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上海復旦張江生物醫藥股份有限公司

Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd.\*

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

**(Stock code:1349)**

**ADJUSTMENTS TO THE LIST OF PARTICIPANTS, THE NUMBER OF  
RESTRICTED SHARES TO BE GRANTED AND THE GRANT PRICE  
UNDER THE FIRST GRANT AND  
THE FIRST GRANT OF RESTRICTED SHARES TO THE PARTICIPANTS  
UNDER THE 2021 RESTRICTED INCENTIVE SCHEME INCLUDING  
GRANT TO CONNECTED PARTICIPANTS**

References are made to the announcement dated 6 April 2021, the circular dated 16 April 2021 and the supplementary circular dated 7 May 2021 (the “**Circulars**”) of Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd.\* (the “**Company**”) in relation to the 2021 restricted incentive scheme of the Company. Unless the context requires otherwise, capitalized terms used in this announcement shall have the same meanings as those defined in the Circulars.

The board of directors (the “**Board**”) of the Company is pleased to announce that, the resolutions regarding the adoption of the Incentive Scheme (which involves the Specific Mandate for issue and allotment of the Restricted Shares under the Incentive Scheme and the issue and grant of the Restricted Shares (including the grant to the Connected Participants under the First Grant under the Incentive Scheme)), the adoption of the Assessment Management Measures for implementation of the Incentive Scheme and the authorization to be granted to the Board of Directors to deal with matters relating to the Incentive Scheme were approved by the Shareholders at the AGM, the Class Meeting of A Shareholders and the Class Meeting of H Shareholders held on 27 May 2021. The Board of Directors is authorized to determine the Grant Date, grant the Restricted Shares to the Participants after the relevant conditions having been satisfied and handle all matters necessary for the grant of the Restricted Shares. Details of the poll results are set out in the poll results announcement of the Company dated 27 May 2021. The Company has also conducted a self-investigation on the trading of the Company’s

Shares by persons with inside information regarding the Incentive Scheme and the Participants within 6 months prior to the announcement of the draft Incentive Scheme, and has not discovered the trading of the Company's Shares with the use of such inside information. Further details of the self-investigation report are set out in the Company's overseas regulatory announcement dated 27 May 2021.

As the conditions for grant of the Restricted Shares under the First Grant as set out in the Incentive Scheme have been satisfied, pursuant to the authorization granted by the Shareholders at the AGM and the Class Meetings, the Board of Directors and the Board of Supervisors have resolved at the Board of Directors meeting and the Board of Supervisors meeting held on 22 July 2021 to grant 32,770,000 Restricted Shares to 258 Participants (including the Connected Participants) at the Grant Price of RMB8.90 per A Share on the Grant Date, being 22 July 2021, under the First Grant pursuant to the Incentive Scheme.

Further details of the Incentive Scheme, the issue and grant of the Restricted Shares (including the grant to the Connected Participants under the First Grant) and full text of the Incentive Scheme and the Assessment Management Measures are set out in the Circulars.

#### **I. ADJUSTMENTS TO THE LIST OF PARTICIPANTS, THE NUMBER OF RESTRICTED SHARES TO BE GRANTED AND THE GRANT PRICE UNDER THE FIRST GRANT OF RESTRICTED SHARES OF THE 2021 RESTRICTED INCENTIVE SCHEME**

On 22 July 2021, the Board of Directors and the Board of Supervisors considered and approved resolutions including the "Resolution on the Adjustments to the List of Participants, the Number of Restricted Shares Granted and the Grant Price under the First Grant of Restricted Shares of the 2021 Restricted Incentive Scheme" and the "Resolution on the Grant of Restricted Shares to Participants under the First Grant" at the 10th (temporary) meeting of the seventh session of the Board of Directors and the 10th (temporary) meeting of the seventh session of the Board of Supervisors, respectively.

As 8 Participants ceased to be qualified as a Participant as they have left their position or voluntarily waived his/her rights to the Restricted Shares due to other reasons, pursuant to the authorization granted by the Shareholders at the AGM and the Class Meetings, the Board of Directors made adjustments to the list of Participants, the number of Restricted Shares to be granted to the Participants and the Grant Price under the First Grant pursuant to the Incentive Scheme. Following the adjustments, the number of Participants under the First Grant has been adjusted from 266 to 258. The total number of Restricted Shares to be granted is 38,000,000 and remains unchanged, but the number of Restricted Shares to be granted under the First Grant has been adjusted from 32,840,000 Restricted Shares to 32,770,000 Restricted Shares and the number of Restricted Shares under the Reserved Grant has been adjusted from not more than 5,160,000 Restricted Shares to 5,230,000 Restricted Shares; at the same time, because the 2020 dividend distribution plan has been approved at the AGM and the dividend is RMB 0.05 per share (tax inclusive), in accordance with Section ii of Chapter X of the Incentive Scheme, the Grant Price of the Restricted Share (including the Grant Price of the Reserved Grant) shall be adjusted accordingly to RMB 8.90 per share (collectively, the "**Subsequent Adjustments**"). The Subsequent

Adjustments have no impact or change on the proposed use of proceeds as set out in the paragraph headed “Proposed First Grant of Restricted Shares and Issue of New A Shares Under the Incentive Scheme Pursuant to Specific Mandate” in the Circulars.

Other than the above Subsequent Adjustments and the corresponding change above, there are no other adjustments to the other terms of the Incentive Scheme as approved by the Shareholders at the AGM and the Class Meetings. The above Subsequent Adjustments to the list of Participants and the number of Restricted Shares to be granted under the First Grant of the Incentive Scheme would have no material impact on the financial condition and operating results of the Company. Pursuant to the authorization granted by the Shareholders at the AGM and the Class Meetings, the above Subsequent Adjustments are not required to be submitted to the Shareholders for approval.

#### **A. Opinion of the Independent Non-executive Directors**

The independent non-executive Directors consider that the Subsequent Adjustments made by the Company to the list of Participants, the number of Restricted Shares to be granted and the Grant Price under the First Grant of the Incentive Scheme are in accordance with the relevant requirements under the laws, regulations and regulatory documents including the PRC Company Law, the PRC Securities Law and the Management Measures and the provisions regarding the Incentive Scheme and its summary, and that the necessary procedures have been performed by the Company. The remaining Participants after the Subsequent Adjustments are not prohibited from being granted the Restricted Shares, and the eligibility of the Participants is legal and effective. The Subsequent Adjustments are within the scope of authorization granted by the Shareholders at the AGM and the Class Meetings, and the procedures of the Subsequent Adjustments complies with the laws and regulations, and there exists no circumstances which are harmful to the interests of the Company and the Shareholders.

In consideration of the above, the independent non-executive Directors agree to the Subsequent Adjustments to the list of Participants, the number of Restricted Shares to be granted and the Grant Price under the First Grant of the Incentive Scheme.

#### **B. Opinion of the Board of Supervisors**

The Board of Supervisors consider that the Subsequent Adjustments made to the list of Participants, the number of Restricted Shares to be granted and the Grant Price under the First Grant of the Incentive Scheme are in accordance with the relevant requirements under the Management Measures and the Incentive Scheme (together with its summary), and there exists no circumstances which are harmful to the interests of the Company and the Shareholders. Each of the Participants after the Subsequent Adjustments complies with the incentive target qualifications required under the relevant documents including the Management Measures and the Incentive Scheme (together with its summary), and the eligibility of the Participants is legal and effective.

### **C. Opinion of the PRC independent financial advisor**

Shanghai Junyu Consulting Co.,Ltd., the PRC independent financial advisor of the Company, considers that the Company has obtained the necessary approval and authorization in respect of the Incentive Scheme. The determination of the Grant Date, the Grant Price, the Participants and the number of Restricted Shares to be granted, the Subsequent Adjustments to and the authorization relating to the Incentive Scheme comply with the relevant laws, regulations and regulatory documents under the PRC Company Law, the PRC Securities Law, the Management Measures, the STAR Market Listing Rules and the Memorandum on Information Disclosure of Companies Listed on the STAR Market of the Shanghai Stock Exchange No. 4 –Information Disclosure on Equity Incentives (《科創板上市公司信息披露業務指南第 4 號—股權激勵信息披露》). There exists no circumstances where the Company fails to meet the requirements of the Incentive Scheme and the conditions for grant.

### **D. Legal opinion of the PRC legal advisor**

Fangda Partners, the Company’s legal advisor as to PRC laws, considers that as of the issuing date of the PRC legal opinion, the Company has obtained the necessary approval and authorization in respect of the adjustment and grant under the Incentive Scheme at the current stage. The Subsequent Adjustments are in accordance with the relevant requirements under the Management Measures and the Incentive Scheme. The Grant Date and the Participants determined for the First Grant comply with the relevant requirements under the Management Measures and the Incentive Scheme. The conditions for grant under the First Grant have been fulfilled. The First Grant implemented by the Company is in compliance with the relevant requirements under the Management Measures and the Incentive Scheme.

## **II. THE FIRST GRANT OF RESTRICTED SHARES TO THE PARTICIPANTS PURSUANT TO THE INCENTIVE SCHEME**

### **A. Explanation by the Board of Directors on the satisfaction of conditions for grant of Restricted Shares and the opinions of the independent non-executive Directors and the Board of Supervisors**

#### ***Explanation by the Board of Directors as to whether the conditions for the First Grant of Restricted Shares have been satisfied***

Under the requirements on the conditions for grant of the Restricted Shares of the Incentive Scheme, all of the following granting conditions must be satisfied in order for the Participants to be granted the Restricted Shares:

1. None of the following has occurred on the part of the Company:
  - a) An audit report on the financial and accounting report for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
  - b) An audit report on internal control over financial reporting for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
  - c) In the most recent 36 months upon listing, there have been cases of failure to distribute profits according to laws and regulations, the Articles of Association and public undertakings;
  - d) Laws and regulations stipulate that equity incentives shall not be implemented; or
  - e) Other circumstances as determined by the CSRC.
  
2. None of the following has occurred on the part of the Participants:
  - a) The Participant has been determined as an inappropriate candidate by the Shanghai Stock Exchange within the most recent 12 months;
  - b) The Participant has been identified as an inappropriate candidate by the CSRC and its delegated institutions within the most recent 12 months;
  - c) The Participant has been subject to administrative punishment or market ban measures by the CSRC and its delegated institutions due to major breach of laws and regulations in the most recent 12 months;
  - d) The Participant has the circumstances stipulated in the PRC Company Law that he/she shall not act as a director or member of the senior management of a company;
  - e) Laws and regulations stipulate that the Participant shall not participate in the equity incentives of listed companies; or
  - f) Other circumstances as determined by the CSRC.

The Board of Directors consider that the conditions for grant of the Restricted Shares under the First Grant as stipulated in the Incentive Scheme have been satisfied, and approved that the Grant Date of the First Grant shall be set on 22 July 2021, on which 32,770,000 Restricted Shares of the A Shares shall be granted to 258 Participants at the Grant Price of RMB8.90 per share.

***Explanation by the independent non-executive Directors as to whether the conditions for the First Grant of Restricted Shares have been satisfied***

1. Pursuant to the authorization granted at the AGM and the Class Meetings, the Board of Directors confirmed that the Grant Date for the First Grant of the Incentive Scheme shall be set on 22 July 2021, which complies with the laws and regulations under the Management Measures and the relevant requirements regarding the Grant Date under the Incentive Scheme;
2. There exists no circumstances where the Company will be prohibited to implement the Incentive Scheme as prescribed in the Management Measures and other laws, regulations and regulatory documents. The Company has the subject qualification to implement an incentive scheme;

3. The Company confirmed that all the Participants to be granted the Restricted Share under the First Grant comply with the employment qualifications required by relevant laws and regulations such as the PRC Company Law, the PRC Securities Law, the incentive participant conditions stipulated in the Management Measures and are consistent with the scope of Participants under the Incentive Scheme. The subject qualifications of such Participants to be a Participant under the Incentive Scheme are legal and effective;
4. The implementation of the Incentive Scheme by the Company can improve the distribution mechanism that combines incentives and restraints, fully mobilize the enthusiasm and initiative of the core team of the Company, improve management efficiency and level, effectively align the interests of Shareholders and the Company with personal interests of the core team, and is conducive to the Company's sustainable development. There exists no circumstances that are harmful to the interests of the listed company and all Shareholders;
5. When the Board considers the proposal, the Connected Participants have abstained from voting on the relevant proposal in accordance with the PRC Company Law, the PRC Securities Law, the Management Measures and the relevant requirements, as well as the relevant provisions in the Articles of Association. Other Directors have considered and voted on the proposal. The consideration and decision-making process of this matter is in compliance with laws and regulations.

Considering the above, the independent non-executive Directors agree that the Grant Date of the First Grant under the Incentive Scheme shall be set on 22 July 2021, and that 32,770,000 Restricted Shares of the A Shares are to be granted to 258 Participants at the Grant Price of RMB8.90 per share under the First Grant.

***Explanation by the Board of Supervisors as to whether the conditions for the First Grant of Restricted Shares have been satisfied***

Pursuant to the relevant requirements under the Management Measures and the Incentive Scheme, the Board of Supervisors verified whether the Participants determined under the Incentive Scheme meet the conditions of grant, and issued the following verification opinion:

1. The Participants of the First Grant under the Incentive Scheme are Directors, members of the senior management, core technical staff and other persons considered by the Board (excluding the independent non-executive Directors and Supervisors) to be required to be incentivized of the Group. The Participants play a crucial role in the development of the Company. Each of the Participants under the Incentive Scheme complies with the employment qualifications required by relevant laws and regulations such as the PRC Company Law, the PRC Securities Law, the incentive participant conditions stipulated in the Management Measures and STAR Market Listing Rules and are consistent with the scope of Participants under the Incentive Scheme. The eligibility of such Participants to be a Participant under the Incentive Scheme is legal and effective;
2. There exists no circumstances on the part of the Company and the Participants under the First Grant whereby the Restricted Shares shall not be granted, the conditions for grant of the Restricted Shares to the Participants as set out in the Incentive Scheme have been satisfied;

3. The determination of the Grant Date of the First Grant by the Company complies with the relevant requirements regarding Grant Date under the Management Measures and the Incentive Scheme.

In view of the above, the Board of Supervisors agree that the Grant Date of the First Grant under the Incentive Scheme shall be set on 22 July 2021, and that 32,770,000 Restricted Shares of the A Shares are to be granted to 258 Participants at the Grant Price of RMB8.90 per share under the First Grant.

#### **B. First Grant of the Restricted Shares under the Incentive Scheme**

Particulars of the First Grant of the Restricted Shares under the Incentive Scheme are as follows:

1. Grant Date of the First Grant: 22 July 2021
2. Number of Restricted Shares to be granted under the First Grant: 32,770,000 Restricted Shares
3. Number of Participants under the First Grant: 258 Participants
4. Grant Price of the First Grant: RMB8.90 per A Share
5. Source of the Restricted Shares: New ordinary A Shares to be issued by the Company to the Participants
6. Validity period, attribution period and attribution arrangements under the Incentive Scheme
  - 1) The validity period of the Incentive Scheme commences from the Grant Date of the First Grant and ends on the date on which all Restricted Shares granted to the Participants have been attributed or lapsed, such period shall not exceed 48 months.

2) After the expiry of 12 months following the Grant Date under the Incentive Scheme and subject to the Participants having fulfilled the corresponding attribution conditions, the Restricted Shares may be attributed to the Participants in tranches in the agreed proportions. An attribution date must be a trading day within the validity period of the Incentive Scheme, and shall not fall within any of the following periods:

- 60 days prior to the publication of the annual report (inclusive of the date of publication of the annual report), or the period between the end of the relevant financial year and the publication of the annual report, whichever is shorter;
- 30 days prior to the publication of the half-year report or quarterly report (inclusive of the date of publication of such half-year or quarterly report), or the period between the end of the half-year or the quarter and the publication of the relevant report, whichever is shorter;
- 10 days prior to the disclosure of results preview or preliminary financial results;
- during the period from the date of occurrence of a material event which may have considerable impact on the trading price of the shares and their derivatives of the Company, or the date of entering the decision-making process, up to 2 trading days after relevant disclosure has been made in accordance with the laws; or
- any other period stipulated by the CSRC and the Shanghai Stock Exchange.

The above “material event” refers to transactions or other significant events that are required to be disclosed by the Company in accordance with the requirements of the STAR Market Listing Rules.

The attribution arrangements of Restricted Shares under the First Grant are as follows:

<b>Tranche</b>	<b>Attribution Period</b>	<b>Attribution Percentage</b>
First tranche	From the first trading day 12 months after the First Grant to the last trading day within 24 months after the First Grant	30%
Second tranche	From the first trading day 24 months after the First Grant to the last trading day within 36 months after the First Grant	30%
Third tranche	From the first trading day 36 months after the First Grant to the last trading day within 48 months after the First Grant	40%

Those Restricted Shares not being attributed to the Participants during the period of their respective tranches as a result of failure to fulfil the attribution conditions are not allowed to be attributed or deferred to be attributed in the next attribution period(s), and they shall lapse according to the provisions under the Incentive Scheme.

Upon satisfaction of the conditions for attributing the Restricted Shares, the Company shall uniformly handle the attribution matters for the Restricted Shares which have satisfied the attribution conditions.



7. List of Participants and the grant situation

Unit: RMB0'000

Name of Participant	Nationality	Major position of Participant(s)	Number of Restricted Shares to be granted	Percentage to the total number of Restricted Shares	Percentage to the total share capital of the Company as at the date of this announcement
<b>1. Directors, Chief Executives, Key Technical officers</b>					
Wang Hai Bo <sup>1</sup>	China	Chairman, Executive Director, General Manager, core technical staff	100	2.63%	0.10%
Su Yong <sup>1</sup>	China	Executive Director, Deputy General Manager, core technical staff	120	3.16%	0.12%
Zhao Da Jun <sup>1</sup>	China	Executive Director, Deputy General Manager	120	3.16%	0.12%
Li Jun	China	Deputy General Manager	110	2.89%	0.11%
Yang Xiao Lin	China	Deputy General Manager	120	3.16%	0.12%
Gan Yi Min <sup>1</sup>	China	Deputy General Manager	120	3.16%	0.12%
Xue Yan	China	Company Secretary, Chief Financial Officer	110	2.89%	0.11%
Zhang Wen Bo	China	Core technical staff	100	2.63%	0.10%
Jiang Jian Ping	China	Core technical staff	70	1.84%	0.07%
Tao Ji Ning	China	Core technical staff	30	0.79%	0.03%
Shen Yi Jun	China	Core technical staff	40	1.05%	0.04%
<b>Total</b>			<b>1,040</b>	<b>27.37%</b>	<b>1.00%</b>
<b>2. Other Participants</b>					
247 Participants			2,237	58.87%	2.14%
Total amount for the First Grant			3,277	86.24%	3.14%
<b>3. Reserved Grant</b>					
			523	13.76%	0.50%
<b>Total</b>			<b>3,800</b>	<b>100.00%</b>	<b>3.64%</b>

Notes:

- Mr. Wang Hai Bo, Mr. Su Yong, Mr. Zhao Da Jun and Mr. Gan Yi Min are the Connected Participants under Chapter 14A of Hong Kong Listing Rules;
- Any discrepancies in this table between the total shown and the breakdowns of the amounts listed in the Incentive Scheme are due to rounding.

### **C. Verification of the list of Participants of the First Grant by the Board of Supervisors**

Pursuant to the requirements under the relevant rules, regulations and regulatory documents including the PRC Company Law, the PRC Securities Law, the Management Measures, the STAR Market Listing Rules and the Articles of Association, the Board of Supervisors verified the list of Participants of the First Grant and issued the following verification opinion:

1. There does not exist the following circumstances set out in the Management Measures that a person shall not be an incentive target in the list of Participants of the First Grant under the Incentive Scheme:
  - a) The Participant has been determined as an inappropriate candidate by the Shanghai Stock Exchange within the most recent 12 months;
  - b) The Participant has been identified as an inappropriate candidate by the CSRC and its delegated institutions within the most recent 12 months;
  - c) The Participant has been subject to administrative punishment or market ban measures by the CSRC and its delegated institutions due to major breach of laws and regulations in the most recent 12 months;
  - d) The Participant has the circumstances stipulated in the PRC Company Law that he/she shall not act as a director or member of the senior management of a company;
  - e) Laws and regulations stipulate that the Participant shall not participate in the equity incentives of listed companies; or
  - f) Other circumstances as determined by the CSRC.
  
2. The Participants of the First Grant under the Incentive Scheme are Directors, members of the senior management, core technical staff and other persons (who are all employees of the Group) considered by the Board (excluding the independent non-executive Directors and Supervisors) to be required to be incentivized of the Group. The Participants play a crucial role in the development of the Company. Each of the Participants of the First Grant under the Incentive Scheme complies with the employment qualifications required under the laws, regulations and regulatory documents including the PRC Company Law and the PRC Securities Law and the Articles of the Association, the incentive target qualifications required under the laws, regulations and regulatory documents including the Management Measures and the STAR Market Listing Rules, and the scope of Participants stipulated under the Incentive Scheme. The eligibility for such Participants to be a Participant under the Incentive Scheme is legal and effective.
  
3. Save for the 8 Participants who ceased to be qualified as a Participant as they have left their position or voluntarily waived his/her rights to the Restricted Shares due to other reasons and that the Company shall not grant Restricted Shares to such Participants, the list of Participants of the First Grant under the Incentive Scheme is consistent with the scope of Participants of the First Grant prescribed in the Incentive Scheme as approved by the Shareholders at the AGM and the Class Meetings.

In light of the above, the Board of Supervisors approved the list of Participants of the First Grant under the Incentive Scheme, and agreed that the Grant Date of the First Grant under the Incentive Scheme shall be 22 July 2021, and that 3,277 Restricted Shares of the A shares are to be granted to 258 Participants at the Grant Price of RMB8.90 per share under the First Grant.

**D. Statement on trading A Shares by Participants who are Directors or members of the senior management of the Company within 6 months prior to the Grant Date of the Restricted Shares**

Upon verification, no Director or member of the senior management are Participants in the Incentive Scheme has traded the A Shares of the Company within 6 months prior to the Grant Date of the Restricted Shares.

**E. Accounting treatment and impact on the operating performance**

**1. Fair value of the Restricted Shares and the determination method**

According to the relevant requirements of the Accounting Standards for Business Enterprises No. 11-Share-based Payments and Accounting Standards for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments published by the Ministry of Finance of the PRC, the unit cost of the Restricted Shares equals to the fair value of the Restricted Shares less the Grant Price, where the fair value of the Restricted Shares is the closing price of the A Share of the Company on the Grant Date.

**2. Impact on the operating performance in each accounting period due to the implementation of the Restricted Shares**

In accordance with accounting standards, the Company recognized the fair value of the Restricted Shares on the Grant Date, and subsequently recognized the share-based payments of the Incentive Scheme. The total amount of the payments as the incentive cost of the Incentive Scheme of the Company will be recognized over the course of the Incentive Scheme in attribution proportion in installments and will be charged to operating profit or loss.

According to the PRC Accounting Standards, the impact of the Restricted Shares of the First Grant under the Incentive Scheme on the costs of each period is shown in the table below:

<b>The number of First Grant ('0,000 shares)</b>	<b>Amortized costs of the First Grant Restricted Shares (RMB 0'000)</b>	<b>Year 2021 (RMB 0'000)</b>	<b>Year 2022 (RMB 0'000)</b>	<b>Year 2023 (RMB 0'000)</b>	<b>Year 2024 (RMB 0'000)</b>
3,277	24,479.19	5,949.80	11,219.63	5,405.82	1,903.94

The above estimations exclude 523 shares of the Reserved Grant of the Restricted Shares, which will incur additional share-base payments upon the Reserved Grant.

The cost of the Incentive Scheme will be charged to cost expenses. Without considering the positive effect of the Incentive Scheme on the Company's performance, the Company estimates, based on current information, that the amortization of cost expenses of the Incentive Scheme will have an impact on net profit of each year within the validity period, but the impact is not significant. Considering the positive effect of the Incentive Scheme on the Company's operation and development, which will stimulate the enthusiasm of the management and business team, improve operating efficiency and reduce operating costs, the Incentive Scheme will play a positive role in the Company's long-term performance.

The final result of the impact of the above projected cost amortization on the Company's operating results is subject to the audited annual report issued by the accountants.

#### **F. Opinion of the PRC independent financial advisor**

Shanghai Junyu Consulting Co.,Ltd., the PRC independent financial advisor of the Company, considers that the Company has obtained the necessary approval and authorization in respect of the Incentive Scheme. The determination of the Grant Date, the Grant Price, the Participants and the number of Restricted Shares to be granted, the Subsequent Adjustments to and the authorization relating to the Incentive Scheme comply with the relevant laws, regulations and regulatory documents under the PRC Company Law, the PRC Securities Law, the Management Measures, the STAR Market Listing Rules and the Memorandum on Information Disclosure of Companies Listed on the STAR Market of the Shanghai Stock Exchange No. 4 –Information Disclosure on Equity Incentives (《科創板上市公司信息披露業務指南第 4 號— 股權激勵信息披露》). There exists no circumstances where the Company fails to meet the requirements of the Incentive Scheme and the conditions for grant.

#### **G. Legal opinion of the PRC legal advisor**

Fangda Partners, the Company's legal advisor as to PRC laws, considers that as of the issuing date of the PRC legal opinion, the Company has obtained the necessary approval and authorization in respect of the adjustment and grant under the Incentive Scheme at the current stage. The Subsequent Adjustments are in compliance with the relevant requirements under the Management Measures and the Incentive Scheme. The Grant Date and the Participants determined for the First Grant comply with the relevant requirements under the Management Measures and the Incentive Scheme. The conditions for grant under the First Grant have been fulfilled. The First Grant implemented by the Company is in compliance with the relevant requirements under the Management Measures and the Incentive Scheme.

By order of the Board  
**Wang Hai Bo**  
*Chairman*

As at the date on the publication of this announcement, the Board comprises:

Mr. Wang Hai Bo (Executive Director)

Mr. Su Yong (Executive Director)

Mr. Zhao Da Jun (Executive Director)

Mr. Shen Bo (Non-executive Director)

Ms. Yu Xiao Yang (Non-executive Director)

Mr. Zhou Zhong Hui (Independent Non-executive Director)

Mr. Lam Yiu Kin (Independent Non-executive Director)

Mr. Xu Qing (Independent Non-executive Director)

Mr. Yang Chun Bao (Independent Non-executive Director)

Shanghai, the PRC

22 July 2021

*\* For identification purpose only*