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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 RESTRICTED SHARES

This announcement is made pursuant to Rule 17.06A, 17.06B and 17.06C of the Listing Rules. The Board announces that on August 30, 2024, the Company granted 170,600 Options to 6 Grantees (the “**Option Grants**”), and 683,400 Restricted Shares to 16 Grantees (the “**RS Grants**”), in accordance with the terms of the 2024 Share Scheme, subject to acceptance by the Grantees. All the Grantees are non-connected employees (who are not senior management) of the Group.

GRANT OF SHARE OPTIONS

The details of the Options Grants are as follows:

Grant Date:	August 30, 2024
Number of Grantees:	6
Number of Options granted:	170,600
Number of Shares to be issued upon exercise of the Options:	170,600
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:	HK\$43.77 per Share

The exercise price of the Options of HK\$43.77 per Share represents the highest of (i) the closing price of the Shares of HK\$42.45 per Share 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\$43.77 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.

Exercise period of the Options:	The exercise period of the Options shall not be longer than 10 years from the Grant Date.
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 August 30, 2027; and • 25% shall vest on August 30, 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 development, commercialization and supporting functions. The vesting percentage of the Options at each vesting will be adjusted based on his/her annual performance.</p>
Clawback mechanism:	<p>Where certain events specified in the rules of the 2024 Share Scheme arises, the Board may determine that, with respect to a Grantee, the Options granted but not yet exercised shall immediately lapse, and with respect to any Shares delivered or amount paid to the Grantee, the Grantee be required to transfer the same value, whether in Shares and/or cash, back to our Company (or nominee).</p> <p>These circumstances are: (a) the Grantee ceasing to be an eligible participant by reason of termination for cause or without notice, or as a result of being charged/penalised/convicted of an offence involving the Grantee's integrity or honesty; (b) the Grantee commits a serious misconduct or breach, including with respect to a policy or code of or other agreement with the Group, which is considered to be material; or (c) the Options granted to the Grantee will no longer be appropriate and aligned with the purpose of the 2024 Share Scheme.</p>

GRANT OF RESTRICTED SHARES

The details of the RS Grants are as follows:

Grant Date:	August 30, 2024
Number of Grantees:	16
Number of Restricted Shares granted:	683,400
	Each of these Restricted Shares represents the right to receive one Share on the date it vests.
Consideration for the RS Grants:	Nil
Market price of the Shares on the Grant Date and its market value:	Based on the closing price of HK\$42.45 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\$29,010,330.
Vesting period:	The Restricted Shares granted shall vest in the Grantees as follows: <ul style="list-style-type: none">• 75% shall vest on August 30, 2027; and• 25% shall vest on August 30, 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, development, commercialization and supporting functions. The vesting percentage of the Restricted Shares will be adjusted based on his/her annual performance appraisal at each vesting.

Clawback mechanism: Where certain events specified in the rules of the 2024 Share Scheme arises, the Board may determine that, with respect to a Grantee, the Restricted Shares granted but not yet vested shall immediately lapse, and with respect to any Shares delivered or amount paid to the Grantee, the Grantee be required to transfer the same value, whether in Shares and/or cash, back to our Company (or nominee).

These circumstances are: (a) the Grantee ceasing to be an eligible participant by reason of termination for cause or without notice, or as a result of being charged/penalised/convicted of an offence involving the Grantee's integrity or honesty; (b) the Grantee commits a serious misconduct or breach, including with respect to a policy or code of or other agreement with the Group, which is considered to be material; or (c) the Restricted Shares granted to the Grantee will no longer be appropriate and aligned with the purpose of the 2024 Share Scheme.

Reasons for and Benefits of the Option Grants and the RS Grants

The purposes of the aforesaid Option Grants and the RS Grants are to (a) to provide the Company with flexible means of remunerating, incentivizing, retaining, rewarding, compensating and/or providing benefits to eligible participants; (b) to align the interests of eligible participants with those of the Company and Shareholders by providing such eligible participants with the opportunity to acquire shareholding interests in the Company; and (c) to encourage eligible participants to contribute to the long-term growth, performance and profit of the Company and to enhance the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole.

None of the Option Grants and/or the RS 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.

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 (excluding treasury Shares).

Shares available for future grant under the 2024 Share Scheme

The maximum number of new Shares that may be issued pursuant to all awards made under the 2024 Share Scheme is 162,838,357 Shares, with the scheme mandate limit being 10% of the total issued and outstanding Shares (excluding any treasury Shares) as at the date of the shareholders' approval of the 2024 Share Scheme. As of the date of this announcement (after taking into account the Option Grants and the RS Grants), 161,984,357 and 32,567,671 Shares are available for future grant under the aforementioned scheme mandate limit and the service provider sublimit, respectively.

DEFINITIONS

“2024 Share Scheme”	the share incentive scheme of the Company adopted by the Company on June 21, 2024
“associates”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“China” or “PRC”	the People’s Republic of China
“Company”	Innovent Biologics, Inc. 信達生物製藥, an exempted company with limited liability incorporated under the laws of the Cayman Islands on April 28, 2011, the Shares on 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”	August 30, 2024
“Grantees”	the eligible participants of the Group who were granted Options and/or Restricted Shares in accordance with the 2024 Share Scheme 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”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Option(s)”	option(s) to subscribe for or acquire Shares which are granted under the 2024 Share Scheme
“Restricted Share(s)”	restricted share(s), being a contingent right to receive Shares awarded under the 2024 Share Scheme

“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
“treasury Shares”	has the meaning ascribed to it by the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States

By Order of the Board
Innovent Biologics, Inc.
Dr. De-Chao Michael Yu
Chairman and Executive Director

Hong Kong, China, August 30, 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.