”	the forthcoming annual general meeting to be convened by the Company
“Award(s)”	an award of RSUs granted to a Participant, which may vest in the form of Award Shares or cash representing an amount equivalent to the market value of the Shares underlying the RSUs, as the Board may determine in accordance with the terms of the relevant scheme rules of the Share Award Scheme

“Award Shares”	Shares underlying the RSUs which may be (i) transferred by the Trustee to the Grantee, (ii) Shares allotted and issued or treasury shares transferred to the Grantee
“Board”	the board of Directors, for the purpose of the information relating to the Share Award Scheme contained in this announcement, refers to the board of Directors or a committee thereof duly appointed for the purpose of administering the Share Award Scheme
“Company”	Laekna, Inc., an exempted company incorporated in the Cayman Islands with limited liability on 29 July 2016, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2105)
“Director(s)”	the director(s) of the Company
“Employee Participant(s)”	any director (including executive directors, non-executive directors and independent non-executive directors) and employee (whether full-time or part-time) of the Company or any of its subsidiaries (including any persons who are granted Awards as an inducement to enter into employment contracts with these companies)
“Grantee”	any Participant who accepts an offer of the grant of an Award in accordance with the terms of the Share Award Scheme, or (where the context so permits) any person who is entitled in accordance with applicable laws of succession to any such Award in consequence of the death of the original Grantee, or the legal personal representative of such person
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Participant(s)”	an individual or corporate entity (as the case may be), being any of (i) an Employee Participant, and (ii) a Service Provider
“Remuneration Committee”	the remuneration committee of the Board
“RSU”	a restricted share unit granted by the Board to a Participant, which may vest in the form of Award Shares or cash in equivalent value with reference to the market value of an Award Share on or around the vesting date of such RSU, as the Board may determine in accordance with the terms of the Share Award Scheme

“Scheme Period”	the period of ten years commencing on the Adoption Date
“Service Provider(s)”	any person (natural person or corporate entity) who provides services to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long term growth of the Group, such as independent contractor, consultant, agent and/or advisor for research and development, manufacturing, product commercialization, innovation upgrading, strategic/commercial planning on corporate image and marketing and investor relations in investment environment of the Group (excluding any placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, and professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity)
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.00001 each
“Share Award Scheme”	the 2024 share award scheme of the Company to be approved by an ordinary resolution passed by the Shareholders at the AGM
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“treasury shares”	has the meaning ascribed to it in the Proposed Amendments to the Listing Rules which will come into effect on 11 June 2024
“Trustee(s)”	the trustee(s) (which is/are independent of and not connected with the Company) appointed or to be appointed by the Company for the administration of the Share Award Scheme or any additional or replacement trustee(s)
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

By order of the Board
Laekna, Inc.
Dr. LU Chris Xiangyang
Chairman

Hong Kong, 21 May 2024

As at the date of this announcement, the Board comprises Dr. LU Chris Xiangyang, Ms. XIE Ling and Dr. GU Xiang-Ju Justin as executive Directors; Dr. WANG David Guowei and Mr. SUN Yuan as non-executive Directors; and Dr. YIN Xudong, Dr. LI Min and Mr. ZHOU Jian as independent non-executive Directors.