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If you have sold or transferred all your shares in CanSino Biologics Inc., you should at once hand this circular together with the 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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CanSino Biologics Inc.
康希諾生物股份公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 6185)

- (1) PROPOSED ADOPTION OF THE 2021 RESTRICTED SHARE INCENTIVE SCHEME AND PROPOSED ISSUE OF RESTRICTED SHARES PURSUANT TO SPECIFIC MANDATE**
- (2) PROPOSED ADOPTION OF THE MANAGEMENT MEASURES FOR ASSESSMENT FOR THE IMPLEMENTATION OF THE 2021 RESTRICTED SHARE INCENTIVE SCHEME**
- (3) PROPOSED AUTHORIZATION TO THE BOARD OF DIRECTORS TO DEAL WITH MATTERS RELATING TO THE 2021 RESTRICTED SHARES INCENTIVE SCHEME**
- AND**
- (4) NOTICES OF THE 2021 SECOND EXTRAORDINARY GENERAL MEETING AND THE 2021 FIRST CLASS MEETING OF H SHAREHOLDERS**

Notices convening the EGM and the Class Meeting of H Shareholders of CanSino Biologics Inc. to be held on Friday, September 10, 2021 at No. 3 Ballroom, 2nd Floor, Shangri-La Hotel Tianjin, No. 328 Haihe East Road, Hedong District, Tianjin, the People's Republic of China, at 2:00 p.m. and immediately after the conclusion of the EGM are set out in this circular. The corresponding forms of proxy for use at the EGM and the Class Meeting of H Shareholders are also enclosed. Such forms of proxy are also published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.cansinotech.com>).

Shareholders who intend to appoint a proxy to attend the EGM and/or the Class Meeting of H Shareholders shall complete and return the enclosed form(s) of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the EGM and the Class Meeting of H Shareholders (i.e. not later than 2:00 p.m. on Thursday, September 9, 2021) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM and/or the Class Meeting of H Shareholders if they so wish.

References to dates and time in this circular are to Hong Kong dates and time.

August 26, 2021

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DEFINITIONS

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

“A Share(s)”	ordinary shares in the share capital of our Company with a nominal value of RMB1.00 each and listed on the Sci-Tech Innovation Board of the Shanghai Stock Exchange and traded in RMB
“A Shareholder(s)”	holder(s) of A Shares
“Ad5-EBOV”	an adenovirus type 5 vector based Ebola virus disease vaccine, a vaccine jointly developed by, among others, the Company, that protects against Ebola by relying on the recombinant replication-defective human adenovirus type-5 vector to induce the immune response. It received the NDA approval in China in October 2017
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Assessment Management Measures”	the Management Measures for Assessment for the Implementation of the 2021 Restricted Share Incentive Scheme
“Board of Directors” or “Board”	the board of Directors
“Class Meeting(s)”	the Class Meeting of A Shareholders and Class Meeting of H Shareholders
“Class Meeting of A Shareholders”	the 2021 first class meeting of A Shareholders to be held on Friday, September 10, 2021 immediately after the conclusion of the Class Meeting of H Shareholders (or any adjournment thereof)
“Class Meeting of H Shareholders”	the 2021 first class meeting of H Shareholders to be held on Friday, September 10, 2021 immediately after the conclusion of the EGM (or any adjournment thereof)

DEFINITIONS

“Company”	CanSino Biologics Inc. (康希諾生物股份公司), a joint stock company incorporated in the PRC with limited liability on February 13, 2017, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 6185) and the A Shares of which are listed on Sci-Tech Innovation Board of the Shanghai Stock Exchange (stock code: 688185)
“connected person(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“connected transaction(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“EGM”	the 2021 second extraordinary general meeting of the Company to be held at 2:00 p.m. on Friday, September 10, 2021
“First Grant”	the proposed grant of not more than 880,200 Restricted Shares, representing approximately 80.00% of the total number of Restricted Shares under the Incentive Scheme
“Grant Date”	the date on which the Company grants the Restricted Shares
“Grant Price”	the price of each Restricted Share to be granted to the Participants
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas-listed foreign share(s) in the share capital of our Company with a nominal value of RMB1.00 each which are subscribed for and traded in Hong Kong Dollars and listed on the Main Board of the Hong Kong Stock Exchange
“H Shareholder(s)”	holder(s) of H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Hong Kong Dollars”, “HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Incentive Scheme”	the 2021 Restricted Share Incentive Scheme of the Company
“IND”	Investigational New Drug
“Latest Practicable Date”	August 23, 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules” or “Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Management Measures”	the Management Measures for Share Incentives of Listed Companies (《上市公司股權激勵管理辦法》)
“Notice of EGM”	the notice of the EGM dated August 26, 2021
“Notice of the Class Meeting of H Shareholders”	the notice of the Class Meeting of H Shareholders dated August 26, 2021
“Participant(s)”	the participants of the Incentive Scheme
“PRC” or “China”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“PRC Company Law”	the Company Law of the PRC (《中華人民共和國公司法》), as amended from time to time
“PRC Securities Law”	the Securities Law of the PRC (《中華人民共和國證券法》), as amended from time to time
“Remuneration and Assessment Committee”	the remuneration and assessment committee of the Company
“Reserved Grant”	the reserved grant of not more than 220,050 Restricted Shares, representing approximately 20.00% of the total number of Restricted Shares under the Incentive Scheme

DEFINITIONS

“Restricted Share(s)”	A Share(s) to be granted to the Participants by the Company at the Grant Price stipulated under the Incentive Scheme, which are subject to the conditions stipulated under the Incentive Scheme
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Shares
“Specific Mandate”	the specific mandate to be sought from the Shareholders at the EGM and the Class Meetings to issue and allot no more than 1,100,250 A Shares as Restricted Shares under the Incentive Scheme
“%”	per cent

LETTER FROM THE BOARD

CanSino Biologics Inc. 康希諾生物股份公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 6185)

Executive Directors:

Dr. Xuefeng YU (Chairman and chief executive officer)
Dr. Shou Bai CHAO
Dr. Tao ZHU (朱濤)
Dr. Dongxu QIU

Non-Executive Directors:

Mr. Qiang XU (許強)
Mr. Liang LIN (林亮)
Ms. Nisa Bernice Wing-Yu LEUNG (梁穎宇)
Mr. Zhi XIAO (肖治)

Independent Non-executive Directors:

Mr. Shiu Kwan Danny WAI (韋少琨)
Ms. Zhu XIN (辛珠)
Mr. Shuifa GUI (桂水發)
Mr. Jianzhong LIU (劉建忠)

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August 26, 2021

To the Shareholders

Dear Sirs,

- (1) PROPOSED ADOPTION OF THE 2021 RESTRICTED SHARE INCENTIVE SCHEME AND PROPOSED ISSUE OF RESTRICTED SHARES PURSUANT TO SPECIFIC MANDATE**
- (2) PROPOSED ADOPTION OF THE MANAGEMENT MEASURES FOR ASSESSMENT FOR THE IMPLEMENTATION OF THE 2021 RESTRICTED SHARE INCENTIVE SCHEME**
- (3) PROPOSED AUTHORIZATION TO THE BOARD OF DIRECTORS TO DEAL WITH MATTERS RELATING TO THE 2021 RESTRICTED SHARES INCENTIVE SCHEME**
- AND**
- (4) NOTICES OF THE 2021 SECOND EXTRAORDINARY GENERAL MEETING AND THE 2021 FIRST CLASS MEETING OF H SHAREHOLDERS**

I. INTRODUCTION

Reference is made to the announcement of the Company dated August 20, 2021 in relation to, among other things, (a) the proposed adoption of the Incentive Scheme, (b) the proposed adoption of the Assessment Management Measures for the implementation of the Incentive Scheme, and (c) the proposed authorization to the Board of Directors to deal with matters relating to the Incentive Scheme.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with the notice of each of the EGM and the Class Meeting of H Shareholders and the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM and the Class Meeting of H Shareholders.

II. DETAILS OF THE SPECIAL RESOLUTIONS

(1) Proposed Adoption of the Incentive Scheme

Reference is made to the announcement of the Company dated August 20, 2021 in relation to, among other things, the proposed adoption of the Incentive Scheme.

1. Principal Terms of the Incentive Scheme

The Principal terms of the Incentive Scheme are set out below:

Effectiveness of the Incentive Scheme The Incentive Scheme shall not take effect unless it's approved by the Shareholders at the EGM and the Class Meetings.

Lock-up Period Any Restricted Share attributed in each tranche shall not be transferable for six months from the date of the attribution of the Restricted Shares in that tranche.

Validity Period of the Incentive Scheme From the date of the First Grant of Restricted Shares to the date on which all Restricted Shares granted to the Participants have attributed or lapsed. Such validity period shall not exceed 48 months.

Participants The Participants under the First Grant amount to 391 persons, representing approximately 30.96% of the total number of employees of the Company as of the date of July 31, 2021. The Participants under the First Grant shall include persons as considered by the Board to be motivated as of the date on which the Board approved the Incentive Scheme.

Participants under the Reserved Grant will be determined in 12 months after the approval at the EGM and the Class Meetings.

LETTER FROM THE BOARD

The Participants exclude the independent Directors, supervisors of the Company, the Shareholders individually or in aggregate holding 5% or more of the Shares of the Company and the actual controllers of the Company and their respective spouses, parents or children.

Grant Price RMB209.71 per A Share (for both the First Grant and the Reserved Grant), being the price of A Shares under initial public offering.

Source of the Restricted Shares to be Granted New ordinary A Shares to be issued by the Company to the Participants.

Number of Restricted Shares to be Granted 1,100,250 Restricted Shares, amounting to approximately 0.4446% of the total share capital of the Company as of the date of the announcement of the Incentive Scheme, among which 880,200 Restricted Shares representing approximately 0.3557% of the total share capital of the Company as of the date of the announcement of the Incentive Scheme will be granted under the First Grant, and 220,050 Restricted Shares representing approximately 0.0889% of the total share capital of the Company as of the date of the announcement of the Incentive Scheme will be reserved for the Reserved Grant.

The Restricted Shares granted to the Participants pursuant to the Incentive Scheme shall not be transferred, pledged for guarantees or used for repayment of debt before attribution and shall not be transferred during the lock-up period.

Basis of Grant Price The Grant Price of Restricted Shares under the Incentive Scheme is RMB209.71 per A Share.

The average trading price of the A Shares on the trading day immediately preceding August 20, 2021 (being the date on which the Board approved the Incentive Scheme) is RMB386.26 per A Share, and the Grant Price of the Restricted Shares under the Incentive Scheme represents 54.29% of the average trading price of the A Shares on such trading day immediately preceding August 20, 2021;

LETTER FROM THE BOARD

The average trading price of the A Shares for the 20 trading days immediately preceding August 20, 2021 is RMB531.62 per A Share, and the Grant Price of the Restricted Shares under the Incentive Scheme represents 39.45% of the average trading price of the A Shares on such 20 trading days immediately preceding August 20, 2021;

The average trading price of the A Shares for the 60 trading days immediately preceding August 20, 2021 is RMB601.49 per A Share, and the Grant Price of the Restricted Shares under the Incentive Scheme represents 34.87% of the average trading price of the A Shares on such 60 trading days immediately preceding August 20, 2021;

The average trading price of the A Shares for the 120 trading days immediately preceding August 20, 2021 is RMB530.47 per A Share, and the Grant Price of the Restricted Shares under the Incentive Scheme represents 39.53% of the average trading price of the A Shares on such 120 trading days immediately preceding August 20, 2021.

The Grant Price is determined for the purpose of promoting the development of the Company and safeguarding interests of the Shareholders, and based on the Company's confidence in its development prospects and recognition of its intrinsic value, and is determined on the principle of equality of incentive and restraint. The mechanism of equity incentive determines that the implementation of this Incentive Scheme is expected to have a positive effect on the Company's sustainable operation ability and Shareholders' interests. The Incentive Scheme sets up reasonable performance assessment targets, the realization of which need to give full play to the initiative and creativity of the core staff. The pricing policy under the Incentive Scheme is consistent with the performance requirements.

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Meanwhile, the Company is a talent and technology-oriented enterprise. With the intensification of competition in the industry and recruiting talents, a long-term incentive policy is necessary. Effective equity incentive is an effective supplement to the existing compensation package of the employees, as with the Incentive Scheme in place, the future income of the Participants depends on the performance of the Company and the stock price of the Company.

Therefore, subject to relevant laws, regulations and regulatory documents, the Company decides to set the Grant Price of the Restricted Shares at RMB209.71 per A Share. The implementation of the Incentive Scheme will stabilize the core team and align the interests of the employees with the interests of the Shareholders.

Adjustment

In the event of conversion of capital reserve into share capital, stock dividend, share split or share consolidation, share allotment, dividend payment, and other matters concerning the share capital change of the Company during the period from the date of announcement of the Incentive Scheme to the date of completion of the attribution registration by the Participants, the Grant Price and the number of Restricted Shares to be granted shall be adjusted in accordance with the Incentive Scheme accordingly. For details of the adjustment, please refer to Appendix I.

Grant Date

To be determined by the Board.

LETTER FROM THE BOARD

Attribution Period For Restricted Shares under the First Grant and the Reserved Grant:

Attribution arrangement	Attribution period	Attribution percentage
First attribution tranche	From the first trading day after the expiry of 12 months following the Grant Date of the First Grant and/or Reserved Grant to the last trading day within the 24 months following the Grant Date of the First Grant and/or Reserved Grant	50%
Second attribution tranche	From the first trading day after the expiry of 24 months following the Grant Date of the First Grant and/or Reserved Grant to the last trading day within the 36 months following the Grant Date of the First Grant and/or Reserved Grant	50%

The Restricted Shares which have not been attributed during the attribution period of their respective tranches as a result of failure to fulfil the attribution conditions are not allowed to be attributed or deferred to be attributed in the next year(s) and shall lapse according to the Incentive Scheme.

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**Conditions for
Grant of the
Restricted Shares**

The Restricted Shares shall be granted upon satisfaction of all of the following granting conditions; or conversely, if any of the following granting conditions has not been satisfied, no Restricted Shares shall be granted to the Participants:

(i) None of the following has occurred on the part of the Company:

1. an audit report on the financial and accounting report for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
2. an audit report on internal control over financial reporting for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
3. in the most recent 36 months upon listing, there have been cases of failure to distribute profits according to laws and regulations, the Articles of Association and public undertakings;
4. laws and regulations stipulate that equity incentives shall not be implemented;
5. other circumstances as determined by the CSRC.

(ii) None of the following has occurred on the part of the Participants:

1. the Participant has been determined as an inappropriate candidate by relevant stock exchange within the most recent 12 months;
2. the Participant has been identified as an inappropriate candidate by the CSRC and its delegated institutions within the most recent 12 months;

LETTER FROM THE BOARD

3. the Participant has been subject to administrative punishment or market ban measures by the CSRC and its delegated institutions due to major breach of laws and regulations in the most recent 12 months;
4. the Participant is prohibited by the PRC Company Law from acting as a director or member of the senior management of a company;
5. applicable laws and regulations stipulate that the Participant shall not participate in equity incentives of listed companies;
6. other circumstances as determined by the CSRC.

**Conditions for the
Attribution of the
Restricted Shares**

For the Restricted Shares to be attributed to the Participant in tranches, all of the following conditions need to be satisfied within the attribution period:

- (i) None of the following has occurred on the part of the Company:
 1. an audit report on the financial and accounting report for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
 2. an audit report on internal control over financial reporting for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
 3. in the most recent 36 months upon listing, there have been cases of failure to distribute profits according to laws and regulations, the Articles of Association and public undertakings;
 4. applicable laws and regulations stipulate that equity incentives shall not be implemented;
 5. other circumstances as determined by the CSRC.

LETTER FROM THE BOARD

- (ii) None of the following has occurred on the part of the Participants:
1. the Participant has been determined as an inappropriate candidate by relevant stock exchange within the most recent 12 months;
 2. the Participant has been identified as an inappropriate candidate by the CSRC and its delegated institutions within the most recent 12 months;
 3. the Participant has been subject to administrative punishment or market ban measures by the CSRC and its delegated institutions due to major breach of laws and regulations in the most recent 12 months;
 4. the Participant shall not act as a director or member of the senior management of a company according to the PRC Company Law;
 5. applicable laws and regulations stipulate that the Participant shall not participate in the equity incentives of listed companies;
 6. other circumstances as determined by the CSRC.

In the event that any one of the circumstances specified in subparagraph (i) above arises in relation to the Company, the Restricted Shares that have been granted but have not yet been attributed to the Participants under the Incentive Scheme shall not be attributed and shall lapse. In the event that any one of the circumstances specified in subparagraph (ii) above arises in relation to a certain Participant, the Restricted Shares that have been granted but have not yet been attributed to such Participant under the Incentive Scheme shall not be attributed and shall lapse.

- (iii) Requirements on length of employment of the Participants for attribution of Restricted Shares:

Before each tranche of Restricted Shares granted to the Participants attributes, the Participant must be employed by the Group for more than 12 months.

LETTER FROM THE BOARD

- (iv) Performance assessment requirements at Company level:

Under the Incentive Scheme, the Company's performance indicators will be evaluated on an annual basis for the financial years of 2021 and 2022, and the achievement of performance assessment target will be one of the attribution conditions for the Participants for the relevant year. The performance assessment targets and attribution factors are shown in the following table for both the First Grant and the Reserved Grant:

Attribution Arrangement	Assessment Year	Performance Target A Company Attribution Factor: 100%	Performance Target B Company Attribution Factor: 85%	Performance Target C Company Attribution Factor: 70%
First attribution tranche	2021	The Company must meet all of the following conditions: 1. Operating revenue: no less than RMB7.0 billion in 2021; 2. At least 3 products are launched (excluding Ad5-EBOV) by the end of 2021; 3. At least 3 candidates have obtained clinical trial approval or entered next-phase clinical trial (for candidates which have obtained clinical trial approval and entered clinical trial stage) in 2021.	The Company must meet all of the following conditions: 1. Operating revenue: no less than RMB6.5 billion in 2021; 2. At least 3 products are launched (excluding Ad5-EBOV) by the end of 2021; 3. At least 3 candidates have obtained clinical trial approval or entered next-phase clinical trial (for candidates which have obtained clinical trial approval and entered clinical trial stage) in 2021.	The Company must meet all of the following conditions: 1. Operating revenue: no less than RMB6.0 billion in 2021; 2. At least 2 products are launched (excluding Ad5-EBOV) by the end of 2021; 3. At least 3 candidates have obtained clinical trial approval or entered next-phase clinical trial (for candidates which have obtained clinical trial approval and entered clinical trial stage) in 2021.

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Attribution Arrangement	Assessment Year	Performance Target A	Performance Target B	Performance Target C
		Company	Company	Company
Second attribution tranche	2022	Attribution Factor: 100%	Attribution Factor: 85%	Attribution Factor: 70%
		The Company must meet all of the following conditions:	The Company must meet all of the following conditions:	The Company must meet all of the following conditions:
		1. Cumulative operating revenue: no less than RMB20.0 billion for the financial years of 2021-2022;	1. Cumulative operating revenue: no less than RMB18.5 billion for the financial years of 2021-2022;	1. Cumulative operating revenue: no less than RMB17.0 billion for the financial years of 2021-2022;
		2. At least 4 products are launched (excluding Ad5-EBOV) by the end of 2022;	2. At least 3 products are launched (excluding Ad5-EBOV) by the end of 2022;	2. At least 3 products are launched (excluding Ad5-EBOV) by the end of 2022;
		3. At least 2 new INDs are filed and accepted in 2022.	3. At least 2 new INDs are filed and accepted in 2022.	3. At least 1 new IND is filed and accepted in 2022.

Notes: The above “operating revenue” is calculated based on the data set out in the consolidated audited financial statements.

(v) Performance assessment requirements at the individual Participant’s level:

The individual assessment of Participants is carried out according to the internal performance assessment system of the Company. The results of the individual assessment of Participants are divided into four levels, namely “A”, “B”, “C” and “D”, and the corresponding attribution percentage is as follows:

Assessment Level	A	B	C	D
Individual attribution factor	100%	100%	85%	0

LETTER FROM THE BOARD

Presuming that the Company has achieved its performance assessment target C (inclusive), the number of Restricted Shares to be attributed to the Participant in the relevant year equals to the number of Restricted Shares planned to be attributed to the individual Participant in that year × the company attribution factor × the individual attribution factor.

In any event that the Restricted Shares to be attributed to the Participant under the Incentive Scheme in the relevant year cannot attribute or fully attribute due to assessment reasons, such Restricted Shares shall lapse and cannot be deferred to the next year for attribution.

The specific content of the assessment under the Incentive Scheme is implemented in accordance with Assessment Management Measures.

**Explanation on the
Scientificity and
Reasonableness of
the Performance
Assessment
Indicators**

The establishment of the assessment indicators of the Incentive Scheme complies with the basic provisions of laws and regulations and the Articles of Association. The assessment indicators are divided into two levels: company level performance assessment and individual level performance assessment.

LETTER FROM THE BOARD

The Company is an enterprise dedicated to research and development, manufacture and commercialization of innovative vaccines in line with domestic and international standards. Under the leadership of the management team, the Company has promoted the research and development of a series of innovative vaccines, for the prevention of, among others, COVID-19, Ebola virus disease, meningitis, DPT, pneumonia, tuberculosis, herpes zoster, and other clinical vaccines in great demands. In order to achieve the Company's strategic objectives and maintain the existing competitiveness, the operating income and the progress of vaccine candidates were set as the assessment indicators at the company level, which can authentically reflect the Company's operation and market positions, and is an effective indicator to predict the Company's operation and development trend and measure the Company's operation efficiency and growth. Based on comprehensive considerations including but not limited to the macroeconomic environment, the Company's historical performance, development in vaccine industry, competition in the market, the Company's future development plan and other relevant factors, the Company has set the performance assessment indicators of the Incentive Scheme. The objectives set in the Incentive Scheme are beneficial to enhance the competitiveness of the Company, motivate employees, ensure the realization of the Company's development strategy and business objectives, and bring more efficient and lasting returns to Shareholders.

In addition to the performance assessment at the company level, the Company has also set up a stringent performance assessment mechanism for each individual employee, which is expected to lead to a more accurate and comprehensive evaluation on the performance of the Participants. The Company will determine whether the relevant Participants meet the conditions of attribution according to the annual performance assessment results.

In summary, the Company's appraisal mechanism under the Incentive Scheme is integrated, comprehensive and practicable. Meanwhile, the Participants are subject to the scientific and reasonable performance indicators, through which the appraisal purpose of the Incentive Scheme can be achieved.

LETTER FROM THE BOARD

**Accounting
Treatment on the
Restricted Shares**

In accordance with relevant requirements of the Accounting Standards for Business Enterprises No. 11 – Share-Based Payments and the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, on each balance sheet date during the period from the Grant Date to the attribution date, the Company shall revise the number of the Restricted Shares which are expected to be attributed according to the changes in the latest available number of persons eligible to be attributed the Restricted Shares, fulfilment of the performance targets and other subsequent information, and recognize the services acquired during such period in relevant costs or expenses and capital reserve at the fair value of the Restricted Shares on the Grant Date.

(i) Fair Value of the Type II Restricted Shares and the Determination Method

The Company will include the services obtained in the current period into relevant costs or expenses and capital reserves according to the fair value of stock options on the Grant Date. The Company selects the Black Scholes model to calculate the fair value of the Type II Restricted Shares, and uses the model to predict the Type II Restricted Shares under the First Grant on August 20, 2021 (formal calculation at the time of grant). The specific parameters are as follows:

1. underlying stock price: RMB390.00 per A Share (assuming that the closing price of the A Shares of the Company on the Grant Date is the closing price on August 20, 2021);
2. the validity period is 12 months and 24 months respectively (the period from the date of grant to the attribution date of each tranche);
3. historical volatility: 34.4529%, 32.8926% (using the historical volatility of Shenwan Biological Products Industry in recent two years);

LETTER FROM THE BOARD

4. risk free interest rate: 1.50% and 2.10% (the benchmark interest rates for 1-year and 2-year deposits of financial institutions formulated by the People's Bank of China are adopted respectively); and
 5. dividend yield: 0.00%.
- (ii) The Estimated Impact on the Operating Performance in Each Accounting Period due to the implementation of the Restricted Shares

The fair value of the Restricted Shares at the Grant Date shall be determined in accordance with accounting standards and the share-based cost of the Incentive Scheme will be determined accordingly. The total amount of above expenses will be amortized in proportion to the attributed shares during the implementation of the Incentive Scheme and the incentive cost of the Company's Incentive Scheme will be disbursed from operating profit or loss.

In accordance with PRC Accounting Standards, the amortization of cost of the Restricted Shares under the First Grant for each accounting period is as follows (assuming the Grant Date will be mid-September 2021):

Unit: RMB0'000

Number of Restricted Shares under the First Grant (share)	Amortization cost of the Restricted Shares	Year ending	Year ending	Year ending
		December 31, 2021	December 31, 2022	December 31, 2023
880,200	16,635.97	3,611.16	10,010.95	3,013.85

Notes:

1. The above costs are projected costs, and actual costs are related to the Grant Date, the actual Grant Price, and the number of attributed shares, which are subject to decrease in case of the Participants' demission before attribution, and the Company or the Participant not being able to meet corresponding performance assessment requirements, which result in decrease of incentive costs. The Company draws the Shareholders' attention to the possible dilutive effect of the share-based payment described above;
2. The final impact of the above projected amortization expenses on the Company's operating results is subject to the audit report issued by the accountants.

LETTER FROM THE BOARD

The Company estimates that, based on available information, the amortization of costs of the Restricted Shares will have an impact on the net profit each year within the validity period. The implementation of the Incentive Scheme will further improve the cohesion of the employees and stability of team, stimulate the enthusiasm of the management, and improve operating efficiency, thus will have a positive effect on the Company's performance and internal value.

Details of the Incentive Scheme, including the conditions for the grant and attribution of the Restricted Shares, are set out in Appendix I to this circular. The Incentive Scheme was prepared in Chinese language. In the event of any discrepancy between the English translation and the Chinese version of the Incentive Scheme, the Chinese version shall prevail.

2. Approval of the Incentive Scheme by the Board and the Shareholders at the EGM and Class Meetings

The resolution in relation to the adoption of the Incentive Scheme was considered and approved at the meeting of the Board held on August 20, 2021. On the same date, the Board has also resolved to propose the Incentive Scheme to be approved by the Shareholders at the EGM and the Class Meetings. A special resolution will be proposed at the EGM and the Class Meetings to consider and, if thought fit, approve the adoption of the Incentive Scheme.

3. Purposes and Reasons for and Benefits of the Adoption of the Incentive Scheme

The purpose of the Incentive Scheme is to improve the Company's incentive mechanism, further enhance the enthusiasm, creativity, and cohesion of employees, promote the continuous growth of Company's business, and achieve development by enhancing the value of the Company and granting benefits to the employees. The Incentive Scheme is formulated in accordance with the relevant rules and regulations and the Articles of Association.

The Company is of the view that the adoption and implementation of the proposed Incentive Scheme is beneficial to the Company and its Shareholders as a whole, and the terms and conditions of the Incentive Scheme are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Given the nature of the business of the Company and the highly competitive industry in which it operates, it is extremely important for the Company to recruit and retain talents, and the Company's long-term development plan will highly depend on the loyalty and contribution of the Participants. The proposed Incentive Scheme is considered a critical component of the Company's

LETTER FROM THE BOARD

employee appraisal system and effectively aligns the employee's achievements at the individual level with the Company's overall performance. The Company is of the view that the adoption of the Incentive Scheme will help the Company to achieve the aforesaid goals.

4. Hong Kong Listing Rules Implications

Pursuant to the Incentive Scheme, the Participants will be granted certain Restricted Shares. The Incentive Scheme does not involve the grant of options over new H Shares or issue of H Shares by the Company (or any of its subsidiaries) and therefore, it does not fall within the ambit of, and is not subject to, the regulations of Chapter 17 of the Listing Rules.

The First Grant under the Incentive Scheme does not involve the grant of Restricted Shares to connected persons of the Company (or any of its subsidiaries) and therefore is not subject to the notification, announcement and shareholder approval requirements under Chapter 14A of the Listing Rules.

In the event that any grantee under the Reserved Grant is a connected person of the Company (or any of its subsidiaries), such grant will constitute a connected transaction of the Company. The Company will comply with the relevant requirements under the Hong Kong Listing Rules, including the reporting, announcement and independent Shareholders' approval and appointment of the independent financial adviser requirements under Chapter 14A of the Hong Kong Listing Rules as and when appropriate, for such subsequent grant that constitutes a connected transaction.

5. Proposed Issue of Restricted Shares Pursuant to Specific Mandate

The Company proposed to issue no more than 1,100,250 Restricted Shares to be granted to the Participants (including those under the First Grant and the Reserved Grant) under the Incentive Scheme pursuant to a Specific Mandate, representing approximately 0.4446% of the total issued share capital of the Company as of the date of the announcement of the Incentive Scheme, which is subject to, among other things, the approval at the EGM and the Class Meetings. No Restricted Shares will be granted to connected persons of the Company under the First Grant.

Subject to the approval at the EGM and at the Class Meetings, the Board will grant no more than 1,100,250 A Shares under the Incentive Scheme at a Grant Price of RMB209.71 per A Share. Accordingly, the total amount to be paid by the Participants to purchase no more than 1,100,250 A Shares will be no more than RMB230,733,427.5.

In addition to the principal terms of the Incentive Scheme summarized in the section headed "Principal Terms of the Incentive Scheme" above, further information in relation to the issue and allotment of the Restricted Shares under the Incentive Scheme are set out below.

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Total funds to be raised and the proposed use of proceeds

No more than RMB230,733,427.5 will be paid by the Participants to subscribe for no more than 1,100,250 Restricted Shares under the Incentive Scheme. The proceeds from the subscription of Restricted Shares to be issued under the Incentive Scheme are intended to supplement working capital.

Dilution Effect

The shareholding structure of the Company before and after the attribution of the Restricted Shares granted under the Incentive Scheme to the Participants is set out as follows:

	As of the date of the announcement of the Incentive Scheme	Assuming full attribution and issue of the Restricted Shares under the Incentive Scheme⁽¹⁾
Number of A Shares	114,778,999	115,879,249
Number of H Shares	132,670,900	132,670,900
Total	247,449,899	248,550,149

Note:

(1) Assuming that no other Shares are issued or repurchased by the Company.

Grant Price

The Grant Price of the Restricted Shares under the Incentive Scheme shall be RMB209.71 per A Share, which was determined with reference to the basis set out in the section headed “Principal Terms of the Incentive Scheme” above.

Aggregate nominal value

The nominal value of the A Shares of the Company is RMB1.00 per A Share. The aggregate nominal value of the Restricted Shares to be granted under the Incentive Scheme shall be no more than RMB1,100,250.

6. Fund Raising Activities in the Past 12 Months

The Company has not conducted any fund raising activities involving the issue of share capital within the 12 months immediately preceding the Latest Practicable Date.

LETTER FROM THE BOARD

(2) Proposed Adoption of the Assessment Management Measures

To ensure the smooth implementation of the Incentive Scheme, the Assessment Management Measures have been formulated according to the PRC Company Law, the PRC Securities Law, the Management Measures and other relevant laws, administrative regulations, normative documents, the relevant requirements of the Articles of Association as well as the actual situation of the Company.

The full text of Assessment Management Measures is set out in Appendix II to this circular. The Assessment Management Measures were prepared in Chinese language. In the event of any discrepancy between the English translation and the Chinese version of the Assessment Management Measures, the Chinese version shall prevail.

A special resolution will be proposed at the EGM and the Class Meetings to consider and, if thought fit, approve the proposed adoption of the Assessment Management Measures.

(3) Grant of Authorization to the Board of Directors by the general meetings to deal with matters relating to the Incentive Scheme

To ensure the smooth implementation of the Incentive Scheme, it is proposed at the EGM and the Class Meetings that the Board of Directors shall be authorized to handle matters relating to the Incentive Scheme, including but not limited to the following:

- (a) to propose at the EGM and the Class Meetings that the Board of Directors be authorized to be responsible for the following matters in relation to the implementation of the Incentive Scheme:
 - i. to authorize the Board of Directors to determine the Grant Date under the Incentive Scheme;
 - ii. to authorize the Board of Directors to adjust the number of the Restricted Shares to be granted/attributed according to the terms of the Incentive Scheme in the event of conversion of capital reserve into share capital, stock dividend, share split or share consolidation and share allotment of the Company;
 - iii. to authorize the Board of Directors to adjust the Grant Price for Restricted Shares according to the terms of the Incentive Scheme in the event of conversion of capital reserve into share capital, distribution of stock dividend, share split or share consolidation, share allotment and dividend distribution;
 - iv. to authorize the Board of Directors to adjust the number of Restricted Shares which were waived to be subscribed by the employees to the portion of Reserved Grant, or allocate and adjust above Shares among the Participants prior to the grant of the Restricted Shares;

LETTER FROM THE BOARD

- v. to authorize the Board of Directors to grant the Restricted Shares to a Participant upon his/her fulfillment of the conditions of grant, and to handle all necessary matters in connection with the grant of the Restricted Shares, including signing agreement on the grant of Restricted Shares;
- vi. to authorize the Board of Directors to review and confirm the qualification of the Participants for attribution and the number of the Restricted Shares to be attributed, and to agree to the Board of Directors delegating such rights to the Remuneration and Assessment Committee;
- vii. to authorize the Board of Directors to determine whether the Restricted Shares may be attributable to a Participant;
- viii. to authorize the Board of Directors to handle all matters necessary in connection with the attribution of the Restricted Shares, including but not limited to the submission of application to a stock exchange in respect of the attribution of the Restricted Shares, applying to securities registration and clearing company for registration and clearing services, amending the Articles of Association; and applying to register the change in registered capital of the Company;
- ix. to authorize the Board of Directors to make decisions on the amendment and termination of the Incentive Scheme, including but not limited to disqualification of the Participants for attribution, cancellation of the Restricted Shares of the Participants that have not yet been attributed;
- x. to authorize the Board of Directors to determine the Participants, number of grant, Grant Price, Grant Date and all other matters in respect of the Reserved Grant under the Incentive Scheme;
- xi. to authorize the Board of Directors to execute, implement, revise and terminate any agreement relating to the Incentive Scheme and other relevant agreements;
- xii. to authorize the Board of Directors to manage and adjust the Incentive Scheme, and from time to time formulate or amend the management and implementation rules of the Incentive Scheme, subject to compliance with the terms of the Incentive Scheme. However, if such amendments are subject to approval at the general meeting or/and by relevant regulatory authorities under the requirements of laws, regulations or relevant regulatory authorities, such amendments by the Board of Directors shall be subject to such approvals; and
- xiii. to authorize the Board of Directors to implement all other necessary matters in connection with the Incentive Scheme, except such rights as expressly required under the relevant documents to be exercised by the Shareholders at a general meeting;

LETTER FROM THE BOARD

- (b) to propose at the EGM and the Class Meetings to authorize the Board of Directors to complete procedures with relevant governments and authorities in relation to the Incentive Scheme including review, registration, filing, approval and consent; to sign, execute, amend and complete documents submitted to relevant governments, authorities, organizations, and individuals; to amend the Articles of Association and handle the registration of the change in registered capital of the Company; and to carry out all actions deemed to be necessary, appropriate, or expedient in relation to the Incentive Scheme;
- (c) to propose at the EGM and the Class Meetings to authorize the Board of Directors to engage intermediaries, such as financial consultant, receiving bank, accountants, lawyers or securities companies, for the implementation of the Incentive Scheme; and
- (d) to propose at the EGM and the Class Meetings to approve the period of authorization given to the Board of Directors to be consistent with the validity period of the Incentive Scheme. Save for matters to be approved by the Board of Directors as explicitly stipulated by laws, administrative regulations, rules of CSRC, regulatory documents, the Incentive Scheme or the Articles of Association, the above authorizations may be exercised directly by the Chairman of the Board or appropriate person authorized by the Chairman of the Board on behalf of the Board.

III. THE EGM AND CLASS MEETINGS

The EGM will be held at No. 3 Ballroom, 2nd Floor, Shangri-La Hotel Tianjin, No. 328 Haihe East Road, Hedong District, Tianjin, the PRC, at 2:00 p.m., and the Class Meeting of H Shareholders and the Class Meeting of A Shareholders will be held immediately after the conclusion of the EGM and immediately after the conclusion of the Class Meeting of H Shareholders, respectively, on Friday, September 10, 2021.

The Notice of EGM and the Notice of the Class Meeting of H Shareholders are set out on pages N-1 to N-4 of this circular and published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and of the Company (<http://www.cansinotech.com>).

The Notice of the EGM and Notice of the Class Meeting of A Shareholders to the A Shareholders are separately published on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn/>) and of the Company (<http://www.cansinotech.com>).

IV. CLOSURE OF REGISTER OF MEMBERS OF H SHARES

The register of members of H Shares of the Company will be closed from Wednesday, September 8, 2021 to Friday, September 10, 2021, both days inclusive, during which period no transfer of H Shares shall be registered, in order to determine the holders of the H Shares of the Company who are entitled to attend and vote at the forthcoming EGM and the Class Meeting of H Shareholders to be held on Friday, September 10, 2021.

LETTER FROM THE BOARD

To be eligible to attend and vote at the EGM and the Class Meeting of H Shareholders, all properly completed transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Tuesday, September 7, 2021 for registration.

V. PROXY ARRANGEMENT

The form of proxy of each of the EGM and the Class Meeting of H Shareholders is enclosed.

If you intend to appoint a proxy to attend the EGM and/or the Class Meeting of H Shareholders, you are required to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. For holders of H Shares, the form of proxy should be returned to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time fixed for holding the EGM (i.e. not later than 2:00 p.m. on Thursday, September 9, 2021) or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and/or the Class Meeting of H Shareholders or at any other adjourned meeting should you so wish.

VI. VOTING BY POLL

Any vote of Shareholders at the EGM and the Class Meeting of H Shareholders must be taken by poll except where the chairman of the meetings, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company shall publish the poll results announcement in the manner prescribed under Rule 13.39(5) of the Listing Rules. Accordingly, the chairman of the EGM will exercise his power under the Articles of Association to demand a poll in relation to all the proposed resolutions at the EGM and the Class Meeting of H Shareholders.

To the best of the Directors' knowledge, information and belief, none of the Shareholders are required to abstain from voting on the proposed resolutions at the EGM and the Class Meetings.

VII. RECOMMENDATION

The Board considers that all the resolutions proposed at the EGM and the Class Meetings are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favor of these proposed resolutions.

LETTER FROM THE BOARD

VIII. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, 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.

By order of the Board
CanSino Biologics Inc.
Xuefeng YU
Chairman

Stock Short Name: CanSino

Stock code: 688185

**THE 2021 RESTRICTED SHARE INCENTIVE
SCHEME OF CANSINO BIOLOGICS INC.*
(DRAFT)**

August 2021

* *For identification purpose only*

STATEMENT

The board of directors of the Company and all of its directors undertake that there are no false records, misleading statements or material omissions herein, and assume individual and joint legal responsibility for its truthfulness, accuracy and completeness.

All the Participants undertake that, if there are false records, misleading statements or material omissions in the Company's information disclosure documents, resulting in non-compliance with the arrangement for granting or exercising rights and interests, the Participants shall return all the benefits obtained from the Incentive Scheme to the Company after confirming the existence of false records, misleading statements or major omissions in relevant information disclosure documents.

SPECIAL NOTES

I. The Incentive Scheme is formulated in accordance with the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Securities Law of the People's Republic of China (《中華人民共和國證券法》), the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》), the Management Measures for Share Incentive Scheme Adopted by Listed Companies (《上市公司股權激勵管理辦法》), the Business Guidelines for Information Disclosure of Listed Companies on the STAR Market No. 4 – Disclosure of Equity Incentive Information (《科創板上市公司信息披露業務指南第4號–股權激勵信息披露》) and other relevant laws, administrative regulations, regulatory documents and the relevant requirements of the Articles of Association of CanSino Biologics Inc.*.

II. The form of incentive adopted by the Incentive Scheme is Restricted Shares (Type II Restricted Shares). The source of the shares shall be ordinary A shares issued by CanSino Biologics Inc.* (the “**Company**”) to the Participants.

Participants that meet the conditions for the grant under the Incentive Scheme, after fulfilling the corresponding attribution conditions, shall obtain the Company's ordinary A shares at the grant price in tranches. Such shares will be registered at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. Prior to the attribution, the Restricted Shares granted to the Participants do not carry any shareholders' rights, and such Restricted Shares shall not be transferred, used to guarantee or repay debts.

III. The Restricted Shares proposed to be granted to the Participants under the Incentive Scheme shall be 1,100,250 shares, representing approximately 0.4446% of the total share capital of the Company of 247,449,899 shares as of the date of the announcement of the draft Incentive Scheme. Among which, 880,200 Restricted Shares are proposed to be granted under the first grant, representing approximately 0.3557% of the total share capital of the Company as of the date of the announcement of the draft Incentive Scheme

and 80.00% of the total number of the Restricted Shares proposed to be granted under the Incentive Scheme; and 220,050 Restricted Shares are to be reserved, representing approximately 0.0889% of the total share capital of the Company as of the date of the announcement of the draft Incentive Scheme and 20.00% of the total number of the Restricted Shares proposed to be granted under the Incentive Scheme.

The cumulative total number of underlying shares involved under all share incentive schemes of the Company which are within their validity period shall not exceed 20.00% of the Company's total share capital as at the date on which the Incentive Scheme is submitted for approval at a general meeting. The total number of shares to be granted to any Participant under all share incentive schemes of the Company which are within their validity period shall not exceed 1.00% of the total share capital of the Company as at the date on which the Incentive Scheme is submitted for approval at a general meeting.

- IV. The grant price of the Restricted Shares to be granted to the Participants under the Incentive Scheme (including the reserved grant) shall be RMB209.71 per share.

In the event of conversion of capital reserve into share capital, stock dividend, share split or share consolidation, share allotment, dividend payment, and other matters concerned of the Company during the period from the date of announcement of the Incentive Scheme to the date of completion of the attribution registration by the Participants, the grant price and the number of Restricted Shares to be granted shall be adjusted in accordance with the Incentive Scheme accordingly.

- V. The total number of the Participants for the first grant under the Incentive Scheme shall be 391 persons, representing approximately 30.96% of the number of employees in total (1,263 as of July 31, 2021). The Participants for the first grant shall include persons as considered by the board of directors to be required to be incentivized by the Company as of the date of the announcement of the Incentive Scheme.

The Participants for the reserved grant shall mean those who are not yet determined when the Incentive Scheme is approved at a general meeting but are to be included in the Incentive Scheme during the validity period of the Incentive Scheme, and shall be determined within 12 months after the Incentive Scheme being considered and approved at a general meeting. The principles for determining the Participants for the reserved grant shall refer to the principles for determining the Participants for the first grant.

- VI. The validity period of the Incentive Scheme commences from the grant date of the Restricted Shares under the first grant until the date on which all Restricted Shares granted to the Participants have been attributed or lapsed. The validity period shall not exceed 48 months. The Restricted Shares granted under the Incentive Scheme may be attributed in tranches and upon the Participants satisfying the corresponding attribution conditions, and blackout period is set up after attribution.

VII. None of the following circumstances under which the implementation of the Incentive Scheme shall not be carried out as stipulated in Article 7 of the Management Measures for Share Incentives of Listed Companies has occurred to the Company:

- (i) an audit report on the financial and accounting report for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
- (ii) an audit report on internal control over financial reporting for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
- (iii) in the most recent 36 months upon listing, there have been cases of failure to distribute profits according to laws and regulations, the Articles of Association and public undertakings;
- (iv) laws and regulations stipulate that equity incentives shall not be implemented;
- (v) other circumstances as determined by the CSRC.

VIII. The participants of the Restricted Scheme won't include independent directors and supervisors. None of the following circumstances under which one shall not be a Participant as stipulated in Article 8 of the Management Measures for Share Incentive Scheme Adopted by Listed Companies has occurred to a Participant under the Incentive Scheme:

- (i) the Participant has been determined as an inappropriate candidate by relevant stock exchange within the most recent 12 months;
- (ii) the Participant has been identified as an inappropriate candidate by the CSRC and its delegated institutions within the most recent 12 months;
- (iii) the Participant has been subject to administrative punishment or market ban measures by the CSRC and its delegated institutions due to major breach of laws and regulations in the most recent 12 months;
- (iv) the Participant is prohibited by the PRC Company Law from acting as a director or member of the senior management of a company;
- (v) applicable laws and regulations stipulate that the Participant shall not participate in equity incentives of listed companies;
- (vi) other circumstances as determined by the CSRC.

- IX. The Company undertakes not to provide loans and any other forms of financial assistance, including providing guarantee for their loans, to the Participants to obtain their Restricted Shares under the Incentive Scheme.

- X. The Incentive Scheme shall be implemented after being considered and approved at the general meeting of the Company.

- XI. The implementation of the Incentive Scheme will not result in the shareholding structure of the Company failing to meet the listing requirements.

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CHAPTER I DEFINITIONS

Unless otherwise requires, the following expressions herein shall have the following meanings:

CanSino, Company, Listed Company	:	CanSino Biologics Inc.* (康希諾生物股份公司)
Incentive Scheme, Scheme	:	the 2021 Restricted Share Incentive Scheme of CanSino Biologics Inc.* (《康希諾生物股份公司2021年限制性股票激勵計劃》)
Restricted Shares, Type II Restricted Shares	:	the shares of the Company to be obtained and registered in tranches by the Participants who meet the conditions for grant under the Incentive Scheme, after meeting the corresponding attribution conditions
Participant(s)	:	the persons considered by the board of directors to be required to be incentivized by the Company, who shall be granted the Restricted Shares pursuant to the Incentive Scheme
grant date	:	the date on which the Company grants the Restricted Shares to the Participants
grant price	:	the price at which each of the Company's Restricted Shares is granted by the Company to a Participant
validity period	:	the period commencing on the first grant date of the Restricted Shares and ending on the date on which all Restricted Shares granted to the Participants have been attributed or lapsed
attribution	:	the act of registering the Restricted Shares by the Listed Company to the account of a Participant after the attribution conditions having been satisfied by the Participant
attribution conditions	:	the attribution conditions as stipulated under the Restricted Share Incentive Scheme which must be satisfied by a Participant in order to obtain the incentive shares

APPENDIX I THE 2021 RESTRICTED SHARE INCENTIVE SCHEME (DRAFT)

attribution date	:	the date on which the registration of the granted Restricted Shares is completed after the attribution conditions having been satisfied by a Participant, which must be a trading day
IND	:	Investigational New Drug
Ad5-EBOV	:	Recombinant Ebola Virus Disease Vaccine (Adenovirus Vector)
Company Law	:	the Company Law of the People's Republic of China (《中華人民共和國公司法》)
Securities Law	:	the Securities Law of the People's Republic of China (《中華人民共和國證券法》)
Management Measures	:	the Management Measures for Share Incentives of Listed Companies (《上市公司股權激勵管理辦法》)
Listing Rules	:	the Rules Governing the Listing of Stocks on the STAR Market of Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》)
Business Guidelines	:	the Business Guidelines for Information Disclosure of Companies Listed on the STAR Market No. 4 – Information Disclosure of Equity Incentive (《科創板上市公司信息披露業務指南第4號-股權激勵信息披露》)
Articles of Association	:	the Articles of Association of CanSino Biologics Inc. (《康希諾生物股份有限公司章程》)
CSRC	:	the China Securities Regulatory Commission
Stock Exchange	:	Shanghai Stock Exchange
yuan, 0,000 yuan	:	RMB, RMB0,000

Notes:

1. The financial data and indicators cited in this Incentive Scheme, if not specifically stated, refer to the audited financial data of the consolidated statements and indicators calculated on the basis of such financial data of the consolidated statements.
2. Any discrepancies in this Incentive Scheme between the total shown and the breakdowns of the amounts listed in the Incentive Scheme are due to rounding.

CHAPTER II PURPOSE AND PRINCIPLE OF THE INCENTIVE SCHEME

For the purpose of improving the Company's incentive mechanism, further enhancing the enthusiasm, creativity, and cohesion of employees, promoting the continuous growth of Company's performance, and achieving common development by enhancing the value of the Company and granting benefits to the employees, the Company formulates this Incentive Scheme in accordance with the relevant laws, regulations and regulatory documents including the Company Law, the Securities Law, the Management Measures, the Listing Rules and the Business Guidelines, as well as the Articles of Association.

As of the date of the announcement of the Incentive Scheme (Draft), the Company is not implementing any other arrangement related to incentive shares plan pursuant to the Listing Rules and the Management Measures.

CHAPTER III ADMINISTRATIVE BODIES OF THE INCENTIVE SCHEME

- I. The general meeting, as the ultimate authority of the Company, shall be responsible for considering and approving the implementation, amendment and termination of the Incentive Scheme. The general meeting may, within its powers and authority, authorize the board of directors to handle certain matters relating to the Incentive Scheme.

- II. The board of directors shall act as the executive and administrative body for the Incentive Scheme and be responsible for the implementation of the Incentive Scheme. The Remuneration and Assessment Committee (the “**Remuneration Committee**”) under the board of directors shall be responsible for drafting and revising the Incentive Scheme, and submitting the Incentive Scheme to the board of directors of the Company for review and approval. Upon approval by the board of directors, the Incentive Scheme shall be further submitted to the general meeting of the Company for review and approval, and the board of directors may handle matters relating to the Incentive Scheme within its scope of authority as delegated by the general meeting.

- III. The board of supervisors and the independent directors shall act as the supervisory authority for the Incentive Scheme, and shall express opinions as to whether the Incentive Scheme is conducive to the sustainable development of the Company, and whether there are any situations that clearly harm the interests of the Company and all shareholders. The board of supervisors shall supervise the implementation of the Incentive Scheme as to whether it is in compliance with the relevant laws, administrative regulations, regulatory documents and operational rules of the Stock Exchange, and shall review the list of the Participants under the Incentive Scheme. The independent directors shall solicit voting rights by proxy from all shareholders in respect of the Incentive Scheme.

Where amendments are being made to the Incentive Scheme before or after the Incentive Scheme is approved at the general meeting, the independent directors and the board of supervisors shall express independent opinions as to whether the amended Incentive Scheme will be conducive to the sustainable development of the Company or whether there are any situations that clearly harm the interests of the Company and all shareholders.

Before the Restricted Shares are granted to a Participant, the independent directors and the board of supervisors shall express clear opinions on the conditions stipulated for the Participant to receive such Restricted Shares as set out in the Incentive Scheme. In the event of any discrepancy between the Restricted Shares to be granted to a Participant and the arrangement under the Incentive Scheme, the independent directors and the board of supervisors (where there are changes occurred to the Participants) shall express their clear opinions thereon at the same time.

Before the granted Restricted Shares are attributed to a Participant, the independent directors and the board of supervisors shall express clear opinions as to whether the attribution conditions stipulated under the Incentive Scheme for the Participants have been fulfilled.

**CHAPTER IV BASIS FOR DETERMINING THE PARTICIPANTS AND
SCOPE OF PARTICIPANTS**

I. Basis for Determining the Participants

(i) Legal Basis for Determining the Participants

The Participants of the Incentive Scheme are determined in accordance with the relevant laws, administrative regulations, regulatory documents including the Company Law, the Securities Law, the Management Measures, the Listing Rules and the Business Guidelines as well as the relevant provisions of the Articles of Association and the actual situation of the Company.

(ii) Positions held by the Participants

The Participants for the first grant under the Incentive Scheme shall include persons considered by the board of directors to be required to be incentivized by the Company as of the date of the announcement of Incentive Scheme and exclude independent directors and supervisors of the Company. The Remuneration Committee shall draft the list of the Participants to determine the specific Participants fulfilling the conditions under the Incentive Scheme, which shall also be reviewed by the board of supervisors of the Company.

II. Scope of Participants

The total number of the Participants for the first grant under the Incentive Scheme shall be 391 persons, representing approximately 30.96% of the total number of 1,263 employees of the Company as at July 31, 2021, all of whom are persons considered by the board of directors to be required to be incentivized as of the date of the announcement of Incentive Scheme.

The Participants exclude independent directors, supervisors, shareholders who individually or collectively hold more than 5% of the Company's shares, actual controllers of the Company and their spouse, parents and children.

All the above Participants must have an employment or labour relationship with the Company or its subsidiaries at the time of grant and during the assessment period of the Incentive Scheme.

The above Participants include certain foreign employees. The reasons for which they are included in the Incentive Scheme are that: the Company operates in the vaccine industry, which is characterized by its fierce competition for talents. The Company devotes its effort to an international development strategy, and the overseas businesses are a crucial part of the Company's future sustainable development. Therefore, attracting and stabilizing international high-end talents is very important for the Company's development; the Participants who are foreign employees play a pivotal role in areas such as the Company's technology research and development, and business development. Equity incentives are commonly used as incentives for overseas companies, the Incentive Scheme will further promote the construction and stability of the Company's core talent team, thereby contributing to the long-term development of the Company.

The Participants of the reserved grant shall be determined within 12 months after the Incentive Scheme being considered and approved at a general meeting. The Company will announce relevant information about the Participants timely and accurately in accordance with the requirements after the board of directors having made such proposal, the independent directors and the board of supervisors having expressed clear opinions, and the Company's counsel having provided professional opinions and issued legal opinions. The reserved grant shall lapse if the Participants cannot be determined within the 12-month period. The principles for determining the Participants for the reserved grant shall refer to the principles for determining the Participants for the first grant. The Participants for the reserved grant may include directors, senior management and core technical staff.

III. Verification of Participants

- (i) After the board of directors of the Company has reviewed and approved the Incentive Scheme, the Company shall publish the names and positions of the Participants internally for no less than 10 days.
- (ii) The board of supervisors of the Company shall review the list of the Participants and take sufficient consideration of the public response. The Company shall disclose the information regarding the review by the board of supervisors regarding the list of Participants and the publication response 5 days prior to the Incentive Scheme being considered at the general meeting. Any adjustments to the list of the Participants made by the board of directors of the Company shall also be reviewed by the board of supervisors of the Company.

**CHAPTER V FORM, SOURCE, NUMBER AND
ALLOCATION OF RESTRICTED SHARES TO BE GRANTED**

I. Form and Source of Shares to be Granted by the Incentive Scheme

The form of incentive to be adopted under the Incentive Scheme is the Type II Restricted Shares. The Company will issue ordinary A shares of the Company to Participants as the source of shares under the Incentive Scheme.

II. The Number of Restricted Shares to be Granted under the Incentive Scheme

The total number of the Restricted Shares proposed to be granted to the Participants under the Incentive Scheme shall be 1,100,250 shares, representing approximately 0.4446% of the total share capital of the Company of 247,449,899 shares as of the date of the announcement of the draft Incentive Scheme. Among which, 880,200 Restricted Shares are proposed to be granted under the first grant, representing approximately 0.3557% of the total share capital of the Company as of the date of the announcement of the draft Incentive Scheme and 80.00% of the total number of the Restricted Shares proposed to be granted under the Incentive Scheme; and 220,050 Restricted Shares are to be reserved, representing approximately 0.0889% of the total share capital of the Company as of the date of the announcement of the draft Incentive Scheme and 20.00% of the total number of the Restricted Shares proposed to be granted under the Incentive Scheme.

The cumulative total number of underlying shares involved under all share incentive schemes of the Company which are within their validity period shall not exceed 20.00% of the Company's total share capital as at the date on which the Incentive Scheme is submitted for approval at a general meeting. The total number of the shares to be granted to any Participant in the Incentive Scheme under all share incentive schemes of the Company which are within their validity period shall not exceed 1.00% of the total share capital of the Company as at the date on which the Incentive Scheme is submitted for approval at a general meeting.

In the event of conversion of capital reserve into share capital, stock dividend, share split or share consolidation, share allotment, and other matters concerned of the Company happens during the period from the date of the announcement of the Incentive Scheme until the granting of Restricted Shares to the Participants and from the granting of Restricted Shares to the Participants to the date of attribution of the Restricted Shares, the number of the Restricted Shares shall be adjusted accordingly.

III. Allocation of Restricted Shares to be Granted to the Participants

The allocation of the Restricted Shares to be granted under the Incentive Scheme among the Participants is as follows:

Number	Name	Nationality	Position	Number of the Restricted Shares to be granted (shares)	Percentage to the total number of the Restricted Shares to be granted	Percentage the total share capital as of the date of the announcement of the draft Incentive Scheme
I. First grant						
1. Directors, senior management, core technical staffs						
/	/	/	/	/	/	/
2. Other participants (391 persons)						
Persons considered by the board of directors to be required to be incentivized (391 persons)						
				880,200	80.00%	0.3557%
				880,200	80.00%	0.3557%
II. Reserved grant						
				220,050	20.00%	0.0889%
Total				1,100,250	100.00%	0.4446%

Notes:

1. The shares of the Company granted to any of the above Participants under all the incentive schemes within the validity period shall not exceed 1.00% of the total share capital of the Company. The total number of shares involved in all incentive schemes of the Company within the validity period shall not exceed 20.00% of the total share capital of the Company when the Incentive Scheme is submitted to the general meeting of Company for consideration.
2. The Participants of the scheme exclude independent directors and supervisors, shareholders who individually or collectively hold more than 5% of the Company's shares, de facto controllers of the Company and their spouse, parents and children.
3. The Participants under the reserved grant shall be determined within 12 months after the scheme is considered and approved by the general meeting of the Company. After the board of directors determine, independent directors and the board of supervisors give clear opinions, lawyers give professional opinions and issue legal opinions, the Company shall timely and accurately disclose the relevant information of the Participants as required. If the Participants have not been determined within the above 12 months, the reserved grant shall lapse.
4. If the Participant voluntarily abandons the rights and interests granted due to personal reasons, the board of directors shall adjust the amount granted accordingly, adjust the share abandoned by such Participant to the reserved grant or distribute among other Participants.

**CHAPTER VI VALIDITY PERIOD, GRANT DATE,
ATTRIBUTION ARRANGEMENT AND LOCK-UP PERIOD**

I. Validity Period of the Incentive Scheme

The validity period of the Incentive Scheme commences on the grant date of the Restricted Shares under the first grant and ends on the date on which all Restricted Shares granted to the Participants have been attributed or lapsed. Such validity period shall not exceed 48 months.

II. Grant Date of the Incentive Scheme

The grant date shall be determined by the board of directors of the Company after the Incentive Scheme has been considered and approved at a general meeting of the Company. The grant date must be a trading day. The Company shall convene a meeting of the board of directors to grant the Restricted Shares to the Participants and complete the relevant procedures including making relevant announcement(s) according to the relevant regulations, within 60 days after the Incentive Scheme having been adopted and approved at a general meeting. If the Company is unable to complete the above procedures within the 60-day period, the Company shall make a timely announcement to disclose the reasons for being unable to complete the procedures and declare the termination of the Incentive Scheme. The Restricted Shares which have not been granted will lapse. The period during which no Restricted Shares shall be granted pursuant to the Management Measures is excluded from the calculation of the 60-day period. The grant date of reserved shares shall follow the above principles and be determined by the board of directors within 12 months after the Incentive Scheme is considered and approved by the general meeting of the Company.

III. Attribution Arrangement under the Incentive Scheme

- (i) The Restricted Shares granted under the Incentive Scheme will be attributed in tranches and upon the Participants satisfying the corresponding attribution conditions. The attribution date must be a trading day, and shall not fall within any of the following periods:
 - i. within 60 days prior to the publication of the annual report (inclusive of the date of publication of the annual report), or the period between the end of the relevant financial year and the publication of the annual report, whichever is shorter;
 - ii. within 30 days prior to the publication of the half-year report or quarterly report (inclusive of the date of publication of such half-year or quarterly report), or the period between the end of the quarter or the half-year and the publication of the relevant report, whichever is shorter;

- iii. within 10 days prior to the disclosure of results preview or preliminary financial results of the Company;
- iv. from the date of occurrence of a material event which may have considerable impact on the trading price of the shares and their derivatives of the Company, or the date of entering the decision-making process, up to 2 trading days after relevant disclosure has been made in accordance with the laws;
- v. any other period stipulated by the CSRC and the Stock Exchange.

The above “material events” are the transactions or other significant events that shall be disclosed by the Company in accordance with the requirement of the Listing Rules. If there are other provisions in relevant laws, administrative regulations and department rules on the period when the Restricted Shares cannot be attributed, the relevant provisions shall prevail.

- (ii) The attribution period and arrangement for the first grant of the Restricted Shares are shown in the table below:

Attribution arrangement	Attribution period	Attribution percentage
First attribution tranche	From the first trading day after the expiry of 12 months following the grant date of the Restricted Shares under the first grant to the last trading day within the 24 months following the grant date of the Restricted Shares under the first grant	50%
Second attribution tranche	From the first trading day after the expiry of 24 months following the grant date of the Restricted Shares under the first grant to the last trading day within the 36 months following the grant date of the Restricted Shares under the first grant	50%

(iii) Attribution period and arrangements of the reserved grant under the Incentive Scheme are shown in the table below:

Attribution arrangement	Attribution period	Attribution percentage
First attribution tranche	From the first trading day after the expiry of 12 months following the grant date of the Restricted Shares under the reserved grant to the last trading day within the 24 months following the grant date of the Restricted Shares under the reserved grant	50%
Second attribution tranche	From the first trading day after the expiry of 24 months following the grant date of the Restricted Shares under the reserved grant to the last trading day within the 36 months following the grant date of the Restricted Shares under the reserved grant	50%

The Restricted Shares granted to the participants pursuant to the Incentive Scheme shall not be transferred, pledged for guarantees or used for repayment of debt before being attributed. The increased part of the Restricted Shares that have been granted but not yet attributed to the Participants due to conversion of capital reserve into share capital, stock dividend, and other circumstances, are also subject to the constraint. The increased part shall not be transferred, pledged for guarantees or used for repayment of debt before being attributed. If the Restricted Shares cannot be attributed, the increased part of shares obtained for the aforementioned reasons shall also not be attributed.

Those Restricted Shares which have not been attributed during the period of their respective tranches as a result of failure to fulfil the attribution conditions are not allowed to be attributed or deferred to be attributed in the next year(s) and shall lapse according to the provisions under the Incentive Scheme.

After the attribution conditions of the Restricted Shares are met, the Company shall handle the matters in relation to the attribution of the Restricted Shares which have met the conditions.

IV. Lock-up Period under the Incentive Scheme

The lock-up period refers to the period of time when the restricted shares attributed to the participants are subject to sell restrictions, and lock-up period will be set up after attribution of Restricted Shares.

- (i) The holders of any restricted shares (including those who obtain shares through non-trading transfer) shall not transfer the restricted shares that have met the conditions for attribution in the current tranche to any third party in any form within 6 months (within the lock up period) from the attribution date of each tranche.
- (ii) Other sell restrictions provisions

The requirements of lock-up for the Restricted Shares granted to the directors and senior management under the Incentive Scheme are implemented in accordance with relevant laws, administrative regulations and regulatory documents including the Company Law, the Securities Law, the Provisions on the Reduction of Shares Held by Shareholders, Directors, Supervisors and Senior Management of Listed Companies (《上市公司股東、董監高減持股份的若干規定》) and the Implementation Rules on the Reduction of Shares Held by Shareholders, Directors, Supervisors and Senior Management of the Companies Listed on the Shanghai Stock Exchange (《上海證券交易所上市公司股東及董事、監事、高級管理人員減持股份實施細則》) and the Articles of Association as follows:

- i. Where the Participant is a director or a member of the senior management of the Company, the number of shares which may be transferred each year during his/her term of office shall not exceed 25% of the total number of shares held by him/her. No shares held by him/her may be transferred within six months after his/her termination of office;
- ii. For Participants who are directors or members of the senior management of the Company, if they have sold the Company's shares held by them within 6 months after purchasing such shares, or if they have purchased the shares within 6 months after selling their shares, the gains obtained therefrom shall be attributed to the Company and the board of directors shall forfeit the gains;
- iii. During the validity period of the Incentive Scheme, if the relevant requirements under the relevant laws, administrative regulations, regulatory documents including the Company Law, the Securities Law, the Provisions on the Reduction of Shares Held by Shareholders, Directors, Supervisors and Senior Management of Listed Companies (《上市公司股東、董監高減持股份的若干規定》) and the Implementation Rules on the Reduction of Shares Held by Shareholders, Directors, Supervisors and Senior Management of the Companies Listed on the Shanghai Stock Exchange (《上海證券交易所上市公司股東及董事、監事、高級管理人員減持股份實施細則》) and the Articles of Association regarding the transfer of shares held by the directors and members of the senior management of the Company are changed, the transfer of the shares held by the Participants shall comply with the relevant laws, regulations and regulatory documents as amended at the time of transfer.

**CHAPTER VII GRANT PRICE AND BASIS OF DETERMINATION OF
THE GRANT PRICE OF RESTRICTED SHARES**

I. Grant Price of Restricted Shares

The grant price of the Restricted Shares (including the reserved grant) shall be RMB209.71 per share. A Participant who has met the granting conditions and attribution conditions may subscribe for the Company's ordinary A shares at the price of RMB209.71 per share.

II. Basis of Determination of the Grant Price of Restricted Shares

(i) Pricing

The grant price of Restricted Shares under the Incentive Scheme is RMB209.71 per share, being the price of A Shares under initial public offering.

The average trading price of the Company's A shares on the trading day immediately preceding the announcement of the draft Incentive Scheme is RMB386.26 per share, and the grant price of the Restricted Shares under the Incentive Scheme represents 54.29% of the average trading price of the Company's shares on such trading day immediately preceding the announcement of the draft Incentive Scheme;

The average trading price of the Company's A shares for the 20 trading days immediately preceding to the announcement of the draft Incentive Scheme is RMB531.62 per share, and the grant price of the Restricted Shares under the Incentive Scheme represents 39.45% of the average trading price of the Company's shares on such 20 trading days immediately preceding the announcement of the draft Incentive Scheme;

The average trading price of the Company's A shares for the 60 trading days immediately preceding to the announcement of the draft Incentive Scheme is RMB601.49 per share, and the grant price of the Restricted Shares under the Incentive Scheme represents 34.87% of the average trading price of the Company's shares on such 60 trading days immediately preceding the announcement of the draft Incentive Scheme;

The average trading price of the Company's A shares for the 120 trading days immediately preceding to the announcement of the draft Incentive Scheme is RMB530.47 per share, and the grant price of the Restricted Shares under the Incentive Scheme represents 39.53% of the average trading price of the Company's shares on such 120 trading days immediately preceding the announcement of the draft Incentive Scheme.

(ii) Pricing Basis

The grant price and pricing method of the restricted shares of the Company are determined for the fundamental purpose of promoting the development of the Company and safeguarding the shareholders' interests, based on the recognition of the future development prospect and intrinsic value of the Company, and in accordance with the principle of equal incentive and constraint. The internal mechanism of equity incentive demonstrates that the implementation of the Incentive Scheme will have a positive impact on the Company's sustainable operation ability and shareholders' interests. The Incentive Scheme sets up reasonable performance evaluation objectives. The realization of these objectives needs to give full play to the subjective initiative and creativity of core employees. The pricing principles of the Incentive Scheme matches the performance requirements.

At the same time, the Company is a talent technology oriented enterprise. With the intensification of industry and talent competition, it needs the cooperation of long-term incentive policies. The implementation of efficient equity incentive is an effective supplement to the existing salary of employees, and the future income of the Participants depends on the future performance development of the Company and the stock price of the secondary market.

In sum, on the basis of compliance with relevant laws and regulations and regulative documents, the Company decides to set the grant price of restricted shares as RMB209.71 per share. The implementation of the Incentive Scheme will stabilize the core team and realize the deep binding of employees' interests and shareholders' interests.

The independent financial advisor with securities qualification engaged by the Company will express opinions on the feasibility of the scheme, the rationality of relevant pricing basis and pricing method, whether it is conducive to the sustainable development of the Company and whether it damages the interests of shareholders. For details, please refer to the Report of Independent Financial Advisor Shanghai Rongzheng Investment Consulting Co., Ltd. on the 2021 Restricted Share Incentive Scheme (Draft) of CanSino Biologics Inc. disclosed on the website of Shanghai Stock Exchange (www.sse.com.cn) on the same day of the announcement.

III. Basis of Determination of the Grant Price of Restricted Shares under the Reserved Grant

The grant price the Restricted Shares under the reserved grant shall be the same as the grant price of the Restricted Shares under the first grant, which is RMB209.71 per share. Before granting the reserved Restricted Shares, the board of directors shall review and approve relevant proposals and disclose the granting.

**CHAPTER VIII GRANT AND ATTRIBUTION CONDITIONS OF
THE RESTRICTED SHARES**

I. Conditions for Grant of the Restricted Shares

The Company shall grant the Restricted Shares to the Participants upon satisfaction of all of the following granting conditions; or conversely, if any of the following granting conditions has not been satisfied, no Restricted Shares shall be granted to the Participants.

- (i) None of the following has occurred on the part of the Company:
 - 1. an audit report on the financial and accounting report for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
 - 2. an audit report on internal control over financial reporting for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
 - 3. in the most recent 36 months upon listing, there have been cases of failure to distribute profits according to laws and regulations, the Articles of Association and public undertakings;
 - 4. laws and regulations stipulate that equity incentives shall not be implemented;
 - 5. other circumstances as determined by the CSRC.

- (ii) None of the following has occurred on the part of the Participants:
 - 1. the Participant has been determined as an inappropriate candidate by relevant stock exchange within the most recent 12 months;
 - 2. the Participant has been identified as an inappropriate candidate by the CSRC and its delegated institutions within the most recent 12 months;
 - 3. the Participant has been subject to administrative punishment or market ban measures by the CSRC and its delegated institutions due to major breach of laws and regulations in the most recent 12 months;
 - 4. the Participant is prohibited by the PRC Company Law from acting as a director or member of the senior management of a company;
 - 5. applicable laws and regulations stipulate that the Participant shall not participate in equity incentives of listed companies;
 - 6. other circumstances as determined by the CSRC.

II. Conditions for Attribution of the Restricted Shares

For the Restricted Shares to be attributed to the Participant in tranches, all of the following conditions need to be satisfied within the attribution period:

- (i) None of the following has occurred on the part of the Company:
 - 1. an audit report on the financial and accounting report for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
 - 2. an audit report on internal control over financial reporting for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
 - 3. in the most recent 36 months upon listing, there have been cases of failure to distribute profits according to laws and regulations, the Articles of Association and public undertakings;
 - 4. applicable laws and regulations stipulate that equity incentives shall not be implemented;
 - 5. other circumstances as determined by the CSRC.

- (ii) None of the following has occurred on the part of the Participants:
 - 1. the Participant has been determined as an inappropriate candidate by relevant stock exchange within the most recent 12 months;
 - 2. the Participant has been identified as an inappropriate candidate by the CSRC and its delegated institutions within the most recent 12 months;
 - 3. the Participant has been subject to administrative punishment or market ban measures by the CSRC and its delegated institutions due to major breach of laws and regulations in the most recent 12 months;
 - 4. the Participant shall not act as a director or member of the senior management of a company according to the PRC Company Law;
 - 5. applicable laws and regulations stipulate that the Participant shall not participate in the equity incentives of listed companies;
 - 6. other circumstances as determined by the CSRC.

In the event that any one of the circumstances specified in subparagraph (i) above arises in relation to the Company, the Restricted Shares that have been granted but have not yet been attributed to the Participants under the Incentive Scheme shall not be attributed and shall lapse. In the event that any one of the circumstances specified in subparagraph (ii) above arises in relation to a certain Participant, the Restricted Shares that have been granted but have not yet been attributed to such Participant under the Incentive Scheme shall not be attributed and shall lapse.

(iii) Requirements on length of employment of the Participants for attribution of Restricted Shares:

Before each tranche of Restricted Shares granted to the Participants is attributed, the length of employment of the Participant must be more than 12 months.

(iv) Performance assessment requirements at company level:

Under the Incentive Scheme, the Company’s performance indicators will be evaluated on an annual basis for the financial years of 2021 to 2022, and the achievement of performance assessment target will be one of the attribution conditions for the Participants for the relevant year. The performance assessment targets and attribution factors for the restricted shares under the first grant (including the reserved grant) are shown in the following table:

Attribution Arrangement	Assessment year	Performance Target A Company Attribution Factor: 100%	Performance Target B Company Attribution Factor: 85%	Performance Target C Company Attribution Factor: 70%
First attribution tranche	2021	The Company must meet all of the following conditions: 1. Operating revenue: no less than RMB7.0 billion in 2021; 2. At least 3 products are launched (excluding Ad5-EBOV) by the end of 2021;	The Company must meet all of the following conditions: 1. Operating revenue: no less than RMB6.5 billion in 2021; 2. At least 3 products are launched (excluding Ad5-EBOV) by the end of 2021;	The Company must meet all of the following conditions: 1. Operating revenue: no less than RMB6.0 billion in 2021; 2. At least 2 products are launched (excluding Ad5-EBOV) by the end of 2021;

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Attribution Arrangement	Assessment year	Performance Target A Company Attribution Factor: 100%	Performance Target B Company Attribution Factor: 85%	Performance Target C Company Attribution Factor: 70%
		3. At least 3 candidates have obtained clinical trial approval or entered next-phase clinical trial (for candidates which have obtained clinical trial approval and entered clinical trial stage) in 2021.	3. At least 3 candidates have obtained clinical trial approval or entered next-phase clinical trial (for candidates which have obtained clinical trial approval and entered clinical trial stage) in 2021.	3. At least 3 candidates have obtained clinical trial approval or entered next-phase clinical trial (for candidates which have obtained clinical trial approval and entered clinical trial stage) in 2021.
Second attribution tranche	2022	The Company must meet all of the following conditions: 1. Cumulative operating revenue: no less than RMB20.0 billion for the financial years of 2021-2022; 2. At least 4 products are launched (excluding Ad5-EBOV) by the end of 2022; 3. At least 2 new INDs are filed and accepted in 2022.	The Company must meet all of the following conditions: 1. Cumulative operating revenue: no less than RMB18.5 billion for the financial years of 2021-2022; 2. At least 3 products are launched (excluding Ad5-EBOV) by the end of 2022; 3. At least 2 new INDs are filed and accepted in 2022.	The Company must meet all of the following conditions: 1. Cumulative operating revenue: no less than RMB17.0 billion for the financial years of 2021-2022; 2. At least 3 products are launched (excluding Ad5-EBOV) by the end of 2022; 3. At least 1 new IND is filed and accepted in 2022.

Note: The above “operating income” is calculated based on the data set out in the consolidated audited financial statements.

During the attribution period, the Company shall handle the registration for Participants meeting the attribution conditions. If the Company’s performance level fails to meet or partially meets the performance assessment indicator requirements in each attribution period, the Restricted Shares of the Participants that cannot be attributed for the current year shall not be attributed and shall lapse.

(v) Performance assessment requirements at the individual Participant's level:

The individual assessment of Participants is carried out according to the internal performance assessment system of the Company. The results of the individual assessment of Participants are divided into four levels, namely "A", "B", "C" and "D" and the corresponding attribution percentage is as follows:

Assessment Level	A	B	C	D
Individual attribution factor	100%	100%	85%	0

Presuming that the Company has achieved its performance assessment target C (inclusive), the number of Restricted Shares to be attributed to the Participant in the relevant year equals to the number of Restricted Shares planned to be attributed to the individual Participant in that year × the company attribution factor × the individual attribution factor.

In any event that the Restricted Shares to be attributed to the Participant under the Incentive Scheme in the relevant year cannot attribute or fully attribute due to assessment reasons, such Restricted Shares shall lapse and cannot be deferred to the next year for attribution.

The specific content of the assessment under the Incentive Scheme is implemented in accordance with Management Measures for Assessment for the Implementation of the 2021 Restricted Share Incentive Scheme of CanSino Biologics Inc. (《康希諾生物股份公司2021年限制性股票激勵計劃實施考核管理辦法》).

III. Explanation on the scientificity and reasonableness of the performance appraisal indicators of the Restricted Shares

The establishment of the assessment indicators of the Incentive Scheme complies with the basic provisions of laws and regulations and the Articles of Association. The assessment indicators are divided into two levels: company level performance assessment and individual level performance assessment.

The Company is an enterprise dedicated to research and development, manufacture and commercialization of innovative vaccines in line with domestic and international standards. Under the leadership of the management team, the Company has promoted the research and development of a series of innovative vaccines, for the prevention of, among others, COVID-19, Ebola virus disease, meningitis, DPT, pneumonia, tuberculosis, herpes zoster, and other clinical vaccines in great demands. In order to achieve the Company's strategic objectives and maintain the existing competitiveness, the operating income and the progress of vaccine candidates were set as the assessment indicators at the company level, which can authentically reflect the Company's operation and market positions, and is an effective indicator to predict the Company's operation and development trend and measure the

Company's operation efficiency and growth. Based on comprehensive considerations including but not limited to the macroeconomic environment, the Company's historical performance, development in vaccine industry, competition in the market, the Company's future development plan and other relevant factors, the Company has set the performance assessment indicators of the Incentive Scheme. The objectives set in the Incentive Scheme are beneficial to enhance the competitiveness of the Company, motivate employees, ensure the realization of the Company's development strategy and business objectives, and bring more efficient and lasting returns to Shareholders.

In addition to the performance assessment at the company level, the Company has also set up a stringent performance assessment mechanism for each individual employee, which is expected to lead to a more accurate and comprehensive evaluation on the performance of the Participants. The Company will determine whether the relevant Participants meet the conditions of attribution according to the annual performance assessment results.

In summary, the Company's appraisal mechanism under the Incentive Scheme is integrated, comprehensive and practicable. Meanwhile, the Participants are subject to the scientific and reasonable performance indicators, through which the appraisal purpose of the Incentive Scheme can be achieved.

**CHAPTER IX PROCEDURES FOR IMPLEMENTATION OF
THE INCENTIVE SCHEME**

I. Procedures for Effectiveness of the Incentive Scheme

- (i) The Remuneration Committee is responsible for formulating the draft Incentive Scheme and its summary.
- (ii) The board of directors shall make the resolution on the Incentive Scheme pursuant to the laws. When the board of directors make the resolution, directors being a Participant or related directors shall abstain from voting. After approving the Incentive Scheme and the procedures of public announcements, the board of directors shall submit this Incentive Scheme to the general meeting of shareholders for reviewing; meanwhile, the board of directors shall submit to the general meeting of shareholders for authorization to the implementation of the grant and attribution (registration) of the Restricted Shares.
- (iii) The independent directors and the board of supervisors shall express opinions as to whether the Incentive Scheme is conducive to the sustainable development of the Company and whether there are any circumstances apparently harmful to the interests of the Company and all shareholders. The Company will engage an independent financial adviser to give professional opinions on the feasibility of the Incentive Scheme, whether the Incentive Scheme is conducive to the sustainable development of the Company and whether there are any circumstances apparently harmful to the interests of the Company and all shareholders. The legal adviser engaged by the Company will issue a legal opinion on the Incentive Scheme.
- (iv) The Company shall carry out self-investigation on the trading of shares of the Company by individuals in possession of inside information within 6 months prior to the announcement of the Incentive Scheme.
- (v) The Incentive Scheme shall only implement after approved by the general meeting. Before convening a general meeting, the Company shall announce the names and positions of the Participants internally for not less than 10 days on the Company's website or by other means. The board of supervisors shall review the list of Participants and take sufficient consideration of the public response. The Company shall disclose the information regarding the review by the board of supervisors regarding the list of Participants and the publication responses 5 days prior to the consideration of the Incentive Scheme at the general meeting.

- (vi) During voting on the Incentive Scheme at the general meeting of the Company, the independent directors shall solicit proxy voting rights from all shareholders regarding the Incentive Scheme. The content of the Incentive Scheme stipulated by Article 9 of the Management Measures shall be considered and voted by the general meeting of shareholders, the class meeting of A shareholders and the class meeting of H shareholders and shall only be approved by more than 2/3 of the voting rights held by shareholders attending the meeting. The voting situation of other shareholders except for the Company's directors, supervisors, senior managers, and shareholders who individually or collectively hold more than 5% of the Company's shares shall be calculated separately and disclosed. When the Incentive Scheme is considered at the general meeting, the shareholders who is a Participant or have connected relationship with the Participants shall abstain from voting.

- (vii) After the Incentive Scheme has been considered and approved by the general meeting of the Company, and satisfies the conditions for grant, the Company will grant the Restricted Shares to the Participants within the stipulated period. After being authorized by the general meeting of shareholders, the board of directors is responsible for implementing the granting and attribution of the Restricted Shares.

II. Procedures for Grant of the Restricted Shares

- (i) The Company shall enter into the Agreement on the Granting of Restricted Shares with the Participants setting out their respective rights and obligations after the Scheme is approved by the general meeting and the resolution of granting the Restricted Shares to the Participants is made by the board of directors.

- (ii) Before granting the Restricted Shares to the Participants, the board of directors shall consider whether the Participants have satisfied the conditions for grant prescribed in the Incentive Scheme and make an announcement thereafter. The grant of Restricted Shares under the reserved grant is determined and approved by the board of directors. The independent directors and the board of supervisors shall also issue their express opinions at the same time. The legal advisor shall issue a legal opinion on whether the Participants have satisfied the conditions of the grant.

- (iii) The board of supervisors of the Company shall verify the list of the Participants and the grant date of the Restricted Shares and issue its opinion.

- (iv) When there is any discrepancy between the Company's grant of the Restricted Shares to the Participants and the arrangement stipulated under the Incentive Scheme, the independent directors, the board of supervisors (when there are changes to the Participants), legal advisor shall issue their clear opinions simultaneously.

- (v) Upon the general meeting's consideration and approval of the Incentive Scheme, the Company shall grant the Restricted Shares to the Participants and make an announcement within 60 days. If the Company fails to publish an announcement in respect of the grant of the Restricted Shares within the 60-day period, the Incentive Scheme shall be terminated, and the board of directors shall promptly disclose the reasons for the failure to complete and is prohibited from approving a share incentive scheme again within 3 months thereafter (The period during which listed companies are not allowed to grant Restricted Shares according to the Administrative Measures and related laws and regulations is not counted within the 60 days).

- (vi) The Participants of the reserved grant shall be determined within 12 months after the Incentive Scheme being reviewed and approved at the general meeting. The reserved grant shall lapse if such Participants cannot be determined within the said 12-month period.

III. Procedures for the Attribution of the Restricted Shares

- (i) Prior to attribution, the board of directors shall consider whether the attribution conditions under the Incentive Scheme have been satisfied, and the independent directors and the board of supervisors shall express clear opinions at the same time. The legal advisor shall issue a legal opinion on whether the conditions for exercising the Restricted Shares have been satisfied. The attribution of the Restricted Shares to the Participants who have fulfilled the attribution conditions shall be handled by the Company uniformly. The Restricted Shares of the Participants who have not fulfilled the attribution conditions in the relevant tranche shall not be attributed and shall lapse. The Company shall make timely disclosure in respect of the resolutions of the board of directors, the opinions of independent directors, board of supervisors, and legal advisor and the implementation of the Incentive Scheme after attribution to the Participants.

- (ii) The Company shall in a unified manner make an application to the Stock Exchange, and after confirmation by the Stock Exchange, the securities registration and settlement authorities will handle the matters for the attribution of the Restricted Shares.

IV. Procedures for Amendment of the Incentive Scheme

- (i) If the Company intends to make amendments to the Incentive Scheme before it is considered and approved at the general meeting, the amendments shall be considered and approved by the board of directors.
- (ii) If the Company intends to make amendments to the Incentive Scheme that has been adopted at the general meeting, such amendments shall be submitted to the general meeting for its approval and shall not include circumstances:
 - 1. acceleration of attribution;
 - 2. reduction of the grant price (except for circumstance where the grant price is reduced due to conversion of capital reserve into share capital, stock dividend, share allotment and other matters concerned.
- (iii) The independent directors and the board of supervisors of the Company shall give independent opinions as to whether the amendments to the Incentive Scheme is conducive to the sustainable development of the Company and whether there are any situations that clearly harm the interests of the Company and all shareholders. The legal advisor shall express its professional opinions as to whether the amended proposal is in compliance with the requirements of the Management Measures and relevant laws and regulations, and whether there are any circumstances that clearly harm the interests of the Company and all shareholders.

V. Procedures of termination of the Incentive Scheme

- (i) If the Company intends to terminate the Incentive Scheme before it is considered and approved at the general meeting, the board of directors shall consider and approve.
- (ii) If the Company intends to terminate the implementation of the Incentive Scheme after it is considered and approved at the general meeting, such termination shall be submitted to the general meetings for approval.
- (iii) The legal advisor shall express its professional opinions as to whether the Company's termination of the implementation of the Incentive Scheme is in compliance with the requirements of the Management Measures and relevant laws and regulations and whether there are any circumstances that clearly harm the interests of the Company and all shareholders.

**CHAPTER X METHODS AND PROCEDURES FOR ADJUSTMENT
UNDER THE INCENTIVE SCHEME****I. Adjustment Method for the Number of the Restricted Shares Granted and Attributed**

In the event of conversion of capital reserve into share capital, stock dividend, share split or share consolidation, share allotment, and other matters concerned of the Company during the period from the date of the announcement of the Incentive Scheme to the granting of Restricted Shares to the Participants, and from the granting of Restricted Shares to the Participants to the attribution of the Restricted Shares to the Participants, the number of the Restricted Shares granted/attributed shall be adjusted accordingly. The adjustment method is as follows:

(i) Conversion of capital reserve into share capital, stock dividend and share split

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

Where: Q_0 represents the number of Restricted Shares granted/attributed before adjustment; n represents the ratio of increase per share resulting from conversion of capital reserve into share capital, stock dividend or share split (i.e. the number of the shares increased per share upon conversion of capital reserve into share capital, stock dividend or share split); Q represents the number of Restricted Shares granted/attributed after adjustment.

(ii) Share allotment

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

Where: Q_0 represents the number of Restricted Shares granted/attributed before adjustment; P_1 represents the closing price as at the record date; P_2 represents the price of the allotted shares; n represents the ratio of the share allotment (i.e. the ratio of the number of shares to be issued under the share allotment to the total number of shares of the Company before the share allotment); Q represents the number of Restricted Shares granted/attributed after adjustment.

(iii) Share consolidation

$$Q = Q_0 \times n$$

Where: Q_0 represents the number of the Restricted Shares granted/attributed before adjustment; n represents the ratio of consolidation of shares (i.e. one share of the Company is consolidated into n share); Q represents the number of the Restricted Shares granted/attributed after adjustment.

(iv) New issue of shares

In the event of new issue of Shares by the Company, no adjustment shall be made to the number of Restricted Shares granted/attributed.

II. Adjustment Method of the Grant Price of the Restricted Shares

In the event of conversion of capital reserve into share capital, stock dividend, share split or share consolidation, share allotment, dividend payment, and other matters concerned of the Company during the period from the date of the announcement of the Incentive Scheme to the granting of Restricted Shares to the Participants, and from the granting of Restricted Shares to the Participants to the attribution of the Restricted Shares to the Participants, the grant price of the Restricted Shares granted shall be adjusted accordingly. The adjustment method is as follows:

(i) Conversion of capital reverse into share capital, stock dividend and share split

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

Where: P_0 represents the granted price before the adjustment; n represents the ratio of increase per share resulting from conversion of capital reverse into share capital, stock dividend and share split; P represents the granted price after the adjustment.

(ii) Share allotment

$$P = P_0 \times (P_1 + P_2 \times n) \div [P_1 \times (1 + n)]$$

Where: P_0 represents the granted price before the adjustment; P_1 represents the closing price as at the record date; P_2 represents the price of the allotted shares; n represents the ratio of the share allotment (i.e. the ratio of the number of shares to be issued under the share allotment to the total number of shares of the Company before the share allotment); P represents the granted price after the adjustment.

(iii) Share consolidation

$$P = P_0 \div n$$

Where: P_0 represents the granted price before the adjustment; n represents the ratio of consolidation of shares per share; P represents the granted price after the adjustment.

(iv) Dividend distribution

$$P = P_0 - V$$

Where: P_0 represents the granted price before the adjustment; V represents the dividend per share; P represents the granted price after the adjustment. P shall be greater than 1 after the dividend distribution.

(v) New issue of shares

In the event of new issue of shares by the Company, no adjustment will be made to the granted price of the Restricted Shares.

III. Adjustment procedures for the Incentive Scheme

When the above situation occurs, the Company's board of directors shall review and approve the proposal on adjusting the number of Restricted Shares granted/attribution and the granted price (If the number and the grant price of the Restricted Shares need to be adjusted due to matters other than the above circumstances, in addition to the approval of the relevant proposals from the board of directors, such adjustments must be submitted to the general meeting of the Company for approval). The Company shall engage legal advisers to provide professional opinions to the board of directors on whether the above adjustments comply with the requirements under the Management Measures, the Articles of Association and the Incentive Scheme. After the proposal of adjusting is approved by the board of directors, the Company shall disclose the resolution of the board of directors and the corresponding legal opinion.

CHAPTER XI ACCOUNTING TREATMENT ON THE RESTRICTED SHARES

In accordance with relevant requirements of the Accounting Standards for Business Enterprises No. 11 – Share-Based Payments and the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, on each balance sheet date during the period from the grant date to the attribution date, the Company shall revise the number of the Restricted Shares which are expected to be attributed according to the changes in the latest available number of persons eligible to be attributed the Restricted Shares, fulfilment of the performance targets and other subsequent information, and recognize the services acquired during such period in relevant costs or expenses and capital reserve at the fair value of the Restricted Shares on the grant date.

I. Fair Value of the Type II Restricted Shares and the Determination Method

The company will include the services obtained in the current period into relevant costs or expenses and capital reserves according to the fair value of stock options on the grant date. The Company selects the Black Scholes model to calculate the fair value of the Type II restricted shares, and uses the model to predict the Type II restricted shares under the first grant on August 20, 2021 (formal calculation at the time of grant). The specific parameters are as follows:

1. underlying stock price: RMB390.00 per A Share (assuming that the closing price of the A Shares of the Company on the Grant Date is the closing price on August 20, 2021);
2. the validity period is 12 months and 24 months respectively (the period from the date of grant to the attribution date of each tranche);
3. historical volatility: 34.4529%, 32.8926% (using the historical volatility of Shenwan Biological Products Industry in recent two years);
4. risk free interest rate: 1.50% and 2.10% (the benchmark interest rates for 1-year and 2-year deposits of financial institutions formulated by the People's Bank of China are adopted respectively); and
5. dividend yield: 0.00%.

II. The Estimated Impact on the Operating Performance in Each Accounting Period due to the implementation of the Restricted Shares

The fair value of the Restricted Shares at the grant date shall be determined in accordance with accounting standards and the share-based cost of the Incentive Scheme will be determined accordingly. The total amount of above expenses will be amortized in proportion to the attributed shares during the implementation of the Incentive Scheme and the incentive cost of the Company's Incentive Scheme will be disbursed from operating profit or loss.

APPENDIX I THE 2021 RESTRICTED SHARE INCENTIVE SCHEME (DRAFT)

In accordance with PRC Accounting Standards, the amortization of cost of the Restricted Shares under the First Grant for each accounting period is as follows (assuming the Grant Date will be mid-September 2021):

Unit: RMB0' 000

Number of Restricted Shares under the First Grant (share)	Amortization cost of the Restricted Shares	Year	Year	Year
		2021	2022	2023
880,200	16,635.97	3,611.16	10,010.95	3,013.85

Notes:

1. The above costs are projected costs, and actual costs are related to the Grant Date, the actual Grant Price, and the number of attributed shares, which are subject to decrease in case of the Participants' demission before attribution, and the Company or the Participant not being able to meet corresponding performance assessment requirements, which result in decrease of incentive costs. The Company draws the Shareholders' attention to the possible dilutive effect of the share-based payment described above;
2. The final impact of the above projected amortization expenses on the Company's operating results is subject to the audit report issued by the accountants.

The Company estimates that, based on current information, the amortization of costs of the Restricted Shares will have an impact on the net profit each year within the validity period. The implementation of the Incentive Scheme will further improve the cohesion of the employees and stability of team, stimulate the enthusiasm of the management, and improve operating efficiency, thus will have a positive effect on the Company's performance and internal value.

CHAPTER XII RIGHTS AND OBLIGATIONS OF THE COMPANY/PARTICIPANTS

I. Rights and Obligations of the Company

- (i) The Company has the right to interpret and implement the Incentive Scheme and to conduct performance assessment of the Participants. If a Participant fails to fulfill the attribution conditions as determined under the Incentive Scheme, according to the principles of the Incentive Scheme, the Restricted Shares that have been granted but have not yet been attributed shall not be attributed and shall lapse.
- (ii) The Company undertakes not to provide loans and any other forms of financial assistance, including providing guarantee for their loans, to the Participants to obtain relevant Restricted Shares according to the Incentive Scheme.
- (iii) The Company shall timely report and disclose the documents related to the Incentive Scheme in accordance with relevant laws and regulations.
- (iv) In accordance with the Incentive Scheme and relevant requirements of the CSRC, the Stock Exchange and China Securities Depository and Clearing Co., Ltd., the Company shall handle the registration of the attribution of Restricted Shares for the Participants that meet the attribution conditions. However, the Company shall not be held liable if the Participants fails to complete the registration of the attribution of Restricted Shares and causes losses to the Participants due to the reasons on the part of the CSRC, the Stock Exchange and the China Securities Depository and Clearing Co., Ltd..
- (v) If the Participant violates the laws and professional ethics, divulges company secrets, and neglects his/her duty or malfeasance or has other acts that seriously damage the Company's interests or reputation, upon the approval of the Remuneration Committee and the board of directors, the Restricted Shares that have been granted to the Participant but have not yet been attributed, shall not be attributed and shall lapse. If the circumstances are serious, the Company may also seek compensation for the losses incurred in accordance with the provisions of relevant laws.
- (vi) Other relevant rights and obligations as stipulated under the laws, regulations and the Incentive Scheme.

II. Rights and Obligations of the Participants

- (i) The Participants shall be diligent and responsible, abide by professional ethics, and make due contributions to the development of the Company in accordance with the requirements of the positions at which he/she is employed by the Company.
- (ii) The Participants have the right to receive the attributed Restricted Shares granted in accordance with the provisions of the Incentive Scheme, and shall lock-up and deal with his/her Restricted Shares in accordance with relevant provisions.
- (iii) Source of funds for the Participants shall be their own financing.
- (iv) Prior to the attribution, the Restricted Shares granted to the Participants under the Incentive Scheme shall not be transferred, used to guarantee or repay debts. Such Restricted Shares shall not be transferred during the lock-up period.
- (v) Prior to the attribution, the Restricted Shares granted to the Participants under the Incentive Scheme do not carry any voting rights or right to participate in the distribution of bonus shares or share dividends.
- (vi) The income received by the Participants as a result of the Incentive Scheme shall be subject to personal income tax and other taxes and fees in accordance with national tax regulations.
- (vii) The Participants undertake that, if there are false records, misleading statements or material omissions in the Company's information disclosure documents, resulting in non-compliance with the arrangement for granting rights and interests, the Participants shall return all the benefits obtained from the Incentive Scheme to the Company after confirming the existence of false records, misleading statements or major omissions in relevant information disclosure documents.
- (viii) If the Participant is no longer eligible to be a Participant under the Incentive Scheme as stipulated in Article 8 of the Management Measures during the implementation of the Incentive Scheme, the Restricted Shares that have been granted but have not yet been attributed shall not be attributed, and shall lapse.
- (ix) The Company shall enter into the Agreement on the Granting of Restricted Shares with each Participant after the Incentive Scheme having been considered and approved at the general meeting, setting out the parties' respective rights and obligations under the Incentive Scheme and other relevant matters.
- (x) Other relevant rights and obligations as stipulated by laws, administrative regulations and the Incentive Scheme.

**CHAPTER XIII ARRANGEMENTS FOR THE INCENTIVE SCHEME IN
THE EVENT OF CHANGE AT THE LEVEL OF COMPANY/PARTICIPANTS**

I. In the Event of any Changes Occurred at the Company Level

- (i) In the event that any of the circumstances below occurs in respect of the Company, the Incentive Scheme shall be terminated and the Restricted Shares that have been granted to the Participants under the Incentive Scheme but have not yet been attributed shall not be attributed and shall lapse:
1. an audit report on the financial and accounting report for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
 2. an audit report on internal control over financial reporting for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
 3. in the most recent 36 months upon listing, there have been cases of failure to distribute profits according to laws and regulations, the Articles of Association and public undertakings;
 4. laws and regulations stipulate that equity incentives shall not be implemented;
 5. other circumstances where the Incentive Scheme should be terminated as determined by the CSRC.
- (ii) In the event that any of the circumstances below occurs, the Incentive Scheme shall remain unchanged:
1. There is a change of control of the Company but no material assets reorganization; and
 2. There is a merger or division of the Company, and the Company continues to operate.
- (iii) In the event that any of the circumstances below occurs, the general meeting of the Company shall decide whether to terminate or amend the Incentive Scheme:
1. There is a change of control of the Company and a material assets reorganization; and
 2. There is a merger or division of the Company and the Company ceases to operate.

- (iv) If the Company fails to meet the conditions for granting or attributing the Restricted Shares due to false records, misleading statements or major omissions in the information disclosure documents, the Restricted Shares that have been granted to the Participants but have not yet been attributed shall not be attributed and shall lapse. If the Restricted Shares that have been granted to the Participants have already been attributed, the Participants shall return all the granted rights and interests. The board of directors shall recover the proceeds from the Participants in accordance with the requirements under the preceding paragraph. If a Participant who is not responsible for the above matters suffers from losses due to the return of rights and interests, such Participant can recover such losses from the Company or the responsible targets.

II. In the Event of Changes in the Personal Circumstances of the Participants

- (i) If the position of the Participant changes but he/she still works in the Company or its subsidiaries, the Restricted Shares granted to him/her shall still be attributed in accordance with the procedures stipulated in the Incentive Scheme before such change. However, (1) if the Participant becomes incompetent for the position, violates the law, violates professional ethics, divulges company secrets, damages the interests or reputation of the Company due to dereliction of duty or malfeasance, or causes the Company to terminate the labor relationship with the Participant due to the above reasons. The Restricted Shares that have been granted but have not yet been attributed shall not be attributed and shall lapse. (2) if the Participants work in a subsidiary controlled by the Company, and if the Company loses control over the subsidiary and the Participants still work in such subsidiary, the Restricted Shares that have been attributed shall not be handled. The Restricted Shares that have been granted to such Participant but have not yet been attributed, shall not be attributed, and shall lapse.
- (ii) If the Participant leaves the Company, including due to voluntary resignation, company layoffs, expiration of labor contract or employment agreement, termination of labor contract or employment agreement as the result of personal fault or mutual agreement, the Restricted Shares that have been granted to such Participant but have not yet been attributed shall not be attributed, and shall lapse. The Participant shall pay the Company the personal income tax arising from the attributed Restricted Shares before leaving.

The company has the right to recover the losses incurred from the Participant in accordance with the relevant laws and regulations in the event of a material personal fault of the Participant, including but not limited to:

violation of the employment contract, confidentiality agreement, non-competition agreement or any other similar agreement signed with the Company or its affiliates; violation of the laws of the country of residence, resulting in criminal offenses or other conditions that negatively affect his/her performance of duties; and receiving remuneration from other company or individual without disclosing it to the Company in advance.

- (iii) If the Participants retire according to the laws and regulations as well as the Company's regulations (including those re-hired by the Company or by any other means after retirement continuing to provide labour services to the Company) and have complied with the confidentiality obligation without conducting any action that would harm the interest of the Company, the Restricted Shares that have been granted to them will remain effective and relevant attribution will be carried out in accordance with the procedures stipulated in the Incentive Scheme. In the event that such circumstance arises and the Participant no longer has a performance assessment, the achievement of performance assessment target shall not be one of the attribution condition for the participant; if the Participant still has a performance assessment, the achievement of performance assessment target will continue to be one of the attribution conditions for the Participant.

- (iv) Incapacity of the Participants will be handled in the following two manners:
 - 1. If the Participants are incapacitated due to work injury and leave the Company, the Restricted Shares granted to the Participants shall be carried out in accordance with the procedures stipulated in the Incentive Scheme which took effect before the occurrence thereof, and the Board of Directors has the right to decide that the personal performance evaluation results will no longer be included in the attribution conditions and other conditions remain effective. The individual income tax arising from the Restricted Shares that have been attributed shall be paid by the Participants to the Company before the Participants leave the Company. The individual income tax arising from the Restricted Shares that will be attributed shall be paid by the Participants to the Company in advance at each subsequent attribution.

 - 2. If the Participants leave the Company, which is not due to the incapability arising from work injury, the Restricted Shares that have been granted to such Participant but have not yet been attributed, shall not be attributed and shall lapse. The individual income tax arising from the Restricted Shares that have been attributed to the Company shall be paid by the Participants to the Company before the Participants leave the Company.

- (v) Death of the Participants will be handled in the following two manners:
1. If the Participants are deceased due to their duty, the Restricted Shares granted to them shall be held by the designated property heir or legal heir on their behalf, and shall be carried out in accordance with the procedures stipulated in the Incentive Scheme which took effect before their death, and the Board of Directors has the right to decide that the results of their personal performance evaluation shall not be included in the attribution conditions. The individual income tax arising from the Restricted Shares that have been attributed to the Company shall be paid to the Company before the designated property heir or legal heir inherits. The individual income tax arising from the Restricted Shares that will be attributed shall be paid to the Company in advance by the heir at each subsequent attribution.
 2. If the Participants are deceased for other reasons, the Restricted Shares that have been granted to such Participant but have not yet been attributed shall not be attributed, and shall lapse. The Company is entitled to receive the individual income tax arising from the Restricted Shares that have been attributed to the Participants from their heritage before the designated property heir or legal heir inherits.
- (vi) The Board shall be responsible for making decisions on other unspecified situations of the Incentive Scheme and the methods of handling them.
- (vii) If the Participant no longer meets the eligibility of the Participant due to any one of the following circumstances, the Restricted Shares that have been attributed to such Participant shall not be handled, and the Restricted Shares that have been granted to such Participant but have not yet been attributed, shall not be attributed and shall lapse:
1. The Participant has been determined as an inappropriate candidate by the Stock Exchange within the most recent 12 months;
 2. The Participant has been identified as an inappropriate candidate by the CSRC and its delegated institutions within the most recent 12 months;
 3. The Participant has been subject to administrative punishment or market ban measures by the CSRC and its delegated institutions due to major breach of laws and regulations in the most recent 12 months;
 4. The Participant has the circumstances stipulated in the Company Law that he/she shall not act as a director or member of the senior management of a company;

5. Laws and regulations stipulate that the Participant shall not participate in the equity incentives of listed companies;
6. Other circumstances as determined by the CSRC.

III. Dispute Resolution Mechanism for Disputes between the Company and Participants

Disputes between the Company and the Participants arising from the implementation of the Incentive Scheme and/or the Agreement on the Granting of Restricted Shares signed by both parties or related to the Incentive Scheme and/or the Agreement on the Granting of Restricted Shares shall be settled by both parties through negotiation, communication or mediation by the remuneration and assessment committee under the board of directors of the Company. If both parties fail to solve the dispute by the above methods within 60 days from the date of occurrence of the dispute, either party has the right to bring a lawsuit to the people's court within the jurisdiction where the Company is located.

CHAPTER XIV SUPPLEMENTARY PROVISIONS

- I. The Incentive Scheme shall become effective after being considered and approved at the general meeting of the Company;
- II. The board of directors of the Company shall be responsible for the interpretation of the Incentive Scheme.

CanSino Biologics Inc.*

Board of directors

Should there be any discrepancy between the Chinese and English versions of the 2021 Restricted Share Incentive Scheme, the Chinese version shall prevail.

CANSINO BIOLOGICS INC.*
**THE MANAGEMENT MEASURES FOR ASSESSMENT FOR THE
IMPLEMENTATION OF THE 2021 RESTRICTED SHARE INCENTIVE SCHEME**

To further perfect the incentive mechanism of CanSino Biologics Inc.* (the “**Company**”), formulate a well-balanced value distribution system, effectively combine the interests of shareholders, the Company and employees, and stimulate employees to work more honestly and diligently, so as to ensure the steady improvement of the Company’s performance and the realization of the Company’s development strategy and business objectives, the Company has formulated the 2021 Restricted Share Incentive Scheme in accordance with the principles of income equivalent to contribution.

To ensure the smooth implementation of the 2021 Restricted Share Incentive Scheme of the Company, the Management Measures for Assessment for the Implementation of the 2021 Restricted Share Incentive Scheme (the “**Management Measures**”) are specially formulated according to the Company Law of the People’s Republic of China (《中華人民共和國公司法》), the Securities Law of the People’s Republic of China (《中華人民共和國證券法》), the Management Measures for Share Incentives of Listed Companies (《上市公司股權激勵管理辦法》), the Rules Governing the Listing of Stocks on the STAR Market of Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》) and other relevant laws, administrative regulations, regulatory documents, relevant articles of the Articles of Association of CanSino Biologics Inc.* as well as the 2021 Restricted Share Incentive Scheme (Draft) of the Company (hereinafter referred to as the “**Incentive Scheme**”).

Article 1 Purpose of Assessment

The purposes of these measures are to improve the Company’s incentive and restraint mechanism, ensure the smooth implementation of the Company’s Incentive Scheme and give full play to the role of the Incentive Scheme, so as to ensure the achievement of the Company’s development strategy and business objectives.

Article 2 Principles of Assessment

The assessment and evaluation must adhere to the principles of fairness, openness and fairness, and be carried out in strict accordance with the Management Measures and the performance of the Participants, so as to realize the close combination of the incentive scheme with the work performance and contribution of the participants, so as to improve the overall performance of the Company and maximize the interests of the Company and shareholders as a whole.

Article 3 Scope of Assessment

The Management Measures are applicable to all Participants determined in the Incentive Scheme, including persons considered the board of directors to be required to be incentivized. The Participants exclude independent directors and supervisors. All the Participants must have an employment or labour relationship with the Company or its subsidiaries at the time of grant and during the assessment period of the Incentive Scheme.

Article 4 Assessment Body

- (i) The remuneration and assessment committee of the board of directors is responsible for leading and organizing the assessment of the participants.
- (ii) The human resources department of the Company is responsible for the implementation of specific assessment work. The human resources department of the Company is responsible for and will report to the remuneration and assessment committee.
- (iii) The human resources department, finance management centre and other relevant departments of the Company are responsible for the collection and provision of relevant assessment data, as well as the authenticity and reliability of the data.
- (iv) The board of directors of the Company is responsible for reviewing the Management Measures and the assessment results.

Article 5 Performance Assessment Indicators and Standards

(i) Performance assessment requirements at the Company level

Under the Incentive Scheme, the Company's performance indicators will be evaluated on an annual basis for the financial years of 2021 to 2022, and the achievement of performance assessment target will be one of the attribution conditions for the participants for the current year. The performance assessment targets and attribution factors for the restricted shares under the first grant (including the reserved grant) are shown in the following table:

Attribution Arrangement	Assessment year	Performance Target A Company Attribution Factor: 100%	Performance Target B Company Attribution Factor: 85%	Performance Target C Company Attribution Factor: 70%
First attribution tranche	2021	<p>The Company must meet all of the following conditions:</p> <ol style="list-style-type: none"> 1. Operating revenue: no less than RMB7.0 billion in 2021; 2. At least 3 products are launched (excluding Ad5-EBOV) by the end of 2021; 3. At least 3 products have obtained clinical trial approval or entered into next-phase clinical trial (for products which have obtained clinical trial approval and entered into clinical trial) in 2021. 	<p>The Company must meet all of the following conditions:</p> <ol style="list-style-type: none"> 1. Operating revenue: no less than RMB6.5 billion in 2021; 2. At least 3 products are launched (excluding Ad5-EBOV) by the end of 2021; 3. At least 3 products have obtained clinical trial approval or entered into next-phase clinical trial (for products which have obtained clinical trial approval and entered into clinical trial) in 2021. 	<p>The Company must meet all of the following conditions:</p> <ol style="list-style-type: none"> 1. Operating revenue: no less than RMB6.0 billion in 2021; 2. At least 2 products are launched (excluding Ad5-EBOV) by the end of 2021; 3. At least 3 products have obtained clinical trial approval or entered into next-phase clinical trial (for products which have obtained clinical trial approval and entered into clinical trial) in 2021.

APPENDIX II

**THE MANAGEMENT MEASURES FOR
ASSESSMENT FOR THE IMPLEMENTATION OF
THE 2021 RESTRICTED SHARE INCENTIVE SCHEME**

Attribution Arrangement	Assessment year	Performance Target A Company Attribution Factor: 100%	Performance Target B Company Attribution Factor: 85%	Performance Target C Company Attribution Factor: 70%
Second attribution tranche	2022	<p>The Company must meet all of the following conditions:</p> <ol style="list-style-type: none"> 1. Cumulative operating revenue: no less than RMB20.0 billion for the financial years 2021-2022; 2. At least 4 products are launched (excluding Ad5-EBOV) by the end of 2022; 3. At least 2 new INDs are filed and accepted in 2022. 	<p>The Company must meet all of the following conditions:</p> <ol style="list-style-type: none"> 1. Cumulative operating revenue: no less than RMB18.5 billion for the financial years 2021-2022; 2. At least 3 products are launched (excluding Ad5-EBOV) by the end of 2022; 3. At least 2 new INDs are filed and accepted in 2022. 	<p>The Company must meet all of the following conditions:</p> <ol style="list-style-type: none"> 1. Cumulative operating revenue: no less than RMB17.0 billion for the financial years 2021-2022; 2. At least 3 products are launched (excluding Ad5-EBOV) by the end of 2022; 3. At least 1 new IND is filed and accepted in 2022.

Note: The above “operating income” is calculated based on the data set out in the consolidated audited statements.

During the attribution period, the Company shall handle the registration for participants meeting the attribution conditions. If the Company’s performance level fails to meet or partially meets the performance assessment indicator requirements in each attribution period, the restricted shares of the participants that cannot be attributed for the current year shall not be attributed and shall lapse.

(ii) Performance assessment requirements at the participant’s individual level:

The individual assessment of participants is carried out according to the internal performance assessment system of the Company. The results of the individual assessment of participants are divided into four levels – “A”, “B”, “C” and “D” and the corresponding attribution percentage is as follows:

Assessment Level	A	B	C	D
Individual attribution factor	100%	100%	85%	0

Under the premise of the Company achieving above its performance assessment target C (inclusive), the number of restricted shares to be attributed to the Participant in the current year equals to the number of restricted shares planned to be attributed to the individual participant in the current year × the Company attribution factor × the individual attribution factor.

In any event if the restricted shares to be attributed to the participant under the Incentive Scheme in the current year cannot be attributed or fully attributed due to assessment reasons, such restricted shares shall lapse and cannot be deferred to the next year for attribution.

Article 6 Period and Times of Assessment

The assessment years for the restricted shares of the Incentive Scheme are the two accounting years of 2021-2022, and the assessment at the Company level and individual level shall be conducted once a year.

Article 7 Assessment Procedures

The human resources department of the Company is responsible for the specific assessment work under the guidance of the remuneration and assessment committee and retaining the assessment results. On this basis, a performance assessment report shall be prepared and submitted to the remuneration and assessment committee.

Article 8 Management of Assessment Results

(i) Feedback and appealing of assessment results

The participants are entitled to know their own assessment results. The remuneration and assessment committee shall inform the participants of the assessment results within 5 working days after the completion of the assessment.

If the participants have objections against the assessment results, they can communicate with the human resources department to resolve. If the objections cannot be resolved through communication, the participants may appeal to the remuneration and assessment committee which shall review and determine the final assessment result within 10 working days.

(ii) Record of assessment results

After the completion of assessment, the human resources department shall retain all the records of the performance assessment. The assessment results shall be treated as confidential information and shall be kept for 5 years. Documents and records that exceed the storage period shall be uniformly destroyed by the human resources department upon approval by the remuneration and assessment committee.

Article 9 Supplementary Provisions

- (i) The board of directors is responsible for the formulation, interpretation and revision of the Management Measures. If the relevant provisions of the Management Measures conflict with the relevant laws, administrative regulations and departmental rules, the relevant laws, administrative regulations and departmental rule shall prevail.
- (ii) The Management Measures shall be subject to consideration and approval at the general meeting and become effective upon the Incentive Scheme becoming effective.

CanSino Biologics Inc.*
Board of Directors

* *For identification purpose only*

Should there be any discrepancy between the Chinese and English versions of the Management Measures for Assessment for the Implementation of the 2021 Restricted Share Incentive Scheme, the Chinese version shall prevail.

NOTICE OF EGM

CanSino Biologics Inc. **康希諾生物股份公司**

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 6185)

NOTICE OF THE 2021 SECOND EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2021 second extraordinary general meeting (the “EGM”) of CanSino Biologics Inc. (the “Company”) will be held at No. 3 Ballroom, 2nd Floor, Shangri-La Hotel Tianjin, No. 328 Haihe East Road, Hedong District, Tianjin, the People’s Republic of China on Friday, September 10, 2021 at 2:00 p.m. for the following purposes.

SPECIAL RESOLUTIONS

- 1 To consider and approve the proposed adoption of the 2021 Restricted Share Incentive Scheme of the Company and a specific mandate to allot and issue restricted shares to the participants under the scheme;
- 2 To consider and approve the proposed adoption of the Management Measures for Assessment for the Implementation of the 2021 Restricted Share Incentive Scheme; and
- 3 To consider and approve the proposed authorization to the board of directors of the Company to deal with matters relating to the 2021 Restricted Share Incentive Scheme.

For and on behalf of the Board
CanSino Biologics Inc.
Xuefeng YU
Chairman

Hong Kong, August 26, 2021

NOTICE OF EGM

Notes:

1. All resolutions at the EGM will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The results of the poll will be published on the websites of the Company at www.cansinotech.com and Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk after the EGM.
2. Any shareholder entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
3. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be completed and returned to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares), at least 24 hours before the EGM (i.e. not later than 2:00 p.m. on Thursday, September 9, 2021) or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude a shareholder from attending and voting at the EGM or any adjourned meeting thereof should he/she so wish.
4. For the purpose of determining the list of holders of H shares who are entitled to attend the EGM, the H share register of members of the Company will be closed from Wednesday, September 8, 2021 to Friday, September 10, 2021, both days inclusive, during which period no transfer of H shares will be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of the shares shall ensure all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Tuesday, September 7, 2021 for registration.
5. In case of joint shareholders, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.
6. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.
7. A shareholder or his/her proxy should produce proof of identity when attending the EGM.
8. References to date and time in this notice are to Hong Kong dates and time.

As of the date of this notice, the board of directors comprises Dr. Xuefeng YU, Dr. Shou Bai CHAO, Dr. Tao ZHU and Dr. Dongxu QIU as executive directors, Mr. Qiang XU, Mr. Liang LIN, Ms. Nisa Bernice Wing-Yu LEUNG and Mr. Zhi XIAO as non-executive directors, and Mr. Shiu Kwan Danny WAI, Ms. Zhu XIN, Mr. Shuifa GUI and Mr. Jianzhong LIU as independent non-executive directors.

NOTICE OF CLASS MEETING OF H SHAREHOLDERS

CanSino Biologics Inc. **康希諾生物股份公司**

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 6185)

NOTICE OF THE 2021 FIRST CLASS MEETING OF H SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the 2021 first class meeting of holders of H shares (the “**Class Meeting of H Shareholders**”) of CanSino Biologics Inc. (the “**Company**”) will be held at No. 3 Ballroom, 2nd Floor, Shangri-La Hotel Tianjin, No. 328 Haihe East Road, Hedong District, Tianjin, the People’s Republic of China on Friday, September 10, 2021 immediately after the conclusion of the 2021 second extraordinary general meeting of the Company (or any adjournment thereof) for the following purposes.

SPECIAL RESOLUTIONS

- 1 To consider and approve the proposed adoption of the 2021 Restricted Share Incentive Scheme of the Company and a specific mandate to allot and issue restricted shares to the participants of the scheme;
- 2 To consider and approve the proposed adoption of the Management Measures for Assessment for the Implementation of the 2021 Restricted Share Incentive Scheme; and
- 3 To consider and approve the proposed authorization to the board of directors of the Company to deal with matters relating to the 2021 Restricted Share Incentive Scheme.

For and on behalf of the Board
CanSino Biologics Inc.
Xuefeng YU
Chairman

Hong Kong, August 26, 2021

NOTICE OF CLASS MEETING OF H SHAREHOLDERS

Notes:

1. All resolutions at the Class Meeting of H Shareholders will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The results of the poll will be published on the websites of the Company at www.cansinotech.com and Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk after the Class Meeting of H Shareholders.
2. Any shareholder entitled to attend and vote at the Class Meeting of H Shareholders convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
3. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be completed and returned to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares), at least 24 hours before the 2021 second extraordinary general meeting of the Company (i.e. not later than 2:00 p.m. on Thursday, September 9, 2021) or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude a shareholder from attending and voting at the Class Meeting of H Shareholders or any adjourned meeting thereof should he/she so wish.
4. For the purpose of determining the list of holders of H shares who are entitled to attend the Class Meeting of H Shareholders, the H share register of members of the Company will be closed from Wednesday, September 8, 2021 to Friday, September 10, 2021, both days inclusive, during which period no transfer of H shares will be registered. In order to be eligible to attend and vote at the Class Meeting of H Shareholders, unregistered holders of the shares shall ensure all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Tuesday, September 7, 2021 for registration.
5. In case of joint shareholders, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.
6. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.
7. A shareholder or his/her proxy should produce proof of identity when attending the Class Meeting of H Shareholders.
8. References to date and time in this notice are to Hong Kong dates and time.

As of the date of this notice, the Board of Directors comprises Dr. Xuefeng YU, Dr. Shou Bai CHAO, Dr. Tao ZHU and Dr. Dongxu QIU as executive Directors, Mr. Qiang XU, Mr. Liang LIN, Ms. Nisa Bernice Wing-Yu LEUNG and Mr. Zhi XIAO as non-executive Directors, and Mr. Shiu Kwan Danny WAI, Ms. Zhu XIN, Mr. Shuifa GUI and Mr. Jianzhong LIU as independent non-executive Directors.