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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 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 June 14, 2024, the Company granted 385,384 Options to 10 Grantees in accordance with the terms of the Post-IPO ESOP (the “**Option Grants**”), subject to acceptance by the Grantees. All the Grantees are employees of the Group.

Details of the Option Grants

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

Grant Date: June 14, 2024

Number of Grantees: 10

Total number of new Shares to
be subscribed upon exercise of
the Options granted: 385,384

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:	HK\$38.30 per Share
	<p>The exercise price of the Options of HK\$38.30 per Share represents the highest of (i) the closing price of the Shares of HK\$38.30 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\$35.59 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>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>The Options granted to the Grantees shall vest in the Grantees as follows:</p> <ul style="list-style-type: none"> • 75% shall vest on June 14, 2027; and • 25% shall vest on June 14, 2028.
Performance targets:	<p>Each vesting of the Options granted to the Grantees 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. These performance targets are set against certain benchmark of the functions in which the individual Grantee serves, these functions include research, CMC, and clinical development, etc. The vesting percentage of the Options at each vesting will be adjusted based on his/her annual performance appraisal.</p>
Clawback mechanism:	<p>If a Grantee (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.</p>

Reasons for and Benefits of the Option Grants

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

None of the Option Grants will be subject to approval by the Shareholders, and 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.

GRANT OF RESTRICTED SHARES

On June 14, 2024, the Company granted 571,119 Restricted Shares to 10 Grantees (who are unconnected employees of the Group) 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:	June 14, 2024
Number of Grantees:	10
Number of Restricted Shares granted:	571,119
	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\$38.30 per Share
Vesting period:	The Restricted Shares granted shall vest in the grantees as follows: <ul style="list-style-type: none">• 75% shall vest on June 14, 2027; and• 25% shall vest on June 14, 2028.

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, and clinical development, etc. The vesting percentage of the Restricted Shares will be adjusted based on his/her annual performance appraisal at each vesting.

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\$38.30 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\$21,873,857.7.

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 aforesaid 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 the Option Grants), 52,366,093 Shares are available for future grant under the aforementioned scheme mandate limit.

The total number of Shares which have been 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 the above RS Grants), 7,645,333 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.

As set out in the circular of the Company dated June 4, 2024, immediately upon the share incentive scheme of the Company proposed to be approved at the extraordinary general meeting to be held on June 21, 2024 taking effect, the Post-IPO ESOP and the 2020 RS Plan (collectively, the “**Existing Plans**”) shall terminate and the Company shall not grant any further options or awards under the Existing Plans thereafter, provided that any options or awards granted under the Existing Plans which remained unvested or outstanding immediately before the termination shall continue to be valid and exercisable or available for vesting (as the case may be) in accordance with the terms of the grant and scheme rules of the Existing Plans.

DEFINITIONS

“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 of 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
“Grant Date”	June 14, 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Options”	option(s) to subscribe for or acquire Shares which is/are granted under the Post-IPO ESOP
“Post-IPO ESOP”	the post-IPO share option scheme adopted by the Company on June 12, 2018
“Restricted Share(s)”	restricted share(s), being a contingent right to receive Shares awarded under the 2020 RS Plan
“Shareholder(s)”	holder(s) of Shares in the Company
“Share(s)”	ordinary share(s) in the issued capital of the Company with a nominal value of US\$0.00001
“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
“US\$”	United States dollars, the lawful currency of the United States
“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, June 14, 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 and Ms. Qian Zhang as Executive Directors, and Dr. Charles Leland Cooney, Ms. Joyce I-Yin Hsu, Dr. Kaixian Chen, Mr. Gary Zieziula, Dr. Shun Lu and Mr. Shuyun Chen as Independent Non-executive Directors.