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**INNOCARE**

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**InnoCare Pharma Limited**

**諾誠健華醫藥有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 9969)**

## **INSIDE INFORMATION ANNOUNCEMENT**

### **PRELIMINARY PRICE CONSULTATION PERIOD OF RMB SHARE ISSUE AND SUMMARY OF PRINCIPAL PROVISIONS OF RMB SHARE PROSPECTUS**

This announcement is made by InnoCare Pharma Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the Company’s announcements dated 11 March 2021, 26 May 2021, 13 September 2021, 13 April 2022, 1 June 2022, 3 August 2022, 5 August 2022 and 22 August 2022 and the Company’s circulars dated 3 June 2021, 18 May 2022 and supplemental circular dated 6 June 2022 (the “**Circulars**”) in relation to, among others, the RMB Share Issue. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Circulars.

### **PRELIMINARY PRICE CONSULTATION PERIOD OF RMB SHARE ISSUE**

As disclosed in the announcement of the Company dated 3 August 2022, the Company was informed on 2 August 2022 that, the CSRC has approved the Company’s registration application for the RMB Share Issue. As required by the applicable PRC laws and regulations, the Company and the joint lead underwriters will conduct preliminary price consultations among qualified inquiry targets who meet the requirements of the PRC laws and regulations on the preliminary price consultation day, being 6 September 2022 (from 9:30 to 15:00), in the PRC to determine the issue price. The Company will make further announcement(s) once the final offering size and issue price of the RMB Share Issue are determined.

## SUMMARY OF PRINCIPAL PROVISIONS OF RMB SHARE PROSPECTUS

The full text of the prospectus in relation to the RMB Share Issue (the “**RMB Share Prospectus**”) and the relevant appendices were published in Chinese on the website of the Shanghai Stock Exchange (the “**SSE**”) (www.sse.com.cn) on 1 September 2022.

The following is a summary of the principal provisions of the RMB Share Prospectus. (The items marked as “[•]” will only be determined once the final offering size and issue price of the RMB Share Issue are determined.)

### **I. Summary of the RMB Share Issue**

1. Class of RMB Shares : RMB ordinary shares (A Shares)
2. Par value per Share : US\$0.000002 each
3. Number of RMB Shares to be issued : The number of RMB Shares to be issued this time is 264,648,217 shares, representing approximately 15% of the sum of the total number of shares issued by the Company as of the signing date of the RMB Share Prospectus and the number of RMB Shares to be issued and placed under this issue
4. Issue price per Share : RMB[•]
5. Price-to-earning ratio : Not applicable
6. Net asset per Share prior to RMB Share Issue : RMB3.74, as calculated by dividing the audited equity attributable to owners of the parent company as at 31 December 2021 by the total number of issued shares prior to this issue
7. Net asset per Share after RMB Share Issue : RMB[•], as calculated by dividing the audited equity attributable to owners of the parent company as at [•] plus the net proceeds of this issue by the total number of issued shares after this issue
8. Price-to-book ratio : [•] times, as calculated by the net asset per share after the RMB Share Issue

9. Method of issuance : By a combination of targeted placing to strategic investors, offline price consultation to qualified investors for placing, and online issue at a fixed price to public investors holding the market value of non-restricted A shares and unrestricted depositary receipts in the Shanghai market
10. Target subscribers : Price consultation participants who meet the requirements of the PRC laws and regulations and regulatory requirement, strategic investors, and domestic natural persons, legal persons and other investors in the STAR Market that have set up the SSE stock accounts and opened trading on the STAR Market, except for those prohibited by laws, regulations and business guidelines of the Shanghai Stock Exchange
11. Method of underwriting : Standby underwriting
12. Total proceeds to be raised : RMB[•]
13. Net proceeds to be raised : RMB[•]
14. Use of proceeds : After deducting the issue expenses, the proceeds raised from the RMB Share Issue will be used for (i) new drug R&D projects, (ii) upgrade of drug R&D platform, (iii) construction of marketing network, (iv) construction of IT system, and (v) replenishment of cash flow.

After the proceeds raised from the RMB Share Issue are in place, the Company will invest the proceeds into the above projects according to the actual needs and priorities of the projects. If the total investment amount of the projects exceeds the amount of proceeds raised from this issuance, the excess amount shall be settled by the Company with its own funds or self-raised funds. If the net proceeds actually raised from the RMB Share Issue (after deducting the issuance expenses) are less than the total amount of proceeds proposed to be invested, the shortfall shall be covered by the Company with its own funds or self-raised funds. If the proceeds raised from the RMB Share Issue exceed the capital requirements of the projects, the surplus amount will be used for other purposes which relate to the Company's principal business.

Before the proceeds raised from the RMB Share Issue are in place, the Company may make an initial investment with its own funds or self-raised funds according to the needs of the projects, and after the proceeds raised are in place, the Company can replace the initial investment funds according to the requirements and procedures of the relevant laws, regulations and regulatory documents.

Within the scope of the finally determined investment projects to be funded by proceeds raised from the RMB Share Issue, the Board of Directors may, according to the actual needs of the projects, make appropriate adjustments to the schedule and amount of the proceeds to be invested in the above projects.

15. Estimated issue expenses : The total expenses for this issue of new Shares are  
(Notes) comprised as follows:

(1) Underwriting fees and sponsor fees: Total proceeds from this issue \* sponsor and underwriting fees rate, the range of the sponsorship and underwriting fee rate is 2.5%-4.5%

(2) Audit and capital verification fees: RMB10,581,100

(3) Legal fees: RMB11,393,600

(4) Valuation fees: RMB370,100

(5) Information disclosure fees: RMB4,509,400

(6) Other expenses: not exceeding RMB2,100,000

16. Place of listing of RMB : STAR Market of the SSE  
Shares

*Note 1:* The issue expenses temporarily exclude the stamp tax for this issue, and it will be calculated based the net proceeds before deducting the stamp tax, and the tax rate is 0.025%; it will be calculated and included in the issue expenses based on the final issue situation.

*Note 2:* Various fees may be adjusted according to the issue results. Except for the sponsor fees and underwriting fees which are inclusive of value-added tax, the other fees are exclusive of value-added tax.

## II. Shareholding Structure of the Company Before and After the RMB Share Issue

The number of Shares to be issued under the RMB Share Issue is 264,648,217 Shares, where public offering of shares of the Shareholders will not be involved, representing approximately 15% of the total number of Shares in issue upon this issue. If the base date is deemed to be 31 December 2021, the shareholding structure of the Company before and after this issue is as follows:

	Before the RMB Share Issue (As of 31 December 2021)		Immediately after the completion of the RMB Share Issue	
	<i>Number of Shares</i>	<i>Proportion of Shareholding</i>	<i>Number of Shares</i>	<i>Proportion of Shareholding</i>
<b>RMB Shares to be issued under the RMB Share Issue</b>	–	–	264,648,217	15.00%
<b>Offshore Shares</b>				
HHLR Fund, L.P. (formerly known as “Gaoling Fund, L.P.”) and its acting-in-concert parties	207,671,222	13.85%	207,671,222	11.77%
King Bridge Investments Limited and its acting-in-concert parties	161,444,332	10.77%	161,444,332	9.15%
Sunny View Holdings Limited and Renbin Zhao family	147,617,893	9.84%	147,617,893	8.37%
Sunland BioMed Ltd and Jisong Cui family	133,556,782	8.91%	133,556,782	7.57%
Vivo Capital Fund VIII, L.P. and its acting-in-concert parties	123,028,118	8.20%	123,028,118	6.97%
Other shareholders	726,354,888	48.43%	726,354,888	41.17%
<b>Total</b>	<b>1,499,673,235</b>	<b>100.00%</b>	<b>1,764,321,452</b>	<b>100.00%</b>

The English version of the above summary of the principal provisions of the RMB Share Prospectus is the unofficial translation of their Chinese version. In case of any inconsistency, the Chinese version shall prevail.

For more details of the RMB Share Issue, please refer to the RMB Share Prospectus which was published on the website of the SSE ([www.sse.com.cn](http://www.sse.com.cn)) on 1 September 2022.

Shareholders and potential investors of the Company should be aware that there is no assurance that the RMB Share Issue will materialise or as to when it may materialize which will depend on, among other things, market conditions at the relevant time. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company. Further announcement(s) will be made to disclose any material updates and developments in respect of the RMB Share Issue in accordance with the Listing Rules and other applicable laws and regulations as and when appropriate. This announcement is for information only and is not intended to and does not constitute, or form part of, an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

By order of the Board  
**InnoCare Pharma Limited**  
**Dr. Jisong Cui**  
*Chairperson and Executive Director*

Hong Kong, 1 September 2022

*As at the date of this announcement, the Board of Directors of the Company comprises Dr. Jisong Cui as Chairperson and executive Director, Dr. Renbin Zhao as executive Director, Dr. Yigong Shi, Mr. Shan Fu, Mr. Ronggang Xie and Mr. Ming Jin as non-executive Directors, and Dr. Zemin Zhang, Ms. Lan Hu and Dr. Kaixian Chen as independent non-executive Directors.*