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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Laekna, Inc., you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**Laekna, Inc.**

**來凱醫藥有限公司**

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

**(Stock Code: 2105)**

**PROPOSED GRANTING OF GENERAL MANDATES  
TO ISSUE SHARES, RESELL TREASURY SHARES  
AND REPURCHASE SHARES;  
PROPOSED RE-ELECTION OF DIRECTORS;  
PROPOSED RE-APPOINTMENT OF AUDITOR;  
PROPOSED ADOPTION OF THE SHARE AWARD SCHEME;  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM of Laekna, Inc. to be held at 9:00 a.m. on Friday, 14 June 2024 at 5F, 987 Cailun Road, Pudong, Shanghai, China, at which, among other things, the above proposals will be considered, which are set out on pages 40 to 44 of this circular.

A form of proxy for use at the AGM is enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.laekna.com](http://www.laekna.com)). Whether or not you intend to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish, and in such event, the relevant form of proxy shall be deemed to be revoked.

22 May 2024

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## **RESPONSIBILITY STATEMENT**

This circular, for which the Directors (as defined herein) collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules (as defined herein) for the purpose of giving information with regard to the Company. The Directors (as defined herein), having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this circular misleading.

## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Adoption Date”	the date on which the proposed adoption of the Share Award Scheme is approved by the Shareholders at the AGM
“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be convened and held at 9:00 a.m. on Friday, 14 June 2024 at 5F, 987 Cailun Road, Pudong, Shanghai, China, notice of which is set out on pages 40 to 44 of this circular
“Articles” or “Articles of Association”	the fifth amended and restated articles of association of the Company adopted by special resolution passed on 9 June 2023
“associate(s)”	has the meaning as defined under the Listing Rules
“Award”	an award of RSUs granted to a Participant, which may vest in the form of Award Shares or cash representing an amount equivalent to the market value of the Shares underlying the RSUs, as the Board may determine in accordance with the terms of the relevant scheme rules of the Share Award Scheme
“Award Shares”	Shares underlying the RSUs which may be (i) transferred by the Trustee to the Grantee, (ii) Shares allotted and issued or treasury shares transferred to the Grantee
“Board”	the board of Directors, or for the purpose of the information relating to the Share Award Scheme contained in this circular and the Appendix III to this circular, refers to the board of Directors or a committee thereof duly appointed for the purpose of administering the Share Award Scheme
“business day”	any day on which the Stock Exchange is open for the business of trading in securities
“CCASS”	The Central Clearing and Settlement System, a securities settlement system used within the Hong Kong Exchanges and Clearing Limited market system established and operated by the HKSCC
“Companies Law”	the Companies Act (As Revised) of the Cayman Islands, as amended, consolidated or otherwise modified from time to time

## DEFINITIONS

“Company”	Laekna, Inc., an exempted company incorporated in the Cayman Islands with limited liability on 29 July 2016, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2105)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consultation Conclusions”	the Conclusions on the Consultation Paper on Proposed Amendments to Listing Rules relating to Treasury Shares published by the Stock Exchange on 12 April 2024
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Date of Grant”	the date on which the Board resolves to make a grant of an Award to the Participant, which date must be a business day
“Director(s)”	director(s) of the Company
“Employee Participant(s)”	any director (including executive directors, non-executive directors and independent non-executive directors) and employee (whether full-time or part-time) of the Company or any of its subsidiaries (including any persons who are granted Awards as an inducement to enter into employment contracts with these companies)
“Extension Mandate”	the general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the aggregate number of Shares under the Issue and Resell Mandate
“Global Offering”	has the meaning ascribed to it in the Prospectus
“Grantee”	any Participant who accepts an offer of the grant of an Award in accordance with the terms of the Share Award Scheme, or (where the context so permits) any person who is entitled in accordance with applicable laws of succession to any such Award in consequence of the death of the original Grantee, or the legal personal representative of such person
“Group”	the Company and its subsidiaries
“HKSCC”	The Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue and Resell Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to allot, issue and/or deal with the Shares (including the sale or transfer of treasury shares out of treasury) not exceeding 20% of the aggregate number of the Shares in issue (excluding treasury shares) as at the date of passing of the relevant resolution granting the relevant mandate
“Laekna HK”	Laekna Limited, a limited liability company incorporated in Hong Kong on 26 August 2016 and one of our Company’s subsidiaries
“Laekna Ningbo”	Laekna Pharmaceutical Ningbo Co., Ltd. (來凱製藥(寧波)有限公司), a limited liability company established under the laws of the PRC on 29 June 2023 and one of our Company’s subsidiaries
“Laekna Pharmaceutical”	Laekna Pharmaceutical Shanghai Co., Ltd. (來凱製藥(上海)有限公司), a limited liability company established under the laws of the PRC on 8 December 2020 and one of our Company’s subsidiaries
“Laekna Therapeutics”	Laekna Therapeutics Shanghai Co., Ltd. (來凱醫藥科技(上海)有限公司), a limited liability company established under the laws of the PRC on 28 December 2016 and one of our Company’s subsidiaries
“Latest Practicable Date”	17 May 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Date”	29 June 2023, on which the Shares are listed on the Stock Exchange and from which dealings in the Shares are permitted to commence on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the fifth amended and restated memorandum of association of the Company adopted by special resolution passed on 9 June 2023
“Nomination Committee”	the Nomination Committee of the Board

## DEFINITIONS

“Participant(s)”	an individual or corporate entity (as the case may be), being any of (i) an Employee Participant, and (ii) a Service Provider
“Post-IPO Share Option Scheme”	the share option scheme adopted by our Company on 9 June 2023, as amended from time to time
“PRC”	the People’s Republic of China, for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Pre-IPO Share Option Scheme”	the share option scheme adopted by our Company on 11 April 2018 and amended on 30 October 2019, 20 April 2021 and 31 March 2022, as amended from time to time
“Proposed Amendments to the Listing Rules”	the amendments to the Listing Rules to take effect on 11 June 2024, as set forth in Appendix IV to the Consultation Conclusions
“Prospectus”	the Company’s prospectus dated 16 June 2023
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	a general unconditional mandate proposed to be granted to the Directors at the AGM to repurchase such number of issued and fully paid Shares of up to 10% of the total number of Shares in issue (excluding treasury shares) as at the date of passing of the relevant resolution granting such mandate
“RSU”	a restricted share unit granted by the Board to a Participant, which may vest in the form of Award Shares or cash in equivalent value with reference to the market value of an Award Share on or around the vesting date of such RSU, as the Board may determine in accordance with the terms of the Share Award Scheme
“Scheme Mandate Limit”	the total number of Shares which may be issued in respect of all options and awards involving issue of new Shares that may be granted under the Share Award Scheme and any other share scheme(s) of the Company, being 10% of the issued Shares of the Company (excluding any treasury shares) as at the date of the Shareholders’ approval of the limit
“Scheme Period”	the period of ten years commencing on the Adoption Date

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“Service Provider(s)”	any person (natural person or corporate entity) who provides services to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long term growth of the Group, such as independent contractor, consultant, agent and/or advisor for research and development, manufacturing, product commercialization, innovation upgrading, strategic/commercial planning on corporate image and marketing and investor relations in investment environment of the Group (excluding any placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, and professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity)
“Service Provider Sublimit”	the total number of Shares which may be issued in respect of all options and awards involving issue of new Shares that may be granted under the Share Award Scheme and any other share scheme(s) of the Company to the Service Providers
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.00001 each
“Share Award Scheme”	the 2024 share award scheme of the Company to be approved by an ordinary resolution passed by the Shareholders at the AGM
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong, as amended, supplemented or otherwise modified from time to time
“treasury shares”	has the meaning ascribed to it in the Proposed Amendments to the Listing Rules which will come into effect on 11 June 2024
“Trust”	the trust constituted or to be constituted by the Trust Deed



## DEFINITIONS

“Trust Deed”	a trust deed entered or to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of the Share Award Scheme
“Trustee(s)”	the trustee(s) (which is/are independent of and not connected with the Company) appointed or to be appointed by the Company for the administration of the Share Award Scheme or any additional or replacement trustee(s)
“U.S. dollars”, “US\$” or “USD”	United States dollars, the lawful currency of the United States
“%”	per cent

LETTER FROM THE BOARD



Laekna, Inc.

來凱醫藥有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2105)

*Executive Directors*

Dr. LU Chris Xiangyang  
(Chairman and Chief Executive Officer)  
Ms. XIE Ling (謝玲)  
Dr. GU Xiang-Ju Justin

*Non-executive Directors*

Dr. WANG David Guowei  
Mr. SUN Yuan (孫淵)

*Independent Non-executive Directors*

Dr. YIN Xudong  
Dr. LI Min  
Mr. ZHOU Jian (周健)

*Registered office*

4th Floor  
Harbour Place  
103 South Church Street  
P.O. Box 10240  
Grand Cayman  
KY1-1002  
Cayman Islands

*Principal place of business  
in Hong Kong*

46/F, Hopewell Centre  
183 Queen's Road East  
Wan Chai  
Hong Kong

22 May 2024

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED GRANTING OF GENERAL MANDATES  
TO ISSUE SHARES, RESELL TREASURY SHARES  
AND REPURCHASE SHARES;  
PROPOSED RE-ELECTION OF DIRECTORS;  
PROPOSED RE-APPOINTMENT OF AUDITOR;  
PROPOSED ADOPTION OF THE SHARE AWARD SCHEME;  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the AGM to seek approval of the Shareholders in respect of, among other matters, (i) the granting to the Directors the Issue and Resell Mandate, the Repurchase Mandate and the Extension Mandate; (ii) the re-election of the retiring Directors;

## LETTER FROM THE BOARD

(iii) the re-appointment of the auditor of the Company; (iv) the adoption of the Share Award Scheme; and (v) to give you notice of the AGM at which resolutions will be proposed for the Shareholders to consider and, if thought fit, approve the aforesaid matters.

### **PROPOSED GRANTING OF THE ISSUE AND RESELL MANDATE, THE REPURCHASE MANDATE AND THE EXTENSION MANDATE**

Pursuant to the written resolutions of the then Shareholder passed on 9 June 2023, the Directors were granted by the then Shareholders (i) a general unconditional mandate to allot, issue and deal in Shares not exceeding 20% of the aggregate number of Shares in issue immediately following the completion of the Global Offering; (ii) a general unconditional mandate to repurchase on the Stock Exchange up to 10% of the number of the Shares in issue immediately following the completion of the Global Offering; and (iii) the general mandate as mentioned in (i) be extended by adding the number of Shares repurchased by the Company pursuant to the repurchase mandate as mentioned in (ii). The above general mandates will continue in force until whichever of the following first occurs: (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles or any applicable laws, or (iii) until revoked or varied by an ordinary resolution of Shareholders in general meeting, whichever is the earliest.

The Consultation Conclusions has proposed amendments to the Listing Rules as set forth in Appendix IV to the Consultation Conclusions, which sought to govern the resale of treasury shares by an issuer in the same manner as the Listing Rules that currently apply to an issue of new shares. Upon the proposed amendments to the Listing Rules as to treasury shares taking effect on 11 June 2024 before the AGM, in order to ensure flexibility and give discretion to the Directors, in the event that it becomes desirable for the Company to issue any new Shares (including the sale or transfer of treasury shares out of treasury), approval is to be sought from the Shareholders for the general mandate to issue Shares (including the sale or transfer of treasury shares out of treasury). It is therefore proposed to seek your approval by way of ordinary resolutions to be proposed at the AGM to approve the Issue and Resell Mandate and the Repurchase Mandate. The Directors wish to state that they have no immediate plan to issue any Shares or repurchase any Shares pursuant thereto.

Subject to a separate approval of the Extension Mandate, the number of Shares repurchased by the Company under the Repurchase Mandate will also be added to extend the 20% limit of the Issue and Resell Mandate, provided that such additional amount shall not exceed 10% of the aggregate number of the Shares in issue (excluding treasury shares) as at the date of passing the resolutions in relation to the Issue and Resell Mandate and the Repurchase Mandate.

Please refer to resolutions numbered 4 to 6 set out in the notice of AGM on pages 40 to 44 of this circular for details of the Issue and Resell Mandate, the Repurchase Mandate and the Extension Mandate.

As at the Latest Practicable Date, the number of issued Shares was 390,100,350 Shares. Assuming no further Shares are to be issued or repurchased after the Latest Practicable Date and prior to the AGM, the Company will be allowed to (i) issue (or sell or transfer out of

## **LETTER FROM THE BOARD**

treasury) a maximum of 78,020,070 Shares under the Issue and Resell Mandate, representing 20% of the aggregate number of the Shares in issue (excluding treasury shares); and (ii) buy back a maximum of 39,010,035 Shares under the Repurchase Mandate, representing 10% of the aggregate number of the Shares in issue (excluding treasury shares).

### **EXPLANATORY STATEMENT**

An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate required by the Listing Rules is set out in the Appendix I to this circular. The explanatory statement is to provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate at the AGM. Neither the explanatory statement nor the Repurchase Mandate has any unusual features.

### **PROPOSED RE-ELECTION OF DIRECTORS**

In accordance with Article 15.1 of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being (or, if such number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the annual general meeting at which he retires and shall be eligible for re-election at such meeting. Dr. LU Chris Xiangyang, Ms. XIE Ling (謝玲), Dr. WANG David Guowei will retire as Directors at the AGM, and they, being eligible, will offer themselves for re-election at the AGM.

In accordance with Article 15.5 of the Articles of Association, any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at such meeting. Accordingly, Mr. ZHOU Jian who was appointed by the Board on 15 January 2024, shall retire from office and have offered himself for re-election at the AGM.

Being the independent non-executive Director eligible for re-election at the AGM, the Board has also considered the independence of Mr. ZHOU Jian pursuant to Rule 3.13 of the Listing Rules, and was satisfied with the independence of Mr. ZHOU Jian, and considers that he remains independent and has the character, integrity, independence and experience required to fulfil and discharge the role and duties of an independent non-executive Director. Nothing has come to the attention of the Board which may adversely affect the independence of Mr. ZHOU Jian.

The Nomination Committee has also reviewed and considered each retiring Director's respective experience, skills and knowledge, and recommended to the Board that the re-election of all retiring Directors be proposed for Shareholders' approval at the AGM.

## **LETTER FROM THE BOARD**

Details of the above named Directors who are subject to the re-election at the AGM are set out in Appendix II to this circular in accordance with the relevant requirements of the Listing Rules. The biography of the retiring Directors set out in Appendix II to this circular indicates the perspectives, skills and experience each individual can bring to the Board and contribute to the diversity of the Board.

### **PROPOSED RE-APPOINTMENT OF AUDITOR**

The Board proposes to re-appoint KPMG as the independent auditor of the Company for the year ending 31 December 2024 and to hold the office until the conclusion of the next annual general meeting of the Company. A resolution will also be proposed to authorize the Board to fix the auditor's remuneration for the ensuing year. KPMG has indicated their willingness to be re-appointed as auditor of the Company for the said period.

### **PROPOSED ADOPTION OF THE SHARE AWARD SCHEME**

#### **(1) Introduction**

The Board proposes to adopt the Share Award Scheme, the provision of which will comply with the requirements of Chapter 17 of the Listing Rules, as well as the Proposed Amendments to the Listing Rules with respect to treasury shares coming into effect from 11 June 2024, subject to approval of Shareholders by an ordinary resolution at the AGM. The Share Award Scheme shall take effect upon the approval by the Shareholders at the AGM. The Share Award Scheme will be valid for ten years commencing from the Adoption Date. A summary of the principal terms of the Share Award Scheme is set forth in Appendix III to this circular. The Board considers that the adoption of the Share Award Scheme is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

#### **(2) Purpose**

The purpose of the Share Award Scheme is to attract and retain Participants whose contributions are important to the long-term growth and success of the Group, to recognize and reward Participants for their past contribution to the Group, to provide Participants with the opportunity to acquire proprietary interests in the Company and to encourage Participants to further contribute to the Company and work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. The Share Award Scheme will provide the Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to Participants.

The Company does not have any share award scheme relating to the grant of RSU as underlying awards. Although the Company has adopted the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme, the Board believes the Share Award Scheme is proposed to provide more flexibility to the Company on rewarding and retaining talents for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

The Company may issue new Shares or utilize treasury shares (if any) to satisfy the grant of the Award(s) under the Share Award Scheme.

## LETTER FROM THE BOARD

### **(3) The conditions**

The Share Award Scheme is conditional upon:

- (a) the passing of ordinary resolution(s) by the Shareholders at a general meeting of the Company to approve the adoption of the Share Award Scheme, and to authorize the Directors to grant Awards under the Share Award Scheme and to allot and issue, procure the transfer of and otherwise deal with the Shares (including treasury shares) underlying the Awards granted; and
- (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the new Shares to be allotted and issued underlying the Awards granted in accordance with the terms and conditions of the Share Award Scheme.

As at the Latest Practicable Date, none of the aforesaid conditions of the Share Award Scheme had been fulfilled. An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the new Shares to be allotted and issued underlying the Awards granted in accordance with the terms and conditions of the Share Award Scheme. At the Annual General Meeting, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, approve the adoption of the Share Award Scheme. So far as the Directors are aware of, as at the Latest Practicable Date, none of the Shareholders is required to abstain from voting for said resolution.

### **(4) Participants of the Share Award Scheme and the Basis of Determining the Eligibility of Participants**

The eligible persons who may be selected to become a participant of the Share Award Scheme are any individual, or a corporate entity (as the case may be), being any of (i) an Employee Participant; and (ii) a Service Provider, who the Board considers, in its sole discretion, to have contributed or will contribute to the Group.

In assessing the eligibility of Employee Participants, the Board will consider, in its sole discretion, on a case-by-case basis, the following factors, including but not limited to (i) the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (ii) the length of engagement with the Group; (iii) the individual contribution or potential contribution to the development and growth of the Group; and (iv) the amount of support, assistance, guidance, advice or efforts that has been given or will be given towards the Group's success.

We particularly include Service Providers as Participants. Such Service Providers may include entities or persons who provide services to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long term growth of the Group as determined by the Board. The Board (including the independent non-executive Directors) is of the view that the grant of Awards to eligible Participants who are not Employee Participants can provide incentive and reward for (i) the participation and involvement in promoting the business success and development of the Group; (ii) providing better services as well as timely market intelligence to the Group in their capacity, and their

## LETTER FROM THE BOARD

joint and collaborative efforts in co-creating value for the Group's customers; or (iii) maintaining a good and long-term relationship with the Group, which aligns with the purpose of the Share Award Scheme and the long term interests of the Company and its Shareholders. The Board (including the independent non-executive Directors) believes that through the grant of Awards, such Participants' interests will be aligned with the Group to promote the growth and development of the Group's business and they could participate in the future prospect of the Group and share the additional reward through their sustainable contribution. In particular, the Service Providers may be seasoned people in their own fields and professionals with many business connections, which the Group may not be able to recruit them as employees. The grant of the Awards to these capable people may fill the gap and to foster the relationship with them as well as allow the Company to pay such external contractor, consultant, and/or advisors a consideration comprising service fee and share-based consideration to incentivize such external contractor, consultant, and/or advisors with the long-term value to be brought by the growth of the Company.

In assessing a Service Provider's eligibility as a Participant, the Board will consider, in its sole discretion, on a case-by-case basis, the following factors, including but not limited to: (i) in general, (a) the individual performance of the Service Provider; (b) the frequency of collaboration and the length of business relationship with the Group; (c) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (d) the track record in the quality of services provided to and/or cooperation with the Group and the ability to maintain the quality of services; (e) the scale of business dealings and/or collaboration with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Provider; (f) the actual contribution or potential contribution towards the long-term development and success of the Group; and (g) the remuneration packages of comparable listed peers for similar service providers based on available information in the industry; (ii) specifically in respect of the Service Provider in the category of independent contractors, (a) the benefits and strategic value brought by the Service Provider to the Group's development and future prospects in terms of the profits and/or income attributable to the Service Provider's collaboration with the Group; and (b) the business opportunities and external connections that the Service Provider has introduced or will potentially introduce to the Group; and (iii) specifically in respect of Service Provider in the category of consultant and/or advisor, (a) the expertise, professional qualifications and industry experience of the Service Provider; (b) the prevailing market fees chargeable by other services providers; (c) the Group's period of engagement of or collaboration with the Service Provider; and (d) the Service Provider's actual or potential contribution to the Group in terms of a reduction in costs or an increase in turnover or profit.

Based on such criteria, the Board has categorized the Service Providers to include the Group's:

- (a) **Consultants and advisors.** Those that (a) provide consultancy services material and relevant to the Group's operations (including but not limited to services in recruitment, tax, research and clinical development, market advisory services); (b)

## LETTER FROM THE BOARD

engage with the Group on a regular or recurring basis; and (c) have specialties or expertise in areas that supplement the Group or with which the Group would consider important to maintain a close business relationship on an ongoing basis;

- (b) **Suppliers.** Those that supply the Group with goods or service on a regular or recurring basis, with which the Group would consider important to maintain a close business relationship on an ongoing basis, and in turn, it would be beneficial to the Group's business relationship to grant such supplier with proprietary ownership in the Company and to encourage the supplier to have a vested shareholding interest in the Group and in the Group's future development;
- (c) **Agents and contractors.** Those that provide important services to the Group which are fundamental or material to the business operations or development of the Group (such as services in recruitment, tax, research and clinical development, market advisory services) to the Group on a regular or recurring basis with which the Group would consider important to maintain a close collaborative relationship on an ongoing basis, that in turn, it would be beneficial to the collaboration between the Group and the agents and/or contractors to grant such agents and/or contractors proprietary ownership in the Company and to encourage the agents and/or contractors to have a vested shareholding interest in the Group and the Group's future development and future prospects in terms of the profits and/or income attributable to the Service Provider's collaboration with the Group; and
- (d) **Independent regional sales partners.** Those with extensive sales and service network in or out of China and whose sales contributions have been and/or are expected to be meaningful to the Group's business growth in the future whom the Group would consider beneficial to reward and further incentivize with vested ownership in the Group.

The Board (including the independent non-executive Directors) is of the view that the proposed categories of Service Providers and the criteria for the selection of Participants are in line with the Company's business needs and the industry norm, and align with the purpose of the Share Award Scheme.

### (5) Vesting of Awards

The Board may determine such vesting criteria and conditions or periods for the Award to be vested hereunder, provided however that the vesting period in respect of any Award shall not be less than 12 months from the date of the grant, except that with respect to a Participant who is an Employee Participant, a shorter vesting period may be permitted in circumstances set out below:

- (a) grants of "make-whole" Awards to new joiners to replace the share awards or options they forfeited when leaving their previous employers;



## LETTER FROM THE BOARD

- (b) grants that are made in batches during a year for administrative or compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for a subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Awards would have been granted;
- (c) grants with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of twelve (12) months, or where the Awards may vest by several batches with the first batch to vest within twelve (12) months of the Date of Grant and the last batch to vest twelve (12) months after the Date of Grant;
- (d) grants with performance-based vesting conditions provided in the Share Award Scheme or as specified in the offer in lieu of time-based vesting criteria; and
- (e) grants with a total vesting period of more than twelve (12) months.

Vesting of Award shall be subject to the performance targets, if any, to be satisfied by the Grantees as determined by the Board or the Remuneration Committee from time to time. The performance targets may include the attainment of program milestones and market capitalization milestones by the Group, which may vary among the Grantees. The Board or the Remuneration Committee shall have the authority, after the grant of any Award which is performance-linked, to make fair and reasonable adjustments to the prescribed performance targets during the vesting period if there is a change in circumstances, provided that any such adjustments shall be less onerous than the prescribed performance targets and are considered fair and reasonable by the Board or the Remuneration Committee (as the case may be). The Board or the Remuneration Committee (as the case may be) will conduct assessment from time to time by comparing the performance with the pre-set targets to determine whether and the extent to which such targets have been met. If, after the assessment, the Board or the Remuneration Committee determines that any prescribed performance targets have not been met, the unvested Award(s) shall lapse automatically.

To ensure the practicability in fully attaining the purpose of the Share Award Scheme, the Board is of the view that the vesting period (including the circumstances under which a shorter vesting period may apply) and the authority that the Board has in determining performance targets in relation to the grants, as detailed in the terms of the Share Award Scheme, enables the Company to offer competitive remuneration and reward packages to the Participants, in such circumstances that would be justified and reasonable, which is also consistent with the Listing Rules and market practice. In particular, the Board considers that such discretion and flexibility in relation to the vesting period and performance targets will place the Group in a better position to reward its employees and retain human resources that are valuable to the growth and development of the Group as a whole. Such discretion and flexibility give the Company more flexibility to (i) provide higher incentives when attracting talents; (ii) reward exceptional performers with accelerated vesting schedule. Accordingly, the Directors are of the view that vesting period (including the circumstances under which a shorter vesting period may apply) and the authority that the Board has in determining performance targets in relation to the grants are considered appropriate and align with the purposes of the Share Award Scheme.

## **LETTER FROM THE BOARD**

According to the Share Award Scheme, upon vesting of the Awards granted to the Grantee, such Awards shall be satisfied by (i) existing Shares as may be purchased by the Trustee on the Stock Exchange or off the market; or (ii) new Shares to be allotted and issued (or treasury shares to be transferred) to the Grantee directly or (iii) payment to the Grantee of an amount equivalent to the market value of the Shares underlying the Awards in cash.

### **(6) Purchase Price**

Unless otherwise determined by the Board at its sole discretion or as required by applicable law in respect of the purchase price (if any) of any particular Award which shall be stated in the offer documentation, the Grantee is not required to pay any purchase price to the Company to purchase any RSU underlying an Award granted.

The Board believes that it is in the best interests of the Company to retain the flexibility to impose appropriate conditions in light of the particular circumstances of each grant, which would then be a more meaningful reward for the Participants' contribution or potential contribution. Further, by allowing the Company to grant Awards under the Share Award Scheme at a purchase price (if any) on a case-by-case basis, the Company shall be in a better position to retain such Participants to continue serving the Group whilst at the same time providing these Participants further incentive in achieving the goals of the Group. Such room for discretion provides the Board with flexibility to stipulate the purchase price, if necessary, while balancing the purpose of the Award and the interests of Shareholders. Therefore, the Board considers that the aforesaid term regarding the purchase price aligns with the purpose of the Share Award Scheme.

### **(7) Clawback Mechanism**

Notwithstanding the terms and conditions of the Share Award Scheme, the Board has the authority to provide that any Award shall be subject to a clawback if any of the following events occurs:

- (a) the Grantee (being an employee or a director of any member of the Group) ceases to be a Participant by reason of the termination of his or her employment or engagement on the grounds that he or she has been guilty of fraud or dishonesty or persistent or serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his or her debts or has become bankrupt or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which an employer would be entitled to terminate his or her employment summarily;
- (b) the Grantee joins a company which the Board believes in its sole and reasonable opinion to be a competitor of the Company;
- (c) the Grantee has failed to discharge, or failed to discharge properly, his/her/its duties, thereby resulting in a serious loss in assets to any member of the Group;

## LETTER FROM THE BOARD

- (d) the Grantee has failed to comply with any non-compete covenants or restrictive covenants or any terms and conditions of a similar effect applicable to the Grantee pursuant to any internal guideline(s) adopted by the Group (as amended, supplemented or modified from time to time); and
- (e) any other clawback events implicitly or explicitly characterized in the Offer documentation occurs.

The Board is of the view that such clawback mechanism provides an option for the Company to claw back the equity incentives granted to Participants culpable of misconduct and is in line with the purpose of the Share Award Scheme and the interests of the Company and the Shareholders.

### **(8) Scheme Mandate Limit**

The total number of Shares which may be issued in respect of all options and awards involving issue of new Shares that may be granted under the Share Award Scheme and any other share scheme(s) adopted by the Company must not in aggregate exceed 10% of the total number of Shares in issue (excluding treasury shares) as at the Adoption Date, being 39,010,035 Shares, unless otherwise permitted by the Listing Rules or the Company obtains the approval of its Shareholders to refresh the Scheme Mandate Limit in accordance with the Share Award Scheme.

As the scope of Participants under the Share Award Scheme includes Service Providers, the Board considers that it is appropriate to adopt a “service provider sublimit” within and subject to the Scheme Mandate Limit in accordance with Rule 17.03B(2) of the Listing Rules. Within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all options and awards involving issue of new Shares that may be granted under the Share Award Scheme and any other share scheme(s) of the Company to the Service Providers must not in aggregate exceed 3,901,003 Shares, representing 1% of the total number of Shares in issue (excluding treasury shares) as at the Adoption Date.

The basis of determination of the Service Provider Sublimit included the potential dilution effect on the Shares arising from grants to the Service Providers, the importance of striking a balance between achieving the purpose of the share schemes of the Company, and protecting Shareholders from the dilution effect from making grants to the Service Providers, the actual or expected contribution in the Group’s growth and development which shall be attributable to the Service Providers and the extent of use of the Service Provider in the Group’s business, as well as ensuring sufficient amount of awards and options would be available to be granted to the Employee Participants. The Service Provider Sublimit is subject to separate approval by the Shareholders at the AGM.

### **(9) Others**

As of the Latest Practicable Date, the Company had not appointed a Trustee under the Share Award Scheme. None of the Director is and will be a Trustee of the Share Award Scheme or has a direct or indirect interest in the Trustee.

## **LETTER FROM THE BOARD**

A copy of the Share Award Scheme will be published on the websites of Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.laekna.com](http://www.laekna.com)) for not less than 14 days before the date of the Annual General Meeting and a copy of the Share Award Scheme is available for inspection at the Annual General Meeting.

### **NOTICE OF ANNUAL GENERAL MEETING**

Set out on pages 40 to 44 of this circular is a notice convening the AGM to consider and, if appropriate, to approve, among others, the ordinary resolutions relating to the proposals for the granting of the Issue and Resell Mandate, the Repurchase Mandate and the Extension Mandate, and approving the re-election of Directors, the re-appointment of auditor and the adoption of the Share Award Scheme.

### **FORM OF PROXY**

A form of proxy for use at the AGM is enclosed herewith. Such form of proxy is also published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.laekna.com](http://www.laekna.com). Whether or not you are able to attend the AGM, you are requested to complete the form of proxy and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

### **VOTING BY POLL**

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to procedural or administrative matter to be voted by a show of hands. Accordingly, each of the resolutions put to vote at the AGM will be taken by way of poll. Separately, holders of treasury shares (if any) shall abstain from voting on matters that require shareholders' approval at the Company's general meetings.

On a poll, every Shareholder present in person or by proxy (or being a corporation by its duly authorized representative) shall have one vote for each Share registered in his/her/its name in the register of members. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/it has in the same manner.

Except for certain unvested Shares of the Pre-IPO Share Option Scheme held by Futu Trustee Limited, which shall abstain from voting on matters that require Shareholders' approval under Rule 17.05A of the Listing Rules, no other Shareholder is required to abstain from voting in respect of any of the resolutions to be proposed at the AGM.

## LETTER FROM THE BOARD

### CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the Shareholders entitled to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 11 June 2024 to Friday, 14 June 2024 both dates inclusive, during which period no transfer of Shares will be effected. All transfers accompanied by the relevant certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 7 June 2024.

### RECOMMENDATION

The Board considers that the ordinary resolutions in relation to the granting of the Issue and Resell Mandate, the Repurchase Mandate and the Extension Mandate, approving the re-election of Directors, the re-appointment of auditor and the adoption of the Share Award Scheme to be proposed at the AGM are in the best interests of the Company and the Shareholders. Accordingly, the Board recommends the Shareholders to vote in favor of such resolutions at the AGM.

### GENERAL

Your attention is also drawn to the appendices to this circular. The English text of this circular shall prevail over the Chinese text.

Yours faithfully,  
By order of the Board  
**Laekna, Inc.**  
**Dr. LU Chris Xiangyang**  
*Chairman*

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the Repurchase Mandate.

## **1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES**

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

- (i) the shares to be repurchased by a company must be fully paid-up;
- (ii) the company has previously sent to its shareholders an explanatory statement complying with the Listing Rules; and
- (iii) its shareholders have given a specific approval or a general mandate to its directors to make the purchase(s), by way of an ordinary resolution which complies with the Listing Rules and which has been passed at a general meeting of the company duly convened and held.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 390,100,350 Shares. Subject to the passing of the ordinary resolution for repurchase of Shares and on the basis that no further new Shares are issued or repurchased up to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 39,010,035 Shares, representing 10% of the aggregate number of the total issued Shares (excluding treasury shares) as at the date of the passing of the ordinary resolution for repurchase of Shares during the period ending on the earlier of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles of Association to be held; or (iii) the revocation or variation of the authority given under the resolution by an ordinary resolution of the Shareholders in a general meeting.

## **3. STATUS OF REPURCHASED SHARES**

The Shares repurchased by the Company may be held as treasury shares or may be cancelled subject to, among others, market conditions and its capital management needs at the relevant time of the repurchases, which may change due to evolving circumstances. The Shareholders and potential investors should pay attention to any announcement to be published by the Company in the future, including but without limitation, any next day disclosure return (which shall identify, amongst others, the number of repurchased Shares that are to be held in treasury or cancelled upon settlement of such repurchases) and relevant monthly return.

## **APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE MANDATE**

For any treasury shares of the Company deposited with CCASS pending resale on the Stock Exchange, the Company shall, upon approval by the Board implement the below interim measures which include (without limitation):

- (i) procuring its broker not to give an instructions to HKSCC to vote at general meetings for the treasury shares deposited with CCASS;
- (ii) in the case of dividends or distributions (if any and where applicable), withdrawing the treasury shares from CCASS, and either re-register them in its own name as treasury shares or cancel them, in each case before the relevant record date for the dividend or distributions; or
- (iii) taking any other measures to ensure that it will not exercise any Shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as treasury shares.

The listing of all Shares which are purchased by the Company (whether on the Stock Exchange or otherwise) but not held as treasury shares shall be cancelled upon repurchase. The Company shall ensure that the documents of title of these repurchased Shares are cancelled and destroyed as soon as reasonably practicable following settlement of any such repurchase.

### **4. REASONS FOR REPURCHASE**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets of the Company and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

### **5. FUNDING OF REPURCHASE OF SHARES**

Any repurchase of the Shares would be funded entirely from the cash flow or working capital facilities available to the Company, and will, in any event be made out of funds legally available for the purpose in accordance with the Articles and the applicable laws of the Cayman Islands and the Listing Rules. Such funds include, but are not limited to, profits available for distribution. Purchases may only be effected out of the profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorized by its Articles and subject to the provisions of the Companies Law, out of capital. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorized by the Articles and subject to the provisions of the Companies Law, out of capital.

### **6. IMPACT OF SHARE REPURCHASE**

There might be a material adverse impact on the working capital or gearing position as compared with the position disclosed in the audited financial statements of the Company for the year ended 31 December 2023 in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period.

## APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE MANDATE

However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

### 7. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange from the Listing Date up to the Latest Practicable Date were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2023</b>		
June (since the Listing Date)	16.86	12.42
July	18.88	12.20
August	18.18	12.52
September	18.68	10.32
October	23.10	13.00
November	26.45	18.10
December	20.95	13.50
<b>2024</b>		
January	19.76	3.92
February	6.05	3.15
March	9.30	5.55
April	8.45	4.29
May (up to and including the Latest Practicable Date)	8.08	5.84

*Source: the Stock Exchange's website*

### 8. UNDERTAKING OF THE DIRECTORS

The Directors will exercise the Repurchase Mandate pursuant to the proposed resolution in accordance with the Listing Rules and the applicable laws of Cayman Islands.

### 9. GENERAL

None of the Directors nor, to the best of their knowledge having made reasonable enquiries, any of their close associates (as defined in the Listing Rules) has any present intention, in the event that the Repurchase Mandate is approved by Shareholders, to sell Shares to the Company. No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has any present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.



The Directors would only exercise the power to repurchase Shares pursuant to the Share Repurchase Mandate in accordance with the Listing Rule, the Articles and the applicable laws of the Cayman Islands in circumstances where they consider that the repurchase would be in the best interests of the Company and the Shareholders as a whole.

#### **10. TAKEOVERS CODE**

If on exercise of the powers of repurchase pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder (within the meaning under the Takeovers Code), could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, OrbiMed Asia Partners III, L.P. held 59,774,230 Shares, representing approximately 15.32% of the total number of Shares in issue. In the event that the Directors exercised the Repurchase Mandate in full (assuming no new Shares are issued), the shareholding of OrbiMed Asia Partners III, L.P. will be increased to approximately 17.03% of the total number of Shares in issue.

To the best knowledge and belief of the Directors, such increase would not give rise to an obligation to make a mandatory offer under the Takeovers Code. The Directors have no present intention to repurchase the Shares to the extent that will trigger the obligations under the Takeovers Code. The Directors are not aware of any other consequences which may arise under the Takeovers Code as a result of any purchase by the Company of its Shares.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the repurchase would result in less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the total number of issued shares of the company in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

#### **11. SHARE REPURCHASE MADE BY THE COMPANY**

The Company has not repurchased any of the Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

## APPENDIX II DETAILS OF THE DIRECTORS PROPOSED FOR RE-ELECTION

The following are the particulars of the retiring Directors (as required by the Listing Rules) proposed for re-election.

**Dr. LU Chris Xiangyang (“Dr. Lu”)**, aged 60, is our Chairman, executive Director and Chief Executive Officer. Dr. Lu is the founder of our Group and is responsible for overseeing the overall business strategy, R&D activities, business planning and operational management. Dr. Lu was appointed as a Director in July 2016 and re-designated as an executive Director in May 2022.

Dr. Lu had worked in Ontogeny, Inc., a biotechnology company, in 1998. From November 2001 to September 2003, he worked at Wyeth Research, a U.S. based pharmaceutical company as the principal scientist and had led multiple drug discovery projects. From September 2003 to March 2016, he worked at Novartis Institutes for BioMedical Research (“NIBR”) and China Novartis Institutes for BioMedical Research Co., Ltd. (諾華(中國)生物醫學研究有限公司) (“CNIBR”). He was bestowed Novartis VIVA Award with “Novartis Leading Scientist” honorary title in November 2012. His last position there was Executive Director and was responsible for leading the drug discovery platform and multiple disease research programs. NIBR and CNIBR are under Novartis AG. He then joined Frontline Bioventures (通和資本), a venture capital firm focusing on investment in healthcare industry, in 2016 as a venture partner, responsible for providing general professional advice from biotechnology perspective to the investment portfolio of Frontline Bioventures on a part-time basis. Dr. Lu had ceased to be a venture partner in Frontline Bioventures since April 2017. After the incorporation of the Company and before Dr. Lu left Frontline Bioventures, Dr. Lu was not involved in any investment of Frontline Bioventures which competed or was likely to compete, directly or indirectly, with the Group’s business.

Dr. Lu received his Bachelor of science degree and Master of science degree in biology department from Nankai University (南開大學) in China in July 1985 and June 1988, respectively. Dr. Lu obtained the Doctor of Philosophy degree from the School of Medicine of the University of North Carolina at Chapel Hill in the United States in August 1995. Dr. Lu was a postdoctoral fellow at Harvard University in the United States from 1995. Dr. Lu is a director of Laekna HK and Laekna Therapeutics.

Save as disclosed above, Dr. Lu does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company and has not held any other directorships in other listed public companies in the last three years.

As at the Latest Practicable Date, Dr. Lu was deemed to be interested in an aggregate of 52,239,390 Shares and underlying Shares, within the meaning of Part XV of the SFO.

Dr. Lu has entered into a service contract with the Company for a term of three years, with effect from 31 May 2022, which may be terminated by not less than 3 months’ notice served by either party on the other and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles of Association. Pursuant to the service contract entered into with us, Dr. Lu will not receive any remuneration as director’s fee.

## APPENDIX II DETAILS OF THE DIRECTORS PROPOSED FOR RE-ELECTION

Save as disclosed above, Dr. Lu has confirmed that there is no other information which is discloseable nor has he been involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and the Company is not aware of any other matters concerning Dr. Lu's standing for re-election as Director that need to be brought to the attention of the Shareholders.

**Ms. XIE Ling (謝玲)** (“**Ms. Xie**”), aged 53, is our executive Director and senior vice president, and is responsible for overseeing our global operations, including administrative, human resources, finance, legal, IT and compliance matters. Ms. Xie joined our Company in April 2017 as a vice president of head of operation and has been a senior vice president of head of operation since April 2019. She was appointed as a Director in May 2018 and re-designated as an executive Director in May 2022.

From August 2002 to September 2004, Ms. Xie was an executive assistant at Boehringer Ingelheim Shanghai Pharmaceuticals Co., Ltd. (上海勃林格殷格翰藥業有限公司). From January 2008 to March 2017, Ms. Xie served as an executive assistant at CNIBR under Novartis AG, and was responsible for administrative support. Ms. Xie was accredited as national second-level psychological counselor (國家二級心理諮詢師) by Ministry of Human Resources and Social Security of the PRC (人力資源和社會保障部) in March 2011, and she was certified as Myers-Briggs Type Indicator (MBTI) practitioner by Center for Applications of Psychological Type in the United States in March 2012. Ms. Xie received her Bachelor's degree in law from East China University of Political Science and Law (華東政法大學) in China in July 2003.

Ms. Xie is a director of Laekna Ningbo, Laekna Therapeutics and Laekna Pharmaceutical.

Save as disclosed above, Ms. Xie does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company and has not held any other directorships in other listed public companies in the last three years.

As at the Latest Practicable Date, Ms. Xie was deemed to be interested in an aggregate of 44,101,520 Shares and underlying Shares, within the meaning of Part XV of the SFO.

Ms. Xie has entered into a service contract with the Company for a term of three years, with effect from 31 May 2022, which may be terminated by not less than 3 months' notice served by either party on the other and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles of Association. Pursuant to the service contract entered into with us, Ms. Xie will not receive any remuneration as director's fee.

Save as disclosed above, Ms. Xie has confirmed that there is no other information which is discloseable nor has he been involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and the Company is not aware of any other matters concerning Ms. Xie's standing for re-election as Director that need to be brought to the attention of the Shareholders.

## APPENDIX II DETAILS OF THE DIRECTORS PROPOSED FOR RE-ELECTION

**Dr. WANG David Guowei** (“**Dr. Wang**”), aged 62, is our non-executive Director, and is responsible for providing professional advice to the Board. Dr. Wang was appointed as a Director in July 2019 and re-designated as a non-executive Director in May 2022.

Dr. Wang is a partner and senior managing director of Asia at OrbiMed Advisors LLC, an investment fund with a focus on healthcare industry, where he has worked since August 2011. Dr. Wang has served as a director of Sichuan Biokin Pharmaceutical Co., Ltd (四川百利天恒藥業股份有限公司) (a company listed on Shanghai Stock Exchange, stock code: 688506) since September 2017. Further, since February 2016, he has been a non-executive director of AK Medical Holdings Limited (愛康醫療控股有限公司) (a company listed on the Stock Exchange, stock code: 1789), and since December 2017, he has been a non-executive director of Gaush Meditech Ltd (高視醫療科技有限公司) (a company listed on the Stock Exchange, stock code: 2407). From April 2006 to July 2011, he served as managing director at WI Harper Group. From March 2010 to July 2012, he served on the board of directors of Edan Instruments, Inc. (深圳市理邦精密儀器股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300206), a provider of advanced electronic medical equipment, where he also served on both the audit committee and strategic committee. He was a director of Suzhou Medical System Technology Co., Ltd. (蘇州麥迪斯頓醫療科技股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 603990) from October 2012 to May 2019, a non-executive director of EC Healthcare (醫思健康) (formerly known as Union Medical Healthcare Limited (香港醫思醫療集團有限公司)) (a company listed on the Stock Exchange, stock code: 2138) from August 2018 to April 2020, a director of Amoy Diagnostics Co., Ltd. (廈門艾德生物醫藥科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300685) from June 2015 to August 2021 and a director of Gracell Biotechnologies Inc. (a company listed on NASDAQ Global Market, stock code: GRCL) from March 2020 to February 2024.

Dr. Wang received his Bachelor’s degree in medicine from Beijing Medical University (北京醫科大學) (currently known as Peking University Health Science Center (北京大學醫學部)) in China in July 1986. He received his Doctor of Philosophy degree in developmental biology from California Institute of Technology in the United States in June 1995.

Dr. Wang is a director of Laekna Therapeutics.

Save as disclosed above, Dr. Wang does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company and has not held any other directorships in other listed public companies in the last three years.

As at the Latest Practicable Date, Dr. Wang did not hold any Shares and underlying Shares, within the meaning of Part XV of the SFO.

Dr. Wang has entered into a service contract with the Company for a term of three years, with effect from 31 May 2022, which may be terminated by not less than 3 months’ notice served by either party on the other and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles of Association. Pursuant to the service contract entered into with us, Dr. Wang will not receive any remuneration as director’s fee.

## APPENDIX II     DETAILS OF THE DIRECTORS PROPOSED FOR RE-ELECTION

Save as disclosed above, Dr. Wang has confirmed that there is no other information which is discloseable nor has he been involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and the Company is not aware of any other matters concerning Dr. Wang's standing for re-election as Director that need to be brought to the attention of the Shareholders.

**Mr. ZHOU Jian** (“**Mr. Zhou**”), aged 46, was appointed as our independent non-executive Director with effect from 15 January 2024, and is responsible for providing independent opinion and judgment to the Board.

Mr. Zhou joined HSBC Asset Management alternative unit as its Head of Energy Transition Infrastructure China in November 2022. Mr. Zhou is responsible for setting up and managing the HSBC Asset Management China PFM business and managing and overseeing the renewable energy private equity investment activities in China. Prior to joining HSBC, Mr. Zhou worked as Managing Director at Standard Chartered Bank in Hong Kong from August 2019 to October 2022, where he was responsible for leading the Greater China and Korea regional investment banking activities in power, utilities & infrastructure sector.

Mr. Zhou also held position as Head of Infrastructure China at Macquarie Capital in Shanghai from September 2016 to February 2019. He was an Executive, Vice President and Director in investment banking team at Evercore in Hong Kong from March 2007 to May 2016. Mr. Zhou worked in PricewaterhouseCoopers assurance team in Auckland and Hong Kong from December 2002 to March 2007.

Mr. Zhou has been a member of the Chartered Accountants Australia & New Zealand (CA ANZ) since March 2006, a Chartered Financial Analyst of CFA Institute since September 2006 and a member of Hong Kong Institute of Certified Public Accountants (HKICPA) since August 2007.

Mr. Zhou received a degree of Bachelor of Commerce (Honours) in Finance from the University of Auckland in May 2002.

Save as disclosed above, Mr. Zhou does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company and has not held any other directorships in other listed public companies in the last three years.

As at the Latest Practicable Date, Mr. Zhou did not hold any Shares and underlying Shares, within the meaning of Part XV of the SFO.

Mr. Zhou has signed a letter of appointment with the Company, pursuant to which he will hold office until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at such meeting, and thereafter will be subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the articles of association of the Company. Upon re-election, his term of office will be for a period of three years from the date of such annual general meeting. The appointment of Mr. Zhou as an independent non-executive Director may be terminated by one month's notice in writing served by either party on the other. Mr. Zhou is entitled to a director's fee of HK\$400,000 per annum for his service as an independent non-executive Director, which was determined by the Board having regard to his duties and responsibilities, performance, qualification, experience, as well as prevailing market conditions.

## **APPENDIX II      DETAILS OF THE DIRECTORS PROPOSED FOR RE-ELECTION**

Save as disclosed above, Mr. Zhou has confirmed that there is no other information which is discloseable nor has he been involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and the Company is not aware of any other matters concerning Mr. Zhou's standing for re-election as Director that need to be brought to the attention of the Shareholders.

### **NOMINATION POLICY AND PROCESS FOR THE DIRECTORS**

The Nomination Committee and the Board have followed the nomination policy and board diversity policy for the re-appointment of Mr. Zhou as independent non-executive Director. In reviewing the structure of the Board, the Nomination Committee and the Board will consider the Board diversity from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, length of service and industry and regional experience. All Board appointments will be based on meritocracy, and candidates will be considered against criteria including talents, skills and experience as may be necessary for the operation of the Board as a whole, with a view to maintaining a sound balance of the Board's composition.

With reference to the past contributions made by Mr. Zhou to the Company during his tenure, his qualifications and his rich experience in finance, the Board is of the view that Mr. Zhou can provide valuable advice and business insights to the Board and make contributions to the Board's diversity.

In assessing the independence of Mr. Zhou, the Nomination Committee has considered his independence pursuant to Rule 3.13 of the Listing Rules, and is satisfied that he has continued to provide independent and objective judgment and advice to the Board, through scrutinizing and monitoring the Group's affairs with a view to safeguard the interests of the Group and the Shareholders. The Nomination Committee was satisfied with the independence of Mr. Zhou, and considers that he remains independent.

Having reviewed the Board's composition, the respective qualifications, skills and experience, time commitment and contribution of each of Dr. Lu, Ms. Xie, Dr. Wang and Mr. Zhou with reference to the nomination policy and board diversity policy of the Company, the Nomination Committee has recommended to the Board on the re-election of each of Dr. Lu, Ms. Xie, Dr. Wang and Mr. Zhou as the Directors, who are due to retire at the Annual General Meeting.

Taking into consideration the recommendation of the Nomination Committee and the board diversity policy and the director nomination policy of the Company, the Board is of the view that each of Dr. Lu, Ms. Xie, Dr. Wang and Mr. Zhou will continue to bring broader views, valuable insights and professionalism to the Board, whilst having sufficient diversity for the Board to discharge its functions effectively. Accordingly, the Board considers the re-election of each of Dr. Lu, Ms. Xie, Dr. Wang and Mr. Zhou is in the best interests of the Company and the Shareholders as a whole. At the Annual General Meeting, ordinary resolutions will be proposed to re-elect each of Dr. Lu and Ms. Xie as an executive Director; Dr. Wang as a non-executive Director; and Mr. Zhou as an independent non-executive Director.

A summary of the principal terms of the Share Award Scheme is set out below.

**1. PURPOSE**

The purpose of the Share Award Scheme is to attract and retain Participants whose contributions are important to the long-term growth and success of the Group, to recognize and reward Participants for their past contribution to the Group, to provide Participants with the opportunity to acquire proprietary interests in the Company and to encourage Participants to further contribute to the Company and work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. The Share Award Scheme will provide the Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to Participants.

**2. DURATION AND ADMINISTRATION**

The Share Award Scheme shall be valid and effective for the Scheme Period (being ten years commencing on the Adoption Date). After the expiry of the Scheme Period, no further Awards shall be offered or granted, but in all other respects the provisions of the Share Award Scheme shall remain in full force and effect to the extent necessary to give effect to the settlement of any Awards granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Award Scheme.

The Share Award Scheme shall be administered by the Board and/or the Trustee appointed by the Board (if any) in accordance with the rules of the Share Award Scheme and the terms of the Trust Deed (if any), and the decision of the Board regarding the administration and operation of the Share Award Scheme shall be final and binding on all parties. To the extent permitted under the Listing Rules, the Board may also delegate its administration authority of the Share Award Scheme to the Remuneration Committee, a member of the Remuneration Committee, or other person(s)/committee(s) as deemed appropriate at its sole discretion.

**3. PARTICIPANTS OF THE SHARE AWARD SCHEME AND THE BASIS OF DETERMINING THE ELIGIBILITY OF PARTICIPANTS**

The eligible persons who may be selected to become a participant of the Share Award Scheme are any individual, or a corporate entity (as the case may be), being any of (i) an Employee Participant; and (ii) a Service Provider, who the Board considers, in its sole discretion, to have contributed or will contribute to the Group.

**(i) Employee Participant and the Basis of Eligibility**

In assessing the eligibility of Employee Participants, the Board will consider, in its sole discretion, on a case-by-case basis, the following factors, including but not limited to (i) the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (ii) the length of engagement with the Group; (iii) the individual contribution or potential contribution to the development and growth of the Group; and (iv) the amount of support, assistance, guidance, advice or efforts that has been given or will be given towards the Group's success.

**(ii) Service Provider and the Basis of Eligibility**

In assessing a Service Provider's eligibility as a Participant, the Board will consider, in its sole discretion, on a case-by-case basis, the following factors, including but not limited to: (i) in general, (a) the individual performance of the Service Providers; (b) the frequency of collaboration and the length of business relationship with the Group; (c) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (d) the track record in the quality of services provided to and/or cooperation with the Group and the ability to maintain the quality of services; (e) the scale of business dealings and/or collaboration with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Providers; (f) the actual contribution or potential contribution towards the long-term development and success of the Group; and (g) the remuneration packages of comparable listed peers for similar service providers based on available information in the industry; (ii) specifically in respect of Service Providers in the category of independent contractors, (a) the benefits and strategic value brought by the Service Providers to the Group's development and future prospects in terms of the profits and/or income attributable to the Service Providers' collaboration with the Group; and (b) the business opportunities and external connections that the Service Providers have introduced or will potentially introduce to the Group; and (iii) specifically in respect of Service Providers in the category of consultants and/or advisors, (a) the expertise, professional qualifications and industry experience of the Service Providers; (b) the prevailing market fees chargeable by other services providers; (c) the Group's period of engagement of or collaboration with the Service Providers; and (d) the Service Providers' actual or potential contribution to the Group in terms of a reduction in costs or an increase in turnover or profit.



#### **4.    GRANT OF AWARDS**

On and subject to the terms of the Share Award Scheme, the Board shall be entitled (but shall not be bound) at any time within the Scheme Period to make an offer to any Participant, as the Board may in its absolute discretion select, of an Award consisting of RSUs as set forth in the offer documentation and on and subject to such terms and conditions as the Board may determine and impose. The offer shall specify the terms and conditions on which the Award is to be granted. Such terms and conditions may include any minimum period(s) for which an Award must be held, any minimum period(s) for which the Grantee must be employed or in service to the Group and/or any minimum performance target(s) that must be achieved such as linking its vesting to the attainment of program milestones and market capitalization milestones by the Group, before the Award shall vest in whole or in part, may include any clawback mechanism in respect of the Award as described in the rules of the Share Award Scheme, and may include at the discretion of the Board such other terms either on a case-by-case basis or generally. Any Award shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favor of or enter into any agreement with any other person over or in relation to any Award or any property held by the Trustee on trust for the Grantees. Any breach of the foregoing shall entitle the Company to cancel an outstanding Award without payment of any consideration therefor.

An offer shall be deemed to have been accepted and the Award to which the offer relates shall be deemed to have been granted and to have taken effect in accordance with the terms of the offer of the Award made to a Participant. The Grantee is not required to pay any consideration to the Company on acceptance of an offer.

Each grant of Awards to any Director, chief executive or substantial shareholder of the Company (or any of their respective associates) shall be subject to the prior approval of the independent non-executive Directors of the Company (excluding any independent non-executive director who is a proposed recipient of the grant of Awards).

In addition, subject to the Individual Limit, where any grant of Awards to a Director (other than an independent non-executive Director) or chief executive of the Company (or any of their associates) would result in the number of Shares issued and to be issued in respect of all Awards, options and any other awards involving issue of new Shares already granted under the Share Award Scheme and any other share scheme(s) of the Company (excluding Awards and such other options/awards lapsed in accordance with relevant schemes) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of Shares in issue as at the Date of Grant (excluding treasury shares), such further grant of Awards shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting with the Grantees, their associates and all core connected persons (as defined under the Listing Rules) of the Company abstaining from voting in favour. Where any grant of Awards or any other options or awards pursuant to any other concurrent share schemes to an independent non-executive Director or substantial shareholder of the Company or any of their respective associates would result in the number of Shares issued and to be issued in respect of all Awards and options/awards involving issue of new Shares already granted under the Share Award Scheme and any other share scheme(s) of the Company

(excluding Awards and such other options/awards lapsed in accordance with the relevant schemes) to such person in the 12-month period up to and including the Date of Grant representing in aggregate over 0.1% of the total number of Shares in issue as at the Date of Grant (excluding treasury shares), such further grant of Awards shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting with the Grantees, their associates and all core connected persons (as defined under the Listing Rules) of the Company abstaining from voting in favour.

## **5.    SCHEME MANDATE LIMIT**

The total number of Shares which may be issued in respect of all options and awards involving issue of new Shares that may be granted under the Share Award Scheme and any other share scheme(s) of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date (excluding treasury shares), being 39,010,035 Shares (the “**Scheme Mandate Limit**”), unless otherwise permitted by the Listing Rules or the Company obtains the approval of its Shareholders to refresh the Scheme Mandate Limit in accordance with the Share Award Scheme. Awards which have lapsed in accordance with the terms of the Share Award Scheme without Shares being issued and options and awards lapsed in accordance with any other share scheme(s) of the Company shall not be counted for the purpose of calculating the Scheme Mandate Limit or the Service Provider Sublimit.

The Company may seek the approval of its Shareholders at general meeting to refresh the Scheme Mandate Limit or the Service Provider Sublimit after three years from the Adoption Date or the date of Shareholders’ approval for the last refreshment (as the case may be), such that the total number of Shares which may be issued in respect of all options and awards involving issue of new Shares that may be granted under the Share Award Scheme and any other share scheme(s) of the Company under the Scheme Mandate Limit as refreshed must not exceed 10% of the Shares in issue as at the date of the aforesaid approval for refreshment by the Shareholders in general meeting (excluding treasury shares). The Company may also seek separate approval of the Shareholders in general meeting for granting any Awards beyond the Scheme Mandate Limit, or if applicable, the refreshed limit, provided that the Awards in excess of the Scheme Mandate Limit are granted only to Participants specifically identified by the Company before the aforesaid Shareholders’ meeting where such approval is sought.

Any refreshment within any three year period must be approved by the Shareholders subject to: (i) any controlling Shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and (ii) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules, save and except if the refreshment is made immediately after an issue of securities by the Company to Shareholders on a pro rata basis such that the unused part of the Scheme Mandate Limit upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole share.

### **Service Provider Sublimit**

Within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all options and awards involving issue of new Shares that may be granted under the Share Award Scheme and any other share scheme(s) of the Company to the Service Providers must not in aggregate exceed 3,901,003 Shares, representing 1% of the total number of Shares in issue as at the Adoption Date (excluding treasury shares) (the “**Service Provider Sublimit**”).

### **Individual Limit**

Unless approved by the Shareholders, the total number of Shares issued and to be issued in respect of all options and awards granted under the Share Award Scheme and any other share scheme(s) of the Company to each Participant in any 12-month period shall not exceed 1% of the total number of Shares in issue (excluding treasury shares) (the “**Individual Limit**”). Where any grant of Awards under the Share Award Scheme to a Participant would result in the aggregate number of Shares issued and to be issued in respect of all options and awards granted under the Share Award Scheme and any other share scheme(s) of the Company to such Participant (excluding any options and awards lapsed in accordance with the terms of the Share Award Scheme and any other share scheme(s) of the Company) in the 12-month period up to and including the date of such grant exceeding the Individual Limit, such grant shall be subject to separate approval of the Shareholders in general meeting with such Participant and his/her close associates (or his/her associates if the Participant is a connected person of the Company) abstaining from voting.

## **6. PURCHASE PRICE**

Unless otherwise determined by the Board at its sole discretion or as required by applicable law in respect of the purchase price (if any) of any particular Award which shall be stated in the offer documentation, the Grantee is not required to pay any purchase price to the Company to purchase any RSU underlying an Award granted.

## **7. LAPSE AND CANCELLATION OF AWARDS**

Subject to the Board’s absolute discretion to decide that the unvested Awards of any Grantee shall continue to vest in accordance with the original vesting schedule of such unvested Awards, any unvested Awards shall lapse automatically (to the extent not already vested) on the earliest of:

- (a) the date on which the Grantee ceases to be a Participant for reason of his or her death, ill-health or retirement in accordance with his or her contract of employment;
- (b) the date on which the Grantee (being an employee or a director of any member of our Group) ceases to be a Participant for any reason other than (i) his or her death, ill-health or retirement in accordance with his or her contract of employment or (ii) on one or more of the grounds of termination of employment or engagement specified in the terms of the Share Award Scheme;

### APPENDIX III SUMMARY OF THE KEY TERMS OF SHARE AWARD SCHEME

- (c) the date on which the Grantee commits a breach of terms in connection with the transferability of the Award as determined by the Board;
- (d) the date on which the Grantee (being an employee or a director of any member of the Group) ceases to be a Participant by reason of the termination of his or her or its employment, office or service or engagement on the grounds that he or she has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his or her debts or has become bankrupt or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which the relevant company in the Group would be entitled to terminate his employment, office or service summarily at common law or pursuant to any applicable laws or under the Grantee's service contract with relevant company in the Group;
- (e) the date on which the Grantee joins a company which the Company believes in its sole and reasonable opinion to be a competitor of the Company;
- (f) the date on which the Board or the Remuneration Committee determines that any prescribed performance targets have not been met after conducting the assessment in accordance with the relevant terms of the Share Award Scheme;
- (g) the date on which the Grantee (being a corporation) appears either to be unable to pay or to have no reasonable prospect of being able to pay its debts when they fall due or has become insolvent or has made any arrangement or composition with its creditors generally; and
- (h) unless the Company otherwise determines, the date the Grantee ceases to be a Participant for any other reason.

For the avoidance of doubt, any Awards lapsed will not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

Notwithstanding any other provisions of the Share Award Scheme or any terms and conditions set forth in the relevant offer in respect of the Board's discretion to cancel any Awards that have not been vested, any Award granted but not vested may be cancelled if the Grantee so agrees. Where the Company cancels Awards granted to a Grantee and makes a new grant to the same Grantee, such new grant may only be made under the Share Award Scheme with available Scheme Mandate Limit and Service Provider Sublimit, and that Awards so cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

## **8.    VESTING OF AWARDS**

The Board may determine such vesting criteria and conditions or periods for the Award to be vested hereunder, provided however that the vesting period in respect of any Award shall not be less than 12 months from the Date of the Grant, except that with respect to a Participant who is an Employee Participant, a shorter vesting period may be permitted in circumstances set out below:

- (a) grants of “make-whole” Awards to new joiners to replace the share awards or options they forfeited when leaving their previous employers;
- (b) grants that are made in batches during a year for administrative or compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for a subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Awards would have been granted;
- (c) grants with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of twelve (12) months, or where the Awards may vest by several batches with the first batch to vest within twelve (12) months of the Date of Grant and the last batch to vest twelve (12) months after the Date of Grant;
- (d) grants with performance-based vesting conditions provided in the Share Award Scheme or as specified in the offer in lieu of time-based vesting criteria; and
- (e) grants with a total vesting period of more than twelve (12) months.

Neither the Participant nor the Trustee shall exercise any voting rights in respect of any Award Shares held, directly or indirectly, that have not been vested.

Subject to the terms of the Share Award Scheme, the Board may decide at its sole and absolute discretion to:

- (a) direct the Trustee to transfer the number of the Shares underlying the RSUs to the Grantee which the Trustee has acquired by making purchases of existing Shares (either on-market or off-market) which are held pending the vesting of the relevant Share Award(s);
- (b) procure the Company to allot and issue the number of the Shares or transfer the treasury shares underlying the RSUs to the Grantee (as new Shares under the Scheme Mandate Limit) as fully paid-up Shares directly; and/or
- (c) pay, or procure the payment of, an amount equivalent to the market value of the Shares underlying the RSUs to the Grantee in cash,

for the purpose of satisfying the relevant Awards of the Grantee upon vesting. In circumstances set out in (a) and (b) above, the Board may instruct the share registrar to issue the share certificates of the relevant Shares at no cost to the relevant Grantees or their estate in the event of an issuance to their personal representative(s) (as the case may be).

If a Grantee fails to execute the relevant transfer documents or restricted share agreements or pay the purchase price, give the relevant direction to transfer or sell required by the Board and/or the Trustee, the relevant part of the Share Award made to such Grantee shall automatically lapse and the relevant Shares shall not vest on the relevant vesting date but shall become returned Shares for the purposes of the Share Award Scheme, unless the Board determines otherwise.

The Shares to be allotted and issued pursuant to any Award granted hereunder shall be identical to the then existing issued shares of the Company and subject to all the provisions of the memorandum of association and articles of association of the Company for the time being in force and will rank *pari passu* in all respects with the other fully paid Shares in issue on the date the name of the Grantee is registered on the register of members of the Company, save that the Grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the Shareholders on the register on a date prior to such registration.

No Grantee shall enjoy any rights of a Shareholder (including but not limited to any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Award Shares) by virtue of the grant of an Award pursuant to the Share Award Scheme, unless and until the Shares are actually issued or transferred to the Grantee pursuant to the vesting of an Award. The Awards do not carry any right to vote in general meeting of the Company, or the right to dividend and other rights, including those arising on a liquidation of the Company until such Awards have been vested as Shares.

## **9. PERFORMANCE TARGET**

Vesting of Award shall be subject to the performance targets, if any, to be satisfied by the Grantees as determined by the Board or the Remuneration Committee from time to time. The Board or the Remuneration Committee shall have the authority, after the grant of any Award which is performance-linked, to make fair and reasonable adjustments to the prescribed performance targets during the vesting period if there is a change in circumstances, provided that any such adjustments shall be less onerous than the prescribed performance targets and are considered fair and reasonable by the Board or the Remuneration Committee (as the case may be).

The performance targets may include the attainment of program milestones and market capitalization milestones by the Group, which may vary among the Grantees. The Board or the Remuneration Committee (as the case may be) will conduct assessment from time to time by comparing the performance with the pre-set targets to determine whether and the extent to which such targets have been met. If, after the assessment, the Board or the Remuneration

Committee determines that any prescribed performance targets have not been met, the unvested Share Award(s) shall lapse automatically. For the avoidance of doubt, the performance targets are not applicable to independent non-executive Directors.

#### **10. CLAWBACK MECHANISM**

Notwithstanding the terms and conditions of the Share Award Scheme, the Board has the authority to provide that any Award shall be subject to a clawback if any of the following events occurs:

- (a) the Grantee (being an employee or a director of any member of the Group) ceases to be a Participant by reason of the termination of his or her employment or engagement on the grounds that he or she has been guilty of fraud or dishonesty or persistent or serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his or her debts or has become bankrupt or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which an employer would be entitled to terminate his or her employment summarily;
- (b) the Grantee joins a company which the Board believes in its sole and reasonable opinion to be a competitor of the Company;
- (c) if the Grantee has failed to discharge, or failed to discharge properly, his/her/its duties and thereby resulting in serious loss in assets to any member of the Group;
- (d) if the Grantee has failed to comply with any non-compete covenants or restrictive covenants or any terms and conditions of a similar effect applicable to the Grantee pursuant to any internal guideline(s) adopted by the Group (as amended, supplemented or modified from time to time); and
- (e) if any other clawback event implicitly or explicitly characterized in the Offer documentation occurs.

The Board may make a notice in writing to the relevant Grantee to claw back such number of unvested Awards granted to the Grantee as the Board may consider appropriate and subject to its sole determination. The Awards that are clawed back shall be regarded as cancelled and the Awards so cancelled shall be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

#### **11. CHANGE IN CAPITAL STRUCTURE OF THE COMPANY**

In the event of an alteration in the capital structure of the Company whilst any Award remains outstanding by way of capitalization of profits or reserves, rights issue, subdivision or consolidation of shares, or reduction of the share capital of the Company in accordance with legal requirements (including, without limitation, the Companies Act) and requirements of the Stock Exchange (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party), such

corresponding alterations (if any) shall be made to the number or nominal amount of Shares comprised in each Award to the extent outstanding as the auditor of the Company or an independent financial advisor engaged by the Company for such purpose shall, at the request of the Company, certify in writing to the Board, either generally or as regards any particular Grantee, to be in their opinion fair and reasonable, provided always that any such adjustments should give each Grantee the same proportion of the equity capital, rounded to the nearest whole Share, of the Company as that to which that Grantee was previously entitled prior to such adjustments, and no adjustments shall be made which will enable a Share to be issued at less than its nominal value.

The method of adjustment of number of Award Shares so far as unvested is set out as below:

**Capitalization issue**

$$Q = Q_0 \times (1 + n)$$

Where: “Q<sub>0</sub>” represents the number of Award Shares before the adjustment; “n” represents the ratio of the capitalization issue; “Q” represents the number of Award Shares after the adjustment.

**Rights issue**

$$Q = Q_0 \times P_1 \times (1 + n) \div (P_1 + P_2 \times n)$$

Where: “Q<sub>0</sub>” represents the number of Award Shares before the adjustment; “P<sub>1</sub>” represents the closing price as at the record date; “P<sub>2</sub>” represents the exercise price of the rights issue; “n” represents the ratio of allotment; “Q” represents the number of Award Shares after the adjustment.

**Consolidation of Shares or share subdivision or reduction of the share capital**

$$Q = Q_0 \times n$$

Where: “Q<sub>0</sub>” represents the number of Award Shares before the adjustment; “n” represents the ratio of share consolidation or share subdivision or reduction of share capital; “Q” represents the number of Award Shares after the adjustment.

The method of adjustment of the purchase price of Award (if any) is set out as below:

**Capitalization issue**

$$P = P_0 \div (1 + n)$$

Where: “P<sub>0</sub>” represents the purchase price before the adjustment; “n” represents the ratio of the capitalization issue; “P” represents the purchase price after the adjustment.



**Rights issue**

$$P = P0 \times (P1 + P2 \times n) \div (P1 \times (1 + n))$$

Where: “P0” represents the purchase price before the adjustment; “P1” represents the closing price as at the record date; “P2” represents the exercise price in respect of the rights issue; “n” represents the ratio of allotment; “P” represents the purchase price after the adjustment.

**Consolidation of Shares or share subdivision or reduction of the share capital**

$$P = P0 \div n$$

Where: “P0” represents the purchase price before the adjustment; “n” represents the ratio of share consolidation or share subdivision or reduction of share capital; “P” represents the purchase price after the adjustment.

In above circumstances, other than any made on a capitalization of profits or reserves, the auditor of the Company or the independent financial advisor, as the case may be, shall confirm to the Board in writing that the adjustments satisfy the requirements set out in Rule 17.03(13) of the Listing Rules and the note thereto and/or such other requirement prescribed under the Listing Rules and such other applicable guidance and/or interpretation of the Listing Rules from time to time.

**12. ALTERATION**

The Board may amend any of the provisions of the Share Award Scheme at any time, save and except that any alterations to the terms and conditions of the Share Award Scheme which are of a material nature, or any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Participants, or any change to the authority of the Board, the Trustee or other administrator of the Share Award Scheme in relation to any alternation to the terms of the Share Award Scheme must be approved by the Shareholders in general meeting.

Any change to the terms of Awards granted to a Participant, must also, to be effective, be approved by the Board, the Remuneration Committee, the independent non-executive directors of the Company and/or the Shareholders in general meeting (as the case may be) if the initial grant of the Awards was approved by the Board, the Remuneration Committee, the independent non-executive directors of the Company and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of the Share Award Scheme.

**13. TERMINATION**

The Company by ordinary resolution in general meeting or the Board may at any time resolve to terminate the operation of the Share Award Scheme prior to the expiry of the Scheme Period, and in such event no further Awards will be offered or granted but the provisions of the Share Award Scheme shall remain in full force to the extent necessary to give effect to the settlement of any Awards granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Award Scheme.

## NOTICE OF ANNUAL GENERAL MEETING



**Laekna, Inc.**

**來凱醫藥有限公司**

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

**(Stock Code: 2105)**

**NOTICE IS HEREBY GIVEN THAT** an annual general meeting of Laekna, Inc. (the “**Company**”) will be held at 9:00 a.m. on Friday, 14 June 2024 at 5F, 987 Cailun Road, Pudong, Shanghai, China for the purposes of considering and, if thought fit, passing with or without amendments, the following resolutions of the Company (unless otherwise indicated, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 22 May 2024 (the “**Circular**”)):

### **AS ORDINARY RESOLUTIONS**

1. To receive and adopt the audited consolidated financial statements and the reports of the Directors and auditor for the year ended 31 December 2023.
2.
  - (i) To re-elect Dr. LU Chris Xiangyang as an executive Director.
  - (ii) To re-elect Ms. XIE Ling as an executive Director.
  - (iii) To re-elect Dr. WANG David Guowei as a non-executive Director.
  - (iv) To re-elect Mr. ZHOU Jian as an independent non-executive Director.
  - (v) To authorize the Board to fix the remuneration of the Directors.
3. To re-appoint KPMG as auditor and to authorize the Board to fix its remuneration.
4. To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

**“THAT:**

- (a) subject to the following provisions of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with additional Shares (including any sale or transfer of treasury shares out of treasury) or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of the Company, and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;

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- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued and treasury shares which may be sold or transferred or agreed conditionally or unconditionally to be sold or transferred by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of the conversion rights attaching to any convertible securities issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into Shares of the Company; (iii) the exercise of warrants to subscribe for Shares; (iv) the exercise of options granted under any share option scheme or similar arrangement for the time being adopted by the Company; or (v) any scrip dividend scheme or similar arrangement providing for the allotment of Shares (and/or the sale or transfer of treasury shares) in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of the Company in force from time to time; shall not exceed 20% of the aggregate number of Shares of the Company in issue (excluding treasury shares) as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law of the Cayman Islands to be held; or
  - (iii) the date on which such mandate is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of Shares open for a period fixed by the Directors to the holders of Shares or any class of Shares whose names appear on the registers of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

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5. To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

**“THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which Shares may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or those of any other recognized stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution above shall be in addition to any other authorization given to the Directors and shall authorize the Directors on behalf of the Company during the Relevant Period (as hereinafter defined) to procure the Company to repurchase its Shares at a price determined by the Directors;
- (c) the aggregate number of Shares of the Company in issue, which may be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution shall not exceed 10% of the aggregate number of Shares of the Company in issue (excluding treasury shares) as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law of the Cayman Islands to be held; or
  - (iii) the date on which such mandate is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

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6. To consider and, if thought fit, pass the following resolutions as ordinary resolution:

“**THAT** conditional upon resolutions numbered 4 and 5 above being passed, the unconditional general mandate granted to the Directors to allot, issue and deal with additional Shares and to make or grant offers, agreements, and options which might require the exercise of such powers pursuant to resolution numbered 4 above be and is hereby extended by the additional thereto of an amount representing the aggregate number of Shares repurchased by the Company under the authority granted pursuant to resolution numbered 5 above, provided that such amount shall not exceed 10% of the aggregate number of Shares of the Company in issue (excluding treasury shares) as at the date of passing the resolution.”

7. To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

“**THAT:**

- (a) conditional upon the passing of the resolution in paragraph (b) of this resolution, the adoption of the Share Award Scheme proposed by the Board, as reflected in a copy of the Share Award Scheme which is produced to this meeting, marked “A” and initialed by the chairman of the AGM for the purpose of identification, be and is hereby approved and adopted in all respects; and the board of Directors or a committee thereof duly appointed be and is hereby authorised to, subject to the applicable laws, rules and regulations: (i) grant awards in accordance with the rules of the Share Award Scheme; (ii) allot, issue, procure the transfer of or otherwise deal with from time to time such number of award shares (including treasury shares) as may be required pursuant to the vesting of the awards under the Share Award Scheme; (iii) administer the Share Award Scheme; and (iv) do all such acts and to enter into all such transactions, arrangements and agreements as the board of Directors or a committee thereof duly appointed in its sole discretion consider to be necessary or expedient in order to give full effect to the Share Award Scheme;
- (b) the Scheme Mandate Limit be and is hereby approved and adopted; and
- (c) conditional upon the passing of the resolution in paragraph (b) of this resolution, the Service Provider Sublimit be and is hereby approved and adopted.”

By order of the Board  
**Laekna, Inc.**  
**Dr. LU Chris Xiangyang**  
*Chairman*

Hong Kong, 22 May 2024

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*Notes:*

1. For the purpose of determining the identity of the shareholders entitled to attend and vote at the meeting, the register of members of the Company will be closed from Tuesday, 11 June 2024 to Friday, 14 June 2024 both dates inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 7 June 2024.
2. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or, if he is the holder of two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), seniority being determined by the order in which names stand in the register of members.
4. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorized in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney or other person duly authorized, and must be deposited with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof) not less than 48 hours before the time fixed for holding of the Meeting. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.
5. With respect to resolution numbered 2 of this notice, Dr. LU Chris Xiangyang, Ms. XIE Ling, Dr. WANG David Guowei and Mr. ZHOU Jian shall retire from office of directorship and shall offer themselves for re-election in accordance with the articles of association of the Company. Details of their information which are required to be disclosed under the Listing Rules are set out in Appendix II to the Circular.
6. With respect to resolution numbered 4 of this notice, the directors of the Company wish to state that they have no immediate plans to issue any new shares or sale or transfer any treasury shares of the Company. Approval is being sought from the shareholders of the Company as a general mandate for the purposes of the Listing Rules.
7. With respect to resolution numbered 5 of this notice, the directors of the Company wish to state that they will exercise the powers conferred by the general mandate to repurchase shares of the Company in circumstances which they deem appropriate for the benefits of shareholders of the Company. The explanatory statement containing the information necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own shares, as required by the Listing Rules, is set out in Appendix I to the accompanied Circular.
8. Pursuant to Rule 13.39(4) of the Listing Rules, voting for all the resolutions set out in this notice will be taken by poll at the above meeting. On a poll, votes may be given either personally or by proxy.

*As at the date of this notice, the Board comprises Dr. LU Chris Xiangyang, Ms. XIE Ling and Dr. GU Xiang-Ju Justin as executive Directors; Dr. WANG David Guowei and Mr. SUN Yuan as non-executive Directors; and Dr. YIN Xudong, Dr. LI Min and Mr. ZHOU Jian as independent non-executive Directors.*