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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)

GRANT OF RESTRICTED SHARES PURSUANT TO 2023 RMB SHARE INCENTIVE SCHEME

References are made to (i) the 2022 Annual General Meeting circular of the Company dated 3 May 2023 (the “**2022 AGM Circular**”) and (ii) the poll results announcement of the 2022 AGM dated 2 June 2023 (the “**2022 AGM Poll Results Announcement**”). Unless otherwise specified, capitalized terms used in this announcement shall have the meanings ascribed to them in the 2022 AGM Circular and the 2022 AGM Poll Results Announcement.

As stated in the 2022 AGM Poll Results Announcement, the resolutions relating to, among others, the adoption of the 2023 STAR Market Restricted Share Incentive Scheme of the Company and the Scheme Mandate Limit have been approved by the Shareholders. Accordingly, after trading hours and the conclusion of the AGM today, the Company has made the First Grant of 7,209,000 Restricted Shares to 115 Incentive Participants under the 2023 RMB Share Incentive Scheme, representing approximately 0.41% of the total issued Shares of the Company as at the date of this announcement.

For details of the 2023 RMB Share Incentive Scheme, please refer to Appendix IV of the 2022 AGM Circular.

Details of Grant of Restricted Shares

The details of the Restricted Shares granted to the Incentive Participants are as follows:

Date of Grant:	2 June 2023
Incentive Participant(s) and number of Restricted Shares granted (respectively):	<p>7,209,000 Restricted Shares were granted to 115 Incentive Participants, including two Directors, in the following manner (taking into account the rounding specification):</p> <ul style="list-style-type: none">• Dr. Jisong Cui (Director and Chief Executive Officer): 1,650,000 Restricted Shares;• Dr. Renbin Zhao (Director): 400,000 Restricted Shares; and• 113 employees whom the Board considers necessary to be incentivised: 5,159,000 Restricted Shares.

All Shares underlying the Restricted Shares granted, and to be issued, to the Incentive Participants are RMB Shares.

Purchase price:	RMB6.95 per Restricted Share
Closing price of the Shares on the date of Grant:	<p>(i) HK\$7.39 per Hong Kong Share; and</p> <p>(ii) RMB12.28 (approximately HK\$13.63) per RMB Share</p>
Vesting period:	To be vested in four equal tranches between the first trading day after 12 months from the date of the First Grant and the last trading day within 60 months from the date of the First Grant
Performance target:	<p>The vesting of each tranche of the Restricted Shares as described above is subject to satisfaction of certain performance targets at the Company level and at individual level:</p>

Company level performance:

The Company's performance indicators include operating revenue and number of clinical trials.

Individual level performance:

The Company conducts individual performance assessment on the Incentive Participants during the assessment year and determines the actual number of Restricted Shares to be vested to the Incentive Participants based on their assessment results.

Clawback/lapse mechanism: If the performance targets are not satisfied during the respective vesting periods contemplated above, the Restricted Shares granted but have not yet been vested to the Incentive Participants under the Incentive Scheme shall not be vested and shall lapse.

Arrangement to facilitate the purchase of Restricted Shares: There are no arrangements for the Company to provide loans or any other forms of financial assistance, including providing guarantee for their loans, to the Incentive Participants to obtain relevant Restricted Shares according to the Incentive Scheme.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, none of the Incentive Participants is (i) a participant with options and awards granted and to be granted exceeding the 1% individual limit under Rule 17.03D of the Listing Rules. or (ii) a related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the total issued Shares. None of the grant will be subject to other separate approval by the Shareholders.

The grant to the above Directors has been approved by all the independent non-executive Directors. Dr. Jisong Cui, Dr. Renbin Zhao and their affiliates, have abstained from approving the relevant Board resolutions relating to the grant of the Restricted Shares to themselves, respectively.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for the grant to the Directors set out above, the remaining Incentive Participant is a third party independent of the Company and its connected persons.

Number of Shares Available for Future Grant

After the Grant of Restricted Shares, an aggregate of 1,739,750 Shares will be available for further grant pursuant to the 2023 RMB Incentive Scheme.

Reasons for the Grant of Restricted Shares

The reasons for the grant of Restricted Shares are to improve the Company's long-term incentive mechanism, attract and retain outstanding personnel, fully mobilise the enthusiasm of the Company's employees, effectively bring together the interests of shareholders, the Company and core teams, enable all parties share a common concern for the long-term development of the Company.

Definitions

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

Term	Definition
“Board”	the board of Directors
“Company”	InnoCare Pharma Limited, incorporated in the Cayman Islands as an exempted company with limited liability on 3 November 2015, whose Hong Kong Shares are listed on the Main Board of the Stock Exchange (Stock Code: 9969) and whose RMB Shares are listed on the SSE (stock code: 688428)
“Director(s)”	the director(s) of the Company
“Grant Date”	the date on which the Company grants the Restricted Shares to the Incentive Participants
“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
“Hong Kong Share(s)”	the ordinary Shares listed on the Stock Exchange
“Incentive Participant(s)”	the participant(s) of the 2023 RMB Share Incentive Scheme, including Directors, senior management and core technical personnel of the Company (including controlled subsidiaries and branches) and other employees that the Board considers necessary to be motivated, excluding independent non-executive directors, shareholders who individually or collectively hold more than 5% of the shares of the listed company (except Dr. Jisong Cui and Dr. Renbin Zhao) and their spouses, parents and children
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“RMB”	Renminbi, the lawful currency of the PRC
“RMB Share(s)”	the RMB ordinary share(s) with a par value of US\$0.000002 each, which are listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange
“Share(s)”	ordinary share(s) of HK\$0.00002 each in the share capital of the Company, comprising RMB Shares and Hong Kong Shares
“Shareholder(s)”	the holder(s) of the Share(s)
“SSE”	the Shanghai Stock Exchange

“ Stock Exchange ”	The Stock Exchange of Hong Kong Limited
“ subsidiaries ”	shall have the meaning ascribed to it under the Listing Rules
“ US\$ ”	United States dollars, the lawful currency of the United States of America
“ % ”	per cent

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

Hong Kong, 2 June 2023

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