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**EVEREST MEDICINES**

**云 頂 新 耀**

**Everest Medicines Limited**

**雲 頂 新 耀 有 限 公 司**

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

**(Stock Code: 1952)**

**(1) GRANT OF OPTIONS, (2) GRANT OF AWARDS,  
(3) NON-EXEMPT CONNECTED TRANSACTIONS —  
PROPOSED AWARD GRANT TO CONNECTED PERSONS,  
(4) NON-EXEMPT CONNECTED TRANSACTIONS —  
PROPOSED PERFORMANCE TARGET AWARD GRANT  
TO CONNECTED PERSONS,  
(5) INCREASE IN ANNUAL LIMIT UNDER  
THE POST-IPO SHARE AWARD SCHEME,  
(6) PROPOSED INCREASE IN SHARE AWARD SCHEME  
LIMIT UNDER THE POST-IPO SHARE AWARD SCHEME, AND  
(7) PROPOSED SCHEME MANDATE TO ISSUE SHARES  
UNDER THE POST-IPO SHARE AWARD SCHEME**

**(1) GRANT OF OPTIONS**

This announcement is made pursuant to Rule 17.06A of the Listing Rules. The Board announces that on 1 April 2022, the Company granted 7,079,774 Options to 228 Option Grantees under the Post-IPO Share Option Scheme, subject to acceptance by the Option Grantees. The details of the Options granted to the Option Grantees are as follows:

Date of grant: 1 April 2022

Exercise price of  
the Options granted: HK\$23.17 per Share

Number of Options granted: 7,079,774

Market price of the Shares on the date of grant: HK\$22.85 per Share

Validity period of the Options: 7 years after the date of grant

Among the grant of Options, 1,076,976 Options were granted to 10 connected persons of the Company, details of which are as follows:

| <b>Name of Option Grantee</b> | <b>Position</b>   | <b>Number of Options granted</b> |
|-------------------------------|---|----------------------------------|
| Mr. Shidong Jiang             | Independent non-executive Director  | 20,000                           |
| Mr. Yifan Li                  | Independent non-executive Director  | 20,000                           |
| Mr. Bo Tan                    | Independent non-executive Director  | 20,000                           |
| 7 other Option Grantees       | Other employees of the Company including senior management who are directors of subsidiaries of the Company | 1,016,976                        |

Pursuant to Rule 17.04(1) of the Listing Rules, such grant of Options to Mr. Shidong Jiang (1) had been approved by the independent non-executive Directors (excluding Mr. Shidong Jiang); and (2) would not result in the Shares issued and to be issued upon exercise of all options already granted and to be granted to Mr. Shidong Jiang in the 12-month period up to and including the date of such grant (a) representing in aggregate over 0.1% of the Shares in issue; and (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million.

Pursuant to Rule 17.04(1) of the Listing Rules, such grant of Options to Mr. Yifan Li (1) had been approved by the independent non-executive Directors (excluding Mr. Yifan Li); and (2) would not result in the Shares issued and to be issued upon exercise of all options already granted and to be granted to Mr. Yifan Li in the 12-month period up to and including the date of such grant (a) representing in aggregate over 0.1% of the Shares in issue; and (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million.

Pursuant to Rule 17.04(1) of the Listing Rules, such grant of Options to Mr. Bo Tan (1) had been approved by the independent non-executive Directors (excluding Mr. Bo Tan); and (2) would not result in the Shares issued and to be issued upon exercise of all options already granted and to be granted to Mr. Bo Tan in the 12-month period up to and including the date of such grant (a) representing in aggregate over 0.1% of the Shares in issue; and (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million.

None of the grant of Options is subject to approval by the Shareholders.

The grant of Options enables the Company to attract, retain, incentivize, reward and remunerate the Option Grantees, and encourage them to work towards enhancing the value of the Company and the Shares for the benefit of the Company and Shareholders as a whole.

## **(2) GRANT OF AWARDS**

On a voluntary basis, the Board announces that on 1 April 2022, the Company granted 4,941,099 Awards to 264 Non-Connected Grantees under the Pre-IPO ESOP and the Post-IPO Share Award Scheme, subject to acceptance by the Non-Connected Grantees.

The abovementioned grant of Awards is not subject to approval by the Shareholders, and none of the Non-Connected Grantees is a connected person (as defined in the Listing Rules) of the Company or an associate (as defined in the Listing Rules) of any of them.

The Pre-IPO ESOP and Post-IPO Share Award Scheme do not constitute share option schemes pursuant to Chapter 17 of the Listing Rules and are discretionary schemes of the Company.

The grant of Awards enables the Company to attract, retain, incentivize, reward and remunerate the Non-Connected Grantees, and encourage them to work towards enhancing the value of the Company and the Shares for the benefit of the Company and Shareholders as a whole.

## **(3) PROPOSED GRANT OF AWARDS TO CONNECTED PERSONS**

The Board announces that on 1 April 2022, the Company resolved to grant 103,775 Awards to 5 Connected Grantees under the Post-IPO Share Award Scheme, each subject to acceptance by the Connected Grantees and Independent Shareholders' approval at the AGM. Each Connected Grantee is a connected person at subsidiary level and will, subject to the aforementioned conditions, receive between approximately 17,000 to 24,000 Awards.

Each of the Awards is granted, among other terms, for nil consideration, and represents the right to receive one Share on the date the Award vests. Each Award will be subject to a time-based vesting over 4 years.

The market price of the Shares on the date of grant was HK\$22.85 per Share.

#### (4) PROPOSED GRANT OF PERFORMANCE TARGET AWARDS TO CONNECTED PERSONS

The Company announces that on 1 April 2022, the Board resolved to grant a maximum number of 4,500,000 Performance Target Awards to Dr. Kerry Levan Blanchard, Mr. Ian Ying Woo and Mr. Xiaofan Zhang (collectively, the “**Performance Target Award Grantees**”) under the Post-IPO Share Award Scheme, each subject to acceptance by the Performance Target Award Grantees and Independent Shareholders’ approval at the AGM.

Details of the Proposed Performance Target Awards Grants are set out below.

| <b>Name of Performance Target Award Grantee</b> | <b>Position</b>   | <b>Maximum number of Shares to be granted under the Proposed Performance Target Award Grant</b> |
|---|---|---|
| Dr. Kerry Levan Blanchard                       | Executive Director and chief executive officer            | 2,500,000   |
| Mr. Ian Ying Woo                                | Executive Director, president and chief financial officer | 1,000,000   |
| Mr. Xiaofan Zhang                               | Executive Director and chief operating officer            | 1,000,000   |

The Proposed Performance Target Awards Grants are also subject to the achievement of certain stock price targets from HK\$55 to HK\$75 and certain business milestones (the “**Performance Targets**”).

Each Performance Target Award will be subject to a time-based vesting over 3 years.

Each of the Performance Target Awards is granted, among other terms, for nil consideration, and represents the right to receive one Share on the date the Performance Target Award vests. The Shares underlying the Performance Target Awards are subject to limitations in the volume and value that may be sold within a prescribed period as determined by the Board from time to time.

The market price of the Shares on the date of grant was HK\$22.85 per Share.

#### **Reasons for and Benefits of the Proposed Award Grants and the Proposed Performance Target Award Grants**

The Proposed Award Grants and Proposed Performance Target Award Grants are part of the Company’s remuneration policy. It enables the Company to attract, retain, incentivize, reward and remunerate the Connected Grantees and the Performance Target Award Grantees, and encourage them to work towards enhancing the value of the Company and the Shares for the benefit of the Company and Shareholders as a whole.

The Directors believe that the future success and continual development of the Company are closely linked to the continual commitment and efforts of its management team. In particular, given the limited number of individuals in the biopharmaceutical industry with the breadth of expertise and experience required to successfully discover, develop, gain regulatory approval of, manufacture and commercialize drug products and formulate strategy as well as operate the Company to support the development of the drug products, the Board considers that the retention and motivation of the Connected Grantees and the Performance Target Award Grantees as an indispensable part of the senior management and research and development team of the Group is highly beneficial for the Group's development and expansion, and can avoid any potential disruption to the existing operation of the Group resulting from the lack of continuity of leadership.

The Connected Grantees and the Performance Target Award Grantees have been invaluable to and instrumental in the Group's success, especially in business development, operational excellence, licensing and research and development. The number of Awards proposed to be granted to the Connected Grantees and the Performance Target Award Grantees was determined by the Remuneration Committee and the Directors having taken into account (i) where possible, the level of remuneration paid by comparable companies to their directors and senior management; (ii) the time commitment, responsibilities and achievements of the Connected Grantees and the Performance Target Award Grantees in the past year; (iii) the market practice regarding executive remuneration package structures of comparable companies; and (iv) based on their experience and knowledge of the industry, the importance of a biopharmaceutical company like the Group, which depends significantly highly educated and skilled individuals with the requisite biopharmaceutical and industry knowledge, to retain, motivate and incentivize the Directors and senior management to run the Company successfully for the long term benefit of the Group.

#### *The Proposed Performance Target Award Grants*

In particular, the Proposed Performance Target Award Grants were designed by the Remuneration Committee following a 6-month engagement with a leading global compensation consulting firm. The goals of the plan are to:

- (i) further align the interests of the Shareholders and management team;
- (ii) ensure the retention of C-level talent and their continued service over the long term; and
- (iii) accelerate the achievement of Company's strategic and financial objectives.

The Proposed Performance Target Award Grants will provide the Performance Target Award Grantees with incentive to maximize Shareholder value and drive Share price performance. Such grant that can be realized when Performance Targets are attained is akin to payment of a performance bonus and hence an effective incentive. To achieve the highest and lowest stock price target of HK\$75 and HK\$55, the Company's stock price will have to increase by approximately 228.23% and 140.70%, respectively, to the stock price of HK\$22.85 as at the date of this announcement. The vesting of certain Performance Target Awards will also be subject to certain other business milestones. The Board believes that these are appropriately challenging targets.

## **Director's Views**

In this regard, the Board (excluding Dr. Kerry Levan Blanchard and the independent non-executive Directors whose views will be formed after taking into account the advice of the Independent Financial Adviser) and the Remuneration Committee consider that the terms of the Proposed Performance Target Award Grant to Dr. Kerry Levan Blanchard on the attainment of the Performance Targets are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

In this regard, the Board (excluding Mr. Ian Ying Woo and the independent non-executive Directors whose views will be formed after taking into account the advice of the Independent Financial Adviser) and the Remuneration Committee consider that the terms of the Proposed Performance Target Award Grant to Mr. Ian Ying Woo on the attainment of the Performance Targets are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

In this regard, the Board (excluding Mr. Xiaofan Zhang and the independent non-executive Directors whose views will be formed after taking into account the advice of the Independent Financial Adviser) and the Remuneration Committee consider that the terms of the Proposed Performance Target Award Grant to Mr. Xiaofan Zhang on the attainment of the Performance Targets are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

In this regard, the Directors (excluding the independent non-executive Directors whose views will be formed after taking into account the advice of the Independent Financial Adviser) consider that the terms of the Proposed Award Grant to each of the Connected Grantees are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

### **(5) INCREASE IN ANNUAL LIMIT UNDER THE POST-IPO SHARE AWARD SCHEME**

The Existing Share Award Scheme Limit (as defined below) under the Post-IPO Share Award Scheme is subject to an annual limit. On 1 April 2022, the Board has resolved to amend the rules of the Post-IPO Share Award Scheme to the effect that the annual limit for Awards granted under the Post-IPO Share Award Scheme has been changed from 2% to 2.5% of the total number of issued Shares as of the relevant times.

### **(6) PROPOSED INCREASE IN SHARE AWARD SCHEME LIMIT UNDER THE POST-IPO SHARE AWARD SCHEME**

To facilitate the grant of further Awards under the Post-IPO Share Award Scheme in view of the current utilisation of the Existing Share Award Scheme Limit (as defined below) and the importance to retain and motivate the Group's employees, the Board resolved that, subject to (i) the Shareholders approving the Increase in Share Award Scheme Limit and the Scheme Mandate at the upcoming AGM, and (ii) the listing division of the Stock Exchange granting the listing of, and permission to deal in, any Shares to be allotted and issued under the Post-IPO Share Award Scheme in excess of those previously approved by the Stock Exchange, the Existing Share Award Scheme Limit of the Post-IPO Share Award Scheme be increased by

4,500,000 Shares (representing approximately 1.49% of the total issued Shares as at the date of this announcement) to the new share award scheme limit of 18,684,519 Shares (the “**New Share Award Scheme Limit**”) in accordance with the provisions in the scheme rules of the Post-IPO Share Award Scheme.

The New Share Award Scheme Limit was determined by reference to the number of Shares granted and proposed to be granted and the number of potential eligible persons and the estimated future need of the Group to incentivize the eligible persons.

Save for the proposed increase in the Existing Share Award Scheme Limit, other provisions of the Post-IPO Share Award Scheme shall remain unchanged.

### **The Post-IPO Share Award Scheme and the Existing Share Award Scheme Limit**

The Post-IPO Share Award Scheme was adopted by the then Shareholders on 21 September 2020 and became effective on the Company’s listing date, 9 October 2020. Pursuant to the Post-IPO Share Award Scheme, the Board or the committee of the Board or person(s) to which the Board has delegated its authority may, from time to time, at their absolute discretion, grant an Award to a selected participant (in the case of the Board’s delegate(s), to any selected participant other than a Director or an officer of the Company) for up to a maximum of 14,184,519 Shares underlying all grants (excluding Shares which have been forfeited in accordance with the Post-IPO Share Award Scheme) (the “**Existing Share Award Scheme Limit**”) (representing approximately 5% of the total issued Shares immediately after completion of the Company’s initial public offering, assuming the over-allotment option is not exercised and no Shares are issued pursuant to the share schemes) without further Shareholders’ approval.

As at the date of this announcement, 11,253,060 Shares underlying the grant of Awards under the Post-IPO Share Award Scheme had been, or proposed to be, granted (excluding Shares which have been forfeited in accordance with the Post-IPO Share Award Scheme), representing approximately 79.33% of the total number of Shares authorised to be granted under the Existing Share Award Scheme Limit. Details of such grants and proposed grants of Awards were announced by the Company in the announcements dated 7 May 2021, 22 June 2021, 15 July 2021 and 1 April 2022. As such, the remaining balance of Shares which could be granted under the Post-IPO Share Award Scheme is 2,931,459 Shares.

## **(7) PROPOSED SCHEME MANDATE TO ISSUE SHARES UNDER THE POST-IPO SHARE AWARD SCHEME**

As the Company may grant further Awards under the Post-IPO Share Award Scheme after the Increase in Share Award Scheme Limit becoming effective and may issue and allot new Shares to satisfy the Awards in excess of those Shares under the Existing Share Award Scheme Limit, ordinary resolutions will be proposed at the AGM for the Shareholders to consider and, if thought fit, approve the Scheme Mandate, subject to the listing division of the Stock Exchange granting the listing of, and permission to deal in, any Shares to be allotted and issued under the Post-IPO Share Award Scheme in excess of those previously approved by the Stock Exchange.

The Scheme Mandate, once granted, shall remain effective until the variation or revocation of the Scheme Mandate by an ordinary resolution of the Shareholders at a general meeting of the Company.

An application will be made to the listing division of the Stock Exchange for the listing of, and the permission to deal in, 4,500,000 Shares which may be issued pursuant to any Awards made under the Post-IPO Share Award Scheme in excess of those Shares under the Existing Share Award Scheme Limit previously approved by the Stock Exchange. For the avoidance of doubt, the Stock Exchange has granted approval at the time of the Company's initial public offering for the listing of, and permission to deal in, the Shares to be issued under the Existing Share Award Scheme Limit.

### **Reasons for the Increase in Share Award Scheme Limit and the Scheme Mandate**

The purpose of the Post-IPO Share Award Scheme is to align the interests of eligible persons with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, and to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group. As the Existing Share Award Scheme Limit is nearly depleted, the grant of the Scheme Mandate will allow the Company to continue to grant Awards under the Post-IPO Share Award Scheme so as to continue to serve its intended purposes and objectives of rewarding and incentivizing the eligible persons and to contribute to the success of the Group. The Directors therefore consider that the Increase in Share Award Scheme Limit and the grant of the Scheme Mandate are in the interests of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

The 5 Connected Grantees under the Post-IPO Share Award Scheme referred to in the section headed “(3) PROPOSED GRANT OF AWARDS TO CONNECTED PERSONS” are Ms. Min Yu, Mr. Zixin Qiao, Ms. Heasun Park, Mr. Ng Kah San and Mr. Yuan Gao, respectively, and each of them is a director of a subsidiary of the Company, and therefore a connected persons of the Company. The Performance Target Award Grantees under the Post-IPO Share Award Scheme referred to in the section headed “(4) PROPOSED GRANT OF PERFORMANCE TARGET AWARDS TO CONNECTED PERSONS” are Dr. Kerry Levan Blanchard, Mr. Ian Ying Woo and Mr. Xiaofan Zhang, respectively, and each of them is an executive Director, and therefore a connected person of the Company.

Accordingly, each of the Proposed Award Grants and the Proposed Performance Target Award Grants constitutes a non-exempt connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to reporting, announcement, circular and the Independent Shareholders' approval requirements.

Pursuant to Chapter 14A of the Listing Rules, a Shareholder with a material interest in the transaction is required to abstain from voting on the resolutions at the AGM to approve the Proposed Award Grants and the Proposed Performance Target Award Grants.



No Director is considered to be interested in the Proposed Award Grants and therefore none of them abstained from voting on the relevant Board resolution. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, none of the Shareholders or their associates would have any interest in the Proposed Award Grants. Accordingly, no Shareholders are required under the Listing Rules to abstain from voting at the AGM on the resolutions approving the Proposed Award Grants and transactions contemplated therein.

Dr. Kerry Levan Blanchard did not vote on the Board resolution approving the Proposed Performance Target Award Grant to Dr. Kerry Levan Blanchard. No other Director is considered to be interested in this grant and therefore none of them other than Dr. Kerry Levan Blanchard abstained from voting on the relevant Board resolution. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Dr. Kerry Levan Blanchard and their associates is not interested in any Shares or underlying Shares, except for Dr. Kerry Levan Blanchard's interest in certain options for which no voting rights may be exercisable. Accordingly, no Shareholders are required under the Listing Rules to abstain from voting at the AGM on the resolutions approving the Proposed Performance Target Award Grant to Dr. Kerry Levan Blanchard and transactions contemplated therein.

Mr. Ian Ying Woo did not vote on the Board resolution approving the Proposed Performance Target Award Grant to Mr. Ian Ying Woo. No other Director is considered to be interested in this grant and therefore none of them other than Mr. Ian Ying Woo abstained from voting on the relevant Board resolution. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Mr. Ian Ying Woo and their associates is not interested in any Shares or underlying Shares, except for Mr. Ian Ying Woo's interest in certain options for which no voting rights may be exercisable. Accordingly, no Shareholders are required under the Listing Rules to abstain from voting at the AGM on the resolutions approving the Proposed Performance Target Award Grant to Mr. Ian Ying Woo and transactions contemplated therein.

Mr. Xiaofan Zhang did not vote on the Board resolution approving the Proposed Performance Target Award Grant to Mr. Xiaofan Zhang. No other Director is considered to be interested in this grant and therefore none of them other than Mr. Xiaofan Zhang abstained from voting on the relevant Board resolution. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Mr. Xiaofan Zhang and their associates is not interested in any Shares or underlying Shares, except for Mr. Xiaofan Zhang's interest in options for which no voting rights may be exercisable. Accordingly, no Shareholders are required under the Listing Rules to abstain from voting at the AGM on the resolutions approving the Proposed Performance Target Award Grant to Mr. Xiaofan Zhang and transactions contemplated therein.

No Directors is considered to be interested in the Increase in Share Award Scheme Limit and the Scheme Mandate and therefore none of them abstained from voting on the relevant Board resolution. Each of the Increase in Share Award Scheme Limit and the Scheme Mandate is conditional upon, among other things, the approval by the Shareholders by ordinary resolutions to be passed at the AGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, none of the Shareholders or their associates would have any interest in the Increase in Share Award Scheme Limit and the Scheme Mandate. Accordingly, no Shareholders are required under the Listing Rules to abstain from voting at the AGM on the resolutions approving the Increase in Share Award Scheme Limit and the Scheme Mandate and transactions contemplated therein.

## **GENERAL**

The Company has established the Independent Board Committee to advise the Independent Shareholders in respect of the Proposed Award Grants, the Proposed Performance Target Award Grants and the transactions contemplated thereunder. The Company will appoint an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed Award Grants and the Proposed Performance Target Award Grants.

Ordinary resolutions will be proposed at the upcoming AGM to approve, among other things, (i) the Proposed Award Grants; (ii) the Proposed Performance Target Award Grants; (iii) the Increase in Share Award Scheme Limit; and (iv) the Scheme Mandate. A circular containing, among other things, further details of the Proposed Award Grants, the Proposed Performance Target Award Grants, the Increase in Share Award Scheme Limit and the Scheme Mandate, a letter from the Independent Board Committee, and a letter from the Independent Financial Adviser, together with the notice convening the AGM, will be despatched to the Shareholders in due course as additional time is required by the Company to prepare and finalise certain information for inclusion in the circular.

## **INFORMATION ABOUT THE COMPANY**

The Company is a biopharmaceutical company focused on developing and commercializing transformative pharmaceutical products that address critical unmet medical needs for patients in Greater China and other Asian markets. The management team of the Company has deep expertise and an extensive track record of high-quality clinical development, regulatory affairs, CMC, business development and operations both in China and with leading global pharmaceutical companies. The Company has built a portfolio of eleven potentially global first-in-class or best-in-class molecules, many of which are in late stage clinical development. The Company's therapeutic areas of interest include oncology, autoimmune disorders, cardio-renal diseases and infectious diseases.

## **DEFINITIONS**

|             |   |
|-------------|---|
| “AGM”       | the annual general meeting of the Company to be held on or around June 2022   |
| “associate” | has the same meaning ascribed to it under the Listing Rules   |
| “Award(s)”  | awards(s), being a contingent right to receive Shares awarded under the Post-IPO Share Award Scheme and/or the Pre-IPO ESOP |
| “Board”     | the board of Directors  |
| “Company”   | Everest Medicines Limited, an exempted company with limited liability incorporated in the Cayman Islands on 14 July 2017    |

|  |   |
|--|---|
| “Connected Grantee(s)”                 | the employee(s) of the Company and its subsidiaries who are connected persons of the Company and will, subject to certain conditions, be granted Awards in accordance with the Post-IPO Share Award Scheme  |
| “connected person(s)”                  | has the meaning ascribed to it under the Listing Rules  |
| “Director(s)”                          | the director(s) of the Company  |
| “Group”                                | the Company and its subsidiaries  |
| “HK\$”                                 | Hong Kong dollar, the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China  |
| “Increase in Share Award Scheme Limit” | the proposed increase in the Existing Share Award Scheme Limit to be approved by the Shareholders at the AGM pursuant to which the Board may grant Awards to eligible participants under the Post-IPO Share Award Scheme  |
| “Independent Board Committee”          | an independent committee of the Board comprising all independent non-executive Directors, established to advise the Independent Shareholders in respect of the non-exempt connected transactions relating to the Proposed Award Grants and the Proposed Performance Target Award Grants and the transactions contemplated thereunder  |
| “Independent Financial Adviser”        | the independent financial adviser acceptable to the Stock Exchange to be appointed by the Company pursuant to Rule 14A.44 of the Listing Rules to advise the Independent Board Committee, and the Independent Shareholders on whether the Independent Shareholders should vote in favour of the non-exempt connected transactions relating to the Proposed Award Grants and the Proposed Performance Target Award Grants and the transactions contemplated thereunder |
| “Independent Shareholders”             | the Shareholders who are not required under the Listing Rules to abstain from voting at the AGM to approve the non-exempt connected transactions relating to the Proposed Award Grants and the Proposed Performance Target Award Grants and the transactions contemplated thereunder  |
| “Listing Rules”                        | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited  |

|  |   |
|--|---|
| “Non-Connected Grantee(s)”                   | the employee(s) of the Company and its subsidiaries who are not connected persons of the Company and were granted Awards in accordance with the Pre-IPO ESOP and the Post-IPO Share Award Scheme on 1 April 2022                    |
| “Option(s)”                                  | option(s) to subscribe for or acquire Shares which is/are granted under the Post-IPO Share Option Scheme  |
| “Option Grantee(s)”                          | the employee(s) of the Company and its subsidiaries who were granted Options in accordance with the Post-IPO Share Option Scheme on 1 April 2022  |
| “Performance Target Awards”                  | Awards proposed to be granted to the Performance Target Award Grantees in accordance with the Post-IPO Share Award Scheme   |
| “Post-IPO Share Award Scheme”                | the post-IPO share award scheme adopted by the Shareholders on 21 September 2020  |
| “Post-IPO Share Option Scheme”               | the post-IPO share option scheme adopted by the Shareholders on 21 September 2020   |
| “Pre-IPO ESOP”                               | the pre-IPO employee equity plan adopted on 25 December 2018, amended and restated on 17 February 2020, which terminated in relation to options upon the listing of the Company but not restricted stock units (as defined therein) |
| “Proposed Award Grant(s)”                    | proposed grant(s) of Awards to the Connected Grantees in accordance with the Post-IPO Share Award Scheme  |
| “Proposed Performance Target Award Grant(s)” | proposed grant(s) of Performance Target Awards to the Performance Target Award Grantees in accordance with the Post-IPO Share Award Scheme  |
| “Remuneration Committee”                     | remuneration committee of the Board   |
| “Scheme Mandate”                             | the specific mandate to allot and issue Shares for the further grant of Awards in accordance with the Post-IPO Share Award Scheme which is subject to the approval by the Independent Shareholders at the AGM                       |

|                  |   |
|------------------|---|
| “Shareholders”   | holder(s) of Shares in the Company  |
| “Shares”         | ordinary shares in the share capital of the Company with a par value of US\$0.0001 each |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited   |
| “US\$”           | U.S. dollars, the lawful currency of the United States of America                       |

By order of the Board  
**Everest Medicines Limited**  
**Wei Fu**  
*Chairman and Executive Director*

Hong Kong, 1 April 2022

*As at the date of this announcement, the Board comprises Mr. Wei Fu as Chairman and Executive Director, Dr. Kerry Levan Blanchard, Mr. Ian Ying Woo and Mr. Xiaofan Zhang as Executive Directors, Mr. Yubo Gong and Ms. Lan Kang as Non-executive Directors, and Mr. Bo Tan, Mr. Yifan Li and Mr. Shidong Jiang as Independent Non-executive Directors.*