

31 October 2022

*To the Independent Board Committee and the Independent Shareholders*

Joynn Laboratories (China) Co., Ltd.  
A5 Rongjing East Street  
Beijing Economic-Technological  
Development Area  
Beijing, 100176, China

Dear Sir or Madam,

**CONNECTED TRANSACTION  
ISSUE AND GRANT OF RESTRICTED SHARES  
BY THE COMPANY TO THE CONNECTED PARTICIPANTS  
UNDER THE INCENTIVE SCHEME**

**INTRODUCTION**

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the issue and grant of the Restricted Shares by the Company to the Connected Participants under the Incentive Scheme (the “**Connected Grant**”), details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated 31 October 2022 (the “**Circular**”), of which this letter forms part. Unless the context otherwise requires, capitalized terms used in this letter shall have the same meanings as those defined in the Circular.

The Company announced on 15 August 2022 (the “**Last Trading Day**”) that the Board (with Directors who are Participants under the Incentive Scheme having abstained) approved the resolutions in relation to the proposed adoption of the Incentive Scheme and the proposed issue and grant of Restricted Shares under the Incentive Scheme pursuant to the Specific Mandate. The proposed Incentive Scheme is subject to the Shareholders’ approval by way of special resolution at the EGM and the Class Meetings.

Subject to the approval of the Independent Shareholders at the EGM and the Class Meetings, the Company will grant not more than 1,400,600 Restricted Shares to the Participants, representing approximately 0.312% of the total issued A Shares and approximately 0.262% of the total issued share capital of the Company as at the Latest Practicable Date, among which (i) 44,000 Restricted Shares will be granted to 4 Connected Participants; and (ii) 1,356,600 Restricted Shares will be granted to 607 other Participants who are not connected persons of the Company.

As the Connected Participants include Directors and a deputy general manager who are connected persons of the Company, the issue and grant of the Restricted Shares to the Connected Participants under the Incentive Scheme constitutes a connected transaction of the Company, and is subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. All Participants (including the Connected Participants) are required to abstain from voting on special resolutions in relation to the adoption of the Incentive Scheme at the EGM and Class Meetings. As at 30 September 2022, the Participants hold an aggregate of 20,088,539 A Shares, representing approximately 4.46% of the total issued A Shares and approximately 3.75% of the total issued Shares. To the best of the Directors' knowledge, information and belief, save as disclosed above, none of the Shareholders are required to abstain from voting at the EGM and the Class Meetings.

The Independent Board Committee, comprising all the four independent non-executive Directors, namely Mr. Sun Mingcheng, Dr. Zhai Yonggong, Mr. Ou Xiaojie and Mr. Zhang Fan, has been formed to advise the Independent Shareholders on whether (i) the Connected Grant is conducted in the ordinary and usual course of business of the Group; and (ii) the terms of the Connected Grant are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and advise the Independent Shareholders as to voting. We, Rainbow Capital, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

As at the Latest Practicable Date, we did not have any relationships or interests with the Group that could reasonably be regarded as relevant to our independence. In the last two years, there was no engagement between the Group and us. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received any fees or benefits from the Group. Accordingly, we are qualified to give independent advice in respect of the Connected Grant.

## **BASIS OF OUR OPINION**

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from

the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the Circular.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company or its substantial shareholders, subsidiaries or associates.

## PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation in respect of the Connected Grant, we have taken into account the following principal factors and reasons:

### 1. Information on the Group

#### (i) *Business of the Group*

Established in August 1995 and listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange in August 2017 and February 2021, respectively, the Group is principally engaged in the pharmacology and toxicology research of new drugs. Nonclinical research services include drug safety evaluation, pharmacokinetic research as well as pharmacological and pharmacodynamic research. Clinical trials and related services include clinical contract research organization services, phase I clinical research collaboration unit (CRU), and bioanalysis services. Experimental model business mainly includes rodents and non-human primates.

As disclosed in the interim report of the Company for the six months ended 30 June 2022 (the “**2022 Interim Report**”), the Group will continue to focus on safety assessment and monitoring of drug full-life cycle in the future, and concentrate on the non-clinical assessment business of drugs. The Group will (a) strengthen non-clinical service offerings and expand facilities to solidify its market leadership in the drug safety assessment market; (b) expand global footprint and service capabilities as well as further increase investment in business development to promote its brand and develop its global customer base and attract more overseas customers to access the growing market in China; (c) broaden service offerings with a focus on clinical trial services through organic growth and cooperation with other clinical trial participants; (d) attract, train and retain talents to support rapid growth in China and the United States; (e) expand research model facilities to support its non-clinical studies with improved cost efficiency; and (f) selectively pursue

acquisition of businesses and assets and strategic opportunities that are complementary to its growth strategies, particularly for those that can help the Group to enrich its services offerings at a global scale (collectively, the “Business Objectives”).

(ii) *Financial information of the Group*

Set out below is summary of the key consolidated financial information of the Group for (a) the three years ended 31 December 2021, as extracted from the annual reports of the Company for the two years ended 31 December 2021; and (b) the six months ended 30 June 2021 and 2022, as extracted from the 2022 Interim Report:

	For the six months ended 30 June		For the year ended 31 December		
	2022	2021	2021	2020	2019
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
Revenue	776,881	534,556	1,516,680	1,075,905	639,379
Gross profit	377,942	268,571	735,678	550,625	328,786
Other gains and losses, net	120,412	32,592	113,441	31,720	43,066
Gains arising from changes in fair value of biological assets	131,321	37,764	125,323	54,732	–
Selling and marketing expenses	(8,184)	(7,253)	(15,973)	(12,907)	(12,473)
General and administrative expenses	(158,784)	(135,644)	(264,321)	(211,482)	(102,651)
Research and development expenses	(25,482)	(21,861)	(47,756)	(50,659)	(39,627)
Profit attributable to the Shareholders	371,120	153,735	557,460	312,950	187,838

The revenue of the Group amounted to approximately RMB639.4 million, RMB1,075.9 million, RMB1,516.7 million, RMB534.6 million and RMB776.9 million for the year ended 31 December 2019 (“FY2019”), 2020 (“FY2020”) and 2021 (“FY2021”) and six months ended 30 June 2021 (“6M2021”) and 2022 (“6M2022”), respectively. The increase in revenue of approximately 68.3% in FY2020 was mainly due to the expansion of the Group’s business including the acquisition of Biomedical Research Models, Inc. in December 2019 which has led to a significant expansion of the Group’s customer base in the United States. As a result of the continued expansion of the Group’s business, its revenue further increased by approximately 41.0% for FY2021 and approximately 45.3% for 6M2022, as compared to that for FY2020 and 6M2021, respectively.

The gross profit of the Group increased from approximately RMB328.8 million in FY2019 to approximately RMB550.6 million in FY2020 and further increased to approximately RMB735.7 million in FY2021, which was in line with the increase in the Group's revenues over the years. For 6M2022, the Group's gross profit was approximately RMB377.9 million, as compared to approximately RMB268.6 million for 6M2021, mainly driven by the increased gross profit of the Group's non-clinical studies services.

Profit attributable to the Shareholders increased by approximately 66.6% from approximately RMB187.8 million in FY2019 to approximately RMB313.0 million in FY2020 and further increased by approximately 78.1% to approximately RMB557.5 million in FY2021. Such increase was primarily attributable to (a) the significant increase in revenue as aforementioned; (b) the increase in gains arising from changes in fair value of biological assets mainly due to the continuous increase in unit fair value of the Group's biological assets which was in line with the increases in market price and quantity; and (c) the increase in net amount of other gains and losses mainly due to the increase in government grants, interest income and change in fair value of financial assets at fair value through profit or loss, which was partially offset by the increase in general and administrative expenses, primarily attributable to the increase in staff costs and business expansion of the Group. Profit attributable to the Shareholders increased by approximately 141.4% from approximately RMB153.7 million for 6M2021 to approximately RMB371.1 million for 6M2022, primarily attributable to (a) the significant increase in revenue as aforementioned; and (b) the increase in net amount of other gains and losses, mainly due to the increase in net foreign exchange gain as a result of exchange rate fluctuations, interest income and the balance between the fair value of consideration and net assets acquired as a result of the acquisition of two companies for strengthening the Group's strategic inventory and cost control of key research models on 15 May 2022.

*(iii) Overall comment*

During the years/periods under review, the continued increase in net profit of the Group was primarily attributable to the expansion of the Group's business and the strengthening of non-clinical service offerings, which was partially offset by the general increase in research and development, selling and marketing and administrative expenses of the Group.

As disclosed in the annual report of the Company for FY2021 (the "2021 Annual Report"), in order to further strengthening its drug evaluation technology, it has been the Group's development strategy of empowerment and innovation, closely tracking new technology and constantly expanding the new fields. As advised by the management of the Group, it believes that all the investments in research and development and sales and marketing will empower the Group to gain competitive advantage, strengthen its resilience over market competitors and prepare the Group for further and faster growth in the future. Accordingly, we consider that maintaining a stable and experienced senior management team, who are the subject of the Connected Grant, allows the Group to achieve the aforesaid Business Objectives which will positively contribute to the financial performance of the Group in the future.

## 2. Principle terms of the Connected Grant

Details of the principal terms of the Connected Grant are set out in Appendix I to the Circular, which are summarized below:

Participants : The Company proposed to grant 44,000 Restricted Shares to 4 Connected Participants, as follows:

Connected Participants	Number of Restricted Shares to be granted	Percentage to the total number of Restricted Shares to be granted	Percentage to the total issued share capital of the Company as at the Latest Practicable Date
Zuo Conglin	11,000	0.79%	0.002%
Gao Dapeng	11,000	0.79%	0.002%
Sun Yunxia	11,000	0.79%	0.002%
Gu Jingliang	11,000	0.79%	0.002%
Total	44,000	3.14%	0.008%

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, save for the Connected Participants set out above, the other Participants under the Incentive Scheme are independent of the Company and its connected persons.

Grant Price : A Connected Participant who has satisfied the conditions for grant and unlocking is entitled to purchase the Restricted Shares of the Company at the Grant Price.

As disclosed in the Letter from the Board, the Grant Price of RMB39.87 per Share shall not be lower than:

- (i) the nominal value of the Shares; and
- (ii) the higher of the following:
  - (a) 50% of the average trading price of the A Shares on the last trading day preceding the Announcement Date of Incentive Scheme (total trading amount for the last trading day/total trading volume for the last trading day) of RMB79.74 per Share, being RMB39.87 per Share; and

- (b) 50% of the average trading price of the A Shares for the last 120 trading days preceding the Announcement Date of Incentive Scheme (total trading amount of the A Shares for the last 120 trading days/total trading volume of the A Shares for the last 120 trading days) of RMB79.18 per Share, being RMB39.59 per Share.

Validity period : Commence from the completion date of registration of the grant of the Restricted Shares and end on the date on which all the Restricted Shares granted to the Participants are unlocked or repurchased and cancelled, and shall not exceed 48 months.

Unlocking periods : The lock-up period of the Restricted Shares granted under the Incentive Scheme shall be 12 months, 24 months and 36 months from the completion date of registration of the grant of the Restricted Shares to the Participants, respectively.

Subject to the unlocking conditions having been satisfied, the Restricted Shares under the Connected Grant may be unlocked in three unlocking periods, as follows:

Unlocking arrangement	Unlocking period	Proportion of unlocking
First unlocking period	Commencing from the first trading day after the expiry of 12-month period from the completion date of registration of the grant and ending on the last trading day of the 24-month period from the completion date of registration of the grant	50%
Second unlocking period	Commencing from the first trading day after the expiry of 24-month period from the completion date of registration of the grant and ending on the last trading day of the 36-month period from the completion date of registration of the grant	30%

	Unlocking arrangement	Unlocking period	Proportion of unlocking
	Third unlocking period	Commencing from the first trading day after the expiry of 36-month period from the completion date of registration of the grant and ending on the last trading day of the 48-month period from the completion date of registration of the grant	20%
Unlocking conditions	:	Certain conditions have to be satisfied before the Restricted Shares granted can be unlocked which include, among others, (i) annual performance appraisal targets at the Company level are achieved; and (ii) annual performance appraisal requirements at the Participant's individual level are achieved.	
Adjustments	:	The number of Restricted Shares and the Grant Price are subject to adjustments under certain circumstances including capitalization issue, bonus issue, sub-division, rights issue or share consolidation of the Company.	



### 3. Information on the Connected Participants

As stated in the Letter from the Board, the Participants, including the Connected Participants, are determined in accordance with the Company Law, the Securities Law, the Administrative Measures, the SSE Listing Rules, the Listing Rules and other relevant laws, regulations and regulatory documents, as well as provisions of the Articles of Association with reference to the actual situations of the Company.

We have reviewed the background and work experience of each of the Connected Participants and noted that their expertise and experience are relevant to the Group's operations. Details of the Connected Participants are set out below:

Name	Position in the Group	Duties or responsibilities	Past work experience related to the Connected Participants' respective functions in the Group	Educational background
Zuo Conglin	Executive Director and vice chairperson of the Board	Responsible for overseeing the operations and management of the Group	<ul style="list-style-type: none"> <li>August 1989 – November 1996: intern researcher and assistant researcher at Air Force Aviation Medical Research Institute</li> <li>Since December 1996: joined the Group and served as practice leader, facility manager of drug safety evaluation center, general manager and director over the years</li> </ul>	Master's degrees in medicine
Gao Dapeng	Executive Director, general manager, secretary to the Board and joint company secretary of the Company	Responsible for overseeing the operation, capital management and matters relating to information disclosure of the Group	<ul style="list-style-type: none"> <li>August 2005 – July 2006: assistant auditor at Beijing Zhongshui Xincheng Tax Firm</li> <li>June 2007 – October 2012: assistant accountant and the finance manager successively at Staidson (Beijing) Biopharmaceuticals Co., Ltd. (a company listed on the Shenzhen Stock Exchange with stock code: 300204)</li> <li>Since November 2012: joined the Group and served as finance manager, chief financial officer, general manager, secretary to the Board and director over the years</li> </ul>	Bachelor's degree in management

Name	Position in the Group	Duties or responsibilities	Past work experience related to the Connected Participants' respective functions in the Group	Educational background
Sun Yunxia	Executive Director and vice general manager	Responsible for overseeing the non-clinical operations of the Group	<ul style="list-style-type: none"> <li>• Worked as a food hygiene supervisor at Siping City Epidemic Prevention Station of Jilin Province</li> <li>• Practiced as the chief physician at Peking University Shougang General Hospital</li> <li>• Since October 1999: joined the Group and served as senior study director, director of toxicology department, director of quality assurance department, testing facility deputy manager, vice general manager and director over the years</li> </ul>	Master's degrees in medicine
Gu Jingliang	Vice general manager and head of sales department	Responsible for overseeing the sales and marketing management of the Group	<ul style="list-style-type: none"> <li>• Since January 2017: director at Wan Yinuo (Suzhou) Biotechnology Co., Ltd. and Suzhou Guangao Pharmaceutical Development Co., Ltd.</li> <li>• Since April 2006: joined the Group and served as practice leader for drug efficacy, practice leader for toxicology, vice director and director of drug metabolism laboratory, vice general manager and head of sales department over the years</li> </ul>	Master of medicine degree in pharmacology

*Source: the 2021 Annual Report*

As stated in the table above, the Connected Participants include executive Directors and senior management of the Company. Zuo Conglin is responsible for the overseeing the operations and management of the Group while the other three Connected Participants are responsible for, among other things, the capital management, information disclosure, non-clinical operations and sales and marketing activities of the Group.

As stated in the section headed “1. Information on the Group – (i) Business of the Group” above, the Group’s Business Objectives include (i) strengthening non-clinical service offerings and expanding facilities to solidify its market leadership in the drug safety assessment market; (ii) expanding global footprint and enhancing global service capabilities; (iii) broadening service offerings with a focus on clinical trial services through organic growth and cooperation with other clinical trial participants; (iv) attracting, training and retaining talents to support rapid growth in China and the United States; (v) expanding research model facilities to support its non-clinical studies; and (vi) selectively pursuing acquisition and strategic opportunities. Given that all the Connected Participants are playing important roles in the Group, we are of the view that the Connected Participants’ duties and performance would have significant impact on the Group’s ability to achieve the Business Objectives.

According to Paragraph F2.1 of Appendix 14 of the Listing Rules, issuers should have a separate resolution for separate issue and avoid “bundling” resolution at a general meeting unless they are interdependent and linked forming one significant proposal. Taking into consideration that (i) the grant of the Restricted Shares to the Connected Participants and the grant of the Restricted Shares to other eligible Participants are interdependent as they are both included in the same Incentive Scheme which should be dealt with and considered collectively as a whole; (ii) if in the event of the Independent Shareholders voting down the grant of the Restricted Shares to a particular or all Connected Participants, the Company will not go ahead with the Incentive Scheme. In other words, if any Independent Shareholder do not agree with the grant to a particular Connected Participant(s) under the Incentive Scheme, he/she can vote against the whole special resolutions in relation to the Incentive Scheme at the EGM. As such, the Company will not go ahead with the Incentive Scheme if the majority of Independent Shareholders vote against. Given that it is not the intention of the Company that the grants to particular Participants to be considered in the EGM separately and will adopt the Incentive Scheme if the proposed grant to a particular Participants is voted down because the grants to each of the Connected Participants and the other Participants are interdependent and linked forming, we consider that such arrangement is fair and reasonable and in the interest of the Company and its Shareholders as a whole; (iii) the Connected Participants who are Directors have abstained from voting in the Board meeting held on 15 August 2022 when considering the Incentive Scheme and each of the Connected Participants and his/her associates and connected persons shall abstain from voting in the EGM for the resolutions in relation to the Incentive Scheme, we consider that it is fair and reasonable and in the interest of the Company and its Shareholders as a whole to not include separate resolution for the Connected Grant or separate resolutions for issue and grant of the Restricted Shares for each of the Connected Participants.

#### 4. Reasons for and benefits of the grant of Restricted Shares under the Incentive Scheme

As stated in the section headed “3. Information on the Connected Participants” above, the Connected Participants’ duties and performance would have significant impact on the Group’s ability to achieve the Business Objectives. As such, we concur with the Directors that the grant of Restricted Shares could, among other things, (i) further establish and improve the Company’s long-term incentive mechanism; (ii) attract and retain outstanding talents and fully mobilize the enthusiasm of the Company’s employees; (iii) ensure the realization of the Company’s development strategy and business objectives; and (iv) promote the long-term development of the Company.

In addition, we have conducted searches in relation to the adoption of restricted A share incentive scheme and we note that it is a common practice for companies listed on the Shanghai Stock Exchange to adopt restricted A share incentive scheme to motivate their directors, senior management and employees. As such, we consider the Incentive Scheme are in line with the market practice.

Having considered that (i) the Incentive Scheme can retain and motivate the Participants to make contribution to the Group through attainment of the performance targets under the Incentive Scheme; (ii) it is a common practice for companies listed on the Shanghai Stock Exchange to adopt restricted A share incentive schemes for their employees as set out in the sub-section headed “5. Assessment of the principal terms of the Connected Grant – (i) Comparable grants” below; and (iii) there will not be any actual cash paid by the Group to the Participants under the Incentive Scheme, we consider that the Incentive Scheme (including the Connected Grant) is conducted in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

#### 5. Assessment of the principal terms of the Connected Grant

##### (i) *Comparable grants*

In evaluating the fairness and reasonableness of the terms of the Connected Grant, we have, on a best effort basis, identified an exhaustive list of restricted A share incentive scheme proposals which (a) were announced by companies listed on the main board of the Shanghai Stock Exchange during the period from 16 May 2022 to 15 August 2022 (the “**Review Period**”), being approximately three months prior to and including the Announcement Date of Incentive Scheme; and (b) involved grant of restricted A shares to executive directors of the relevant companies. Based on the aforesaid criteria, we identified 17 restricted A share incentive scheme proposals (the “**Comparable Schemes**”). Given we have identified 17 Comparable Schemes during the Review Period, we consider the Review Period to be long enough to provide a sufficient sample size for comparison purpose.

The listed issuers involved in implementing the Comparable Schemes have different principal activities, market capitalizations, profitability and financial positions as compared to those of the Company and the sizes of the restricted A shares to be granted to the participants under the Comparable Schemes vary. However, we still consider the Comparable Schemes to be fair and representative in assessing the fairness and reasonableness of the terms of the Incentive Scheme (including the Connected Grant), after taking into account that (a) both the Incentive Scheme and the Comparable Schemes are regulated by the similar rules and regulation including but not limited to the Company Law, the Securities Law, the Administrative Measures and the SSE Listing Rules; (b) both the Incentive Scheme and the Comparable Schemes are announced during the same period and under similar market condition; (c) sufficient number of the Comparable Schemes are identified which could provide a general reference to the terms of the restricted A share incentive scheme under the similar regulation condition and market condition; and (d) no biotech companies listed on the main board of the Shanghai Stock Exchange announced relevant schemes during the Review Period which could reflect the then market condition (although Guangxi Wuzhou and Jianmin Pharmaceutical are principally engaged in the research, development, manufacture and sales of pharmaceuticals, their businesses are not biological technology-related businesses).

In short, we consider that the Comparable Schemes can provide a general reference to the pricing trend of recent restricted A share incentive scheme proposals as well as a sufficient sample size for comparison purpose, so as to determine whether the terms of the Incentive Scheme (including the Connected Grant) are in line with the market practice.

The following table sets out the details of the Comparable Schemes:

					Percentage of grant price to the average trading price of the A shares for the last trading day preceding the date of the A Shares announcement	Percentage of grant price to the average trading price of the A shares for the last 120 trading days preceding the date of the A Shares announcement	Unlocking conditions which are based on, among others, the participants' performance and/or the financial performance of the company	Percentage of restricted A shares to be granted to all participants to the total issued share capital of the company
	Date of announcement	Company name (Stock code)	Principal activities	Validity period of the incentive scheme	preceding date of the A Shares announcement	Shares announcement	Unlocking period (unlocking percentage for each period following the grant date)	
	11 August 2022	寧波杉杉股份有限公司 Ningbo Shanshan Co., Ltd. (600884.SH)	Principally engaged in the research and development, production and sales of polarizers and lithium battery materials	72 months	50.00%	48.90%	Four tranches: 25%: 12 months to 24 months 25%: 24 months to 36 months 25%: 36 months to 48 months 25%: 48 months to 60 months	Yes 0.98%
	5 August 2022	夢天家居集團股份有限公司 Mengtian Home Group Inc. (603216.SH)	Principally engaged in the design, research and development, production and sales of customized wooden furniture	36 months	52.20%	41.94%	Two tranches: 50%: 12 months to 24 months 50%: 24 months to 36 months	Yes 1.26%

Date of announcement	Company name (Stock code)	Principal activities	Validity period of the incentive scheme	Percentage of grant price to the average trading price of the A shares for the last trading day preceding date of the A Shares announcement	Percentage of grant price to the average trading price of the A shares for the last 120 trading days preceding the date of the A Shares announcement	Unlocking period (unlocking percentage for each period following the grant date)	Unlocking conditions which are based on, among others, the participants' performance and/or the financial performance of the company	Percentage of restricted A shares to be granted to all participants to the total issued share capital of the company
2 August 2022	廣西梧州中恒集團股份有限公司 Guangxi Wuzhou Zhongheng Group Co., Ltd (600252.SH) ("Guangxi Wuzhou")	Principally engaged in the research, development, manufacture and sales of pharmaceuticals	72 months	50.29%	51.30%	Three tranches: 33%: 24 months to 36 months 33%: 36 months to 48 months 34%: 48 months to 60 months	Yes	1.31%
27 July 2022	浙江長華汽車零部件股份有限公司 Zhejiang Changhua Auto Parts Co., Ltd. (605018.SH)	Principally engaged in the research and development, manufacture and sales of automotive metal parts	48 months	50.03%	50.31%	Three tranches: 30%: 12 months to 24 months 30%: 24 months to 36 months 40%: 36 months to 48 months	Yes	0.75%
22 July 2022	廣州鹿山新材料股份有限公司 Guangzhou Lushan New Materials Co., Ltd. (603051.SH)	Principally engaged in the research, development and sales of hot-melt adhesive materials	60 months	50.01%	61.88%	Three tranches: 40%: 12 months to 24 months 30%: 24 months to 36 months 30%: 36 months to 48 months	Yes	1.78%

Date of announcement	Company name (Stock code)	Principal activities	Validity period of the incentive scheme	Percentage of grant price to the average trading price of the A shares for the last trading day preceding date of the A Shares announcement	Percentage of grant price to the average trading price of the A shares for the last 120 trading days preceding the date of the A Shares announcement	Unlocking period (unlocking percentage for each period following the grant date)	Unlocking conditions which are based on, among others, the participants' performance and/or the financial performance of the company	Percentage of restricted A shares to be granted to all participants to the total issued share capital of the company
12 July 2022	三一重工股份有限公司 Sany Heavy Industry Co., Ltd (600031.SH)	Principally engaged in the research and development, manufacture, distribution and provision of services of engineering machinery	45 months	50.98%	51.57%	Two tranches: 50%: 20 months to 32 months 50%: 32 months to 44 months	Yes	0.34%
10 July 2022	上海創力集團股份有限公司 Shanghai Chuangli Group Co., Ltd. (603012.SH)	Principally engaged in the design, research and development, manufacture, sales and technical services of comprehensive coal mining machines, coal mine automation control systems and mine electric equipment, as well as the provision of the model selection guide and design of mining equipment for customers	60 months	50.00%	51.54%	Three tranches: 40%: 12 months to 24 months 30%: 24 months to 36 months 30%: 36 months to 48 months	Yes	2.36%



Date of announcement	Company name (Stock code)	Principal activities	Validity period of the incentive scheme	Percentage of grant price to the average trading price of the A shares for the last trading day preceding date of the A Shares announcement	Percentage of grant price to the average trading price of the A shares for the last 120 trading days preceding the date of the A Shares announcement	Unlocking period (unlocking percentage for each period following the grant date)	Unlocking conditions which are based on, among others, the participants' performance and/or the financial performance of the company	Percentage of restricted A shares to be granted to all participants to the total issued share capital of the company
29 June 2022	瑞斯康達科技發展股份有限公司 Raisecom Technology Co., Ltd. (603803.SH)	Principally engaged in the research and development, manufacture and sales of communication network access products	54 months	50.06%	48.62%	Three tranches: 30%: 12 months to 24 months 40%: 24 months to 36 months 30%: 36 months to 48 months	Yes	3.56%
23 June 2022	山東玻纖集團股份有限公司 Shandong Fiberglass Group Co., Ltd (605006.SH)	Principally engaged in the research and development, production and sales of glass fiber and its products	72 months	50.00%	50.13%	Three tranches: 33%: 24 months to 36 months 33%: 36 months to 48 months 34%: 48 months to 60 months	Yes	2.32%
15 June 2022	廣東原尚物流股份有限公司 GuangDong GenSho Logistics Co., Ltd. (603813.SH)	Principally engaged in the provision of integrated logistics services	48 months	52.82%	50.00%	Three tranches: 50%: 12 months to 24 months 30%: 24 months to 36 months 20%: 36 months to 48 months	Yes	2.80%

Date of announcement	Company name (Stock code)	Principal activities	Validity period of the incentive scheme	Percentage of grant price to the average trading price of the A shares for the last trading day preceding date of the A Shares announcement	Percentage of grant price to the average trading price of the A shares for the last 120 trading days preceding the date of the A Shares announcement	Unlocking period (unlocking percentage for each period following the grant date)	Unlocking conditions which are based on, among others, the participants' performance and/or the financial performance of the company	Percentage of restricted A shares to be granted to all participants to the total issued share capital of the company
15 June 2022	寧夏新日恒力鋼絲繩股份有限公司 Ningxia Zhongke Biotechnology Co., Ltd. (600165.SH)	Principally engaged in the production and sales of coal based activated carbon	60 months	50.05%	47.76%	Three tranches: 25%: 12 months to 24 months 35%: 24 months to 36 months 40%: 36 months to 48 months	Yes	9.51%
11 June 2022	三維控股集團股份有限公司 Zhejiang Sanwei Rubber Item Co., Ltd. (603033.SH)	Principally engaged in the research, design, manufacture and distribution of rubber products	66 months	50.03%	58.10%	Three tranches: 20%: 12 months to 24 months 30%: 24 months to 36 months 50%: 36 months to 48 months	Yes	2.67%
11 June 2022	王力安防科技股份有限公司 Wangli Security & Surveillance Product Co., Ltd (605268.SH)	Principally engaged in the manufactures and sales of door locks and security doors	36 months	51.32%	39.05%	Two tranches: 50%: 12 months to 24 months 50%: 24 months to 36 months	Yes	3.12%

Date of announcement	Company name (Stock code)	Principal activities	Validity period of the incentive scheme	Percentage of grant price to the average trading price of the A shares for the last trading day preceding date of the A Shares announcement	Percentage of grant price to the average trading price of the A shares for the last 120 trading days preceding the date of the A Shares announcement	Unlocking period (unlocking percentage for each period following the grant date)	Unlocking conditions which are based on, among others, the participants' performance and/or the financial performance of the company	Percentage of restricted A shares to be granted to all participants to the total issued share capital of the company
5 June 2022	金發科技股份有限公司 Kingfa Sci. & Tech. Co., Ltd. (600143.SH)	Principally engaged in the research, development, production and sales of new chemical materials	60 months	63.00%	50.15%	Three tranches: 30%: 12 months to 24 months 30%: 24 months to 36 months 40%: 36 months to 48 months	Yes	3.89%
31 May 2022	健民藥業集團股份有限公司 Jianmin Pharmaceutical Group Co., Ltd. (600976.SH) ("Jianmin Pharmaceutical")	Principally engaged in the research and development, manufacture, wholesale and retailing of pharmaceuticals	48 months	50.00%	34.62%	Two tranches: 50%: 12 months to 24 months 50%: 24 months to 36 months	Yes	0.24%
20 May 2022	通化葡萄酒股份有限公司 Tonghua Grape Wine Co., Ltd (600365.SH)	Principally engaged in the manufacture and e-commerce platform sales of wines	48 months	50.00%	48.32%	Three tranches: 40%: 12 months to 24 months 30%: 24 months to 36 months 30%: 36 months to 48 months	Yes	6.85%

Date of announcement	Company name (Stock code)	Principal activities	Validity period of the incentive scheme	Percentage of grant price to the average trading price of the A shares for the last trading day preceding date of the A Shares announcement	Percentage of grant price to the average trading price of the A shares for the last 120 trading days preceding the date of the A Shares announcement	Unlocking period (unlocking percentage for each period following the grant date)	Unlocking conditions which are based on, among others, the participants' performance and/or the financial performance of the company	Percentage of restricted A shares to be granted to all participants to the total issued share capital of the company
16 May 2022	利群商業集團股份有限公司 Liqun Commercial Group Co.,Ltd. (601366.SH)	Principally engaged in the operation of department stores, supermarkets, convenience stores and electrical appliances stores	48 months	59.22%	60.36%	Three tranches: 40%: 12 months to 24 months 30%: 24 months to 36 months 30%: 36 months to 48 months	Yes	3.08%
		Maximum	72 months	63.00%	61.88%			9.51%
		Minimum	36 months	50.00%	34.62%			0.24%
		Average	55 months	51.77%	49.68%			2.75%
		Median	54 months	50.05%	50.13%			2.36%
15 August 2022	The Company		48 months	50.00%	50.35%	Three tranches: 50%: 12 months to 24 months 30%: 24 months to 36 months 20%: 36 months to 48 months	Yes	0.262%

Source: the announcements of the respective companies

#### *Validity period*

The Incentive Scheme shall commence from the completion date of registration of the grant of the Restricted Shares and end on the date on which all the Restricted Shares granted to the Participants are unlocked or repurchased and cancelled, and shall not exceed 48 months. The validity period of the Incentive Scheme of 48 months is within the range of those of the Comparable Schemes.

#### *Unlocking conditions*

As disclosed in the Letter from the Board, certain conditions must be fulfilled before the Company can grant the Restricted Shares to the Participants under the Incentive Scheme, or the Restricted Shares granted to the Participants under the Incentive Scheme can be unlocked, for details, please refer to the sub-section headed “II. Proposed Adoption of the 2022 Restricted A Share Incentive Scheme – (VIII) Conditions of Grant and Unlocking of the Restricted Shares” in the Letter from the Board.

As shown in the above table, it is a common practice to make the unlocking of restricted shares conditional on, amongst others, the participants’ performance and/or financial performance of the companies. We are of the view that such arrangement could incentivize the Participants including the Connected Participants to put efforts on achieving the performance targets, which will contribute to the growth and development of the Company.

The performance appraisal targets at the Company’s level under the Incentive Scheme include the Company’s operating income in the three accounting years from 2022 to 2024. In order for the Restricted Shares of the Participants to be fully unlocked (including the Connected Grant), based on the operating income for 2021, the Company’s growth rate of operating income shall not be less than 35.00%, 82.25% and 146.04% for 2022, 2023 and 2024, respectively. The performance appraisal requirements at the individual level are, on the other hand, carried out based on an annual appraisal on the Participants by the Remuneration and Appraisal Committee.

Taking into account that (a) the Company’s growth rate of operating income of approximately 35.00%, 82.25% and 146.04% for 2022, 2023 and 2024 based on the operating income for 2021 is equivalent to an compound annual growth rate (“CAGR”) of approximately 35% from 2021 to 2024; and (b) the Group recorded an increasing trend in revenue for the three years ended 31 December 2021 with a CAGR of approximately 54.0% during the period, we consider that although the Group has achieved a CAGR of approximately 54.0% in revenue from 2019 to 2021, the aforesaid performance appraisal

targets at the Company's level are still determined with a certain level of difficulty which require the Group to continue to grow at a relatively high rate with a view to motivating the Participants to attain before the Restricted Shares are unlocked.

Given that (a) we consider the difficulty in achieving the performance appraisal targets is able to motivate the Participants to contribute as much as possible so as to assist the Company in achieving the Business Objectives; and (b) the Independent Shareholders can benefit from the Share price performance if the Company is able to achieve the performance appraisal targets in the Incentive Scheme, we are of the view that such arrangement is fair and reasonable so far as the Independent Shareholders are concerned.

#### *Grant Price*

The Grant Price shall be RMB39.87 per A Share, which represents (a) approximately 50.00% of the average trading price of the A shares for the last trading day preceding the date of the A Shares announcement of the Incentive Scheme; and (b) approximately 50.35% of the average trading price of the A Shares for the last 120 trading days preceding the date of A Shares announcement of the Incentive Scheme.

Regarding the Comparable Schemes, (a) the percentages of the grant price to the average trading price of the A Shares for the last trading day preceding the date of the A Shares announcement ranged from approximately 50.00% to approximately 63.00% with an average and median of approximately 51.77% and 50.05%, respectively; and (b) the percentages of the grant price to the average trading price of the A Shares for the last 120 trading days preceding the date of the A Shares announcement ranged from approximately 34.62% to approximately 61.88% with an average and median of approximately 49.68% and 50.13%, respectively.

The Grant Price is at a substantial discount to the prevailing trading price of the A Shares. However, taking into account that (a) the Incentive Scheme serves to align the interests of the Group's employees with those of the Shareholders and the Company and to retain and incentivize the Group's employees to achieve the performance appraisal targets; (b) the Grant Price compares favorably to those under the Comparable Schemes; and (c) the performance targets, which the Company has to achieve before the Restricted Shares are unlocked, are established with a certain level of difficulty as explained in the paragraph headed "Unlocking conditions" above, we consider the Grant Price to be justifiable and therefore fair and reasonable.

### *Unlocking periods*

The Restricted Shares (including the Connected Grant) are unlocked in three tranches in the proportion of 50%, 30% and 20%, respectively, commencing from the completion date of registration of the grant of the Restricted Shares and end on the date on which all the Restricted Shares granted to the Participants are unlocked or repurchased and cancelled, and shall not exceed 48 months.

As shown above, the restricted A shares under the Comparable Schemes were attributed in two to four tranches with unlocking periods commencing from the trading day after expiry of 12, 20 or 24 months following the grant date until the last trading day within 36, 44, 48 or 60 months following the grant date. As such, we consider that the unlocking periods of the Restricted Shares (including the Connected Grant) are comparable to those under the Comparable Schemes.

### *Adjustments*

The number of Restricted Shares and the Grant Price are subject to adjustments according to various situations including capitalization issue, bonus issue, sub-division, rights issue or share consolidation of the Company. For details, please refer to the sub-section headed "II. Proposed Adoption of the 2022 Restricted A Share Incentive Scheme – X. Adjustment to the Number of Restricted Shares and the Grant Price" in the Letter from the Board. Given that the adjustment mechanism of the number of Restricted Shares and the Grant Price is comparable to those under the Comparable Schemes, we consider it to be fair and reasonable.

### *Number of Restricted Shares to be granted to the Participants*

As disclosed in the Letter from the Board, when determining the number of the Restricted Shares under the Incentive Scheme to be granted to the Participants (including the Connected Participants), the Company has taken into account the following factors, among others, (a) the number of years of services of such Participants; (b) his/her contributions made to the Group; and (c) the contributions to be made by such Participant in view of his/her roles and responsibilities.

The total number of the Restricted Shares to be granted under the Incentive Scheme represents not more than approximately 0.262% of the total issued share capital of the Company as at the Latest Practicable Date, which is close to the low end of those of the Comparable Schemes. Having considered that (a) the number of Restricted Shares to be unlocked to the Participants shall decline or lapse if the performance appraisal targets at the individual level and the Company's level are not fully fulfilled; (b) the Independent Shareholders can benefit from the

Share price performance when the performance appraisal targets in the Incentive Scheme are fulfilled; and (c) the total amortized cost of the Restricted Shares on an annual basis for the Connected Grant only accounted for approximately 0.16% of the net profit of the Group of approximately RMB557.5 million for FY2021, as explained in the sub-section headed “5. Assessment of the principal terms of the Connected Grant – (ii) Comparison of remuneration packages – (a) Remuneration packages of the Connected Participants” below, we are of the view that the number of the Restricted Shares to be granted to the Participants is fair and reasonable and the dilution effect on the shareholding interests of the existing Shareholders of Company will be immaterial.

As set out in the section headed “2. Principle terms of the Connected Grant” above, the Company proposed to grant 11,000 Restricted Shares to each of the Connected Participants, representing 0.002% of the total issued share capital of the Company as at the Latest Practicable Date. We consider that the number of the Restricted Shares to be granted to each of the Connected Participants is acceptable after considering his/her remuneration package, details of which are set out in the sub-section headed “5. Assessment of the principal terms of the Connected Grant – (ii) Comparison of remuneration packages” below.

For details of our assessment on the fairness and reasonableness of the number of the Restricted Shares to be granted to the Connected Participants under the Incentive Scheme, please refer to the following sub-section.



(ii) *Comparison of remuneration packages*

(a) *Remuneration packages of the Connected Participants*

The table below set out (1) the number of the Restricted Shares to be granted to the Connected Participants under the Incentive Scheme; (2) the estimated financial impact due to the grant of the Restricted Shares; and (3) total emoluments of the Connected Participants for FY2021:

Participants under the Incentive Scheme	Number of the Restricted Shares to be granted	Percentage of total Restricted Shares to be granted	Total amortised cost of the Restricted Shares in 2022 to 2025 RMB	Total amortised cost of the Restricted Shares on an annual basis RMB	Total emoluments for FY2021 RMB	Total annual remuneration RMB
			E = C x D (Note 1)	F = E / 2 (Note 2)	G (Note 3)	F + G (Note 4)
Zuo Conglin	11,000	0.79%	438,240	219,120	2,050,000	2,269,120
Gao Dapeng	11,000	0.79%	438,240	219,120	1,516,000	1,735,120
Sun Yunxia	11,000	0.79%	438,240	219,120	2,350,000	2,569,120
Gu Jingliang	11,000	0.79%	438,240	219,120	1,068,000	1,287,120
Sub-total	44,000	3.14%	1,752,960	876,480	6,984,000	7,860,480
Other Participants	1,356,600	96.86%	54,046,940	27,023,470		
Total (B)	1,400,600	100.00%	55,799,900 (D)	27,899,950		

Notes:

- As disclosed in the Letter from the Board, total expenses to be recognized for the grant of 1,400,600 Restricted Shares (including the Connected Grant) is expected to be RMB55,799,900 (the "Total Amortization Cost"), which shall be borne by the Company in proportion to each unlocking during the lock-up period of the Incentive Scheme, and the capital reserve will be increased accordingly. Shareholders are reminded that the actual financial impact is dependent on the actual grant date, the Grant Price, the number of grants and the actual number of effective and lapsed grants.
- As disclosed in the Letter from the Board, over 80% of the Total Amortization Cost would be recognized in year 2023 and 2024. As such, we assume the Total Amortization Cost would be recognized on a straight-line basis in the year 2023 and 2024 for prudence.
- Comprised salaries, allowances and other benefits, discretionary bonus, retirement scheme contributions and/or share-based payments as disclosed in the 2021 Annual Report or provided by the Company.
- Assuming total remunerations of the Connected Participants (excluding the Connected Grant) would remain the same as the level for FY2021.

As set out in the table above, on the basis that the value of the Restricted Shares would be recognized on a straight-line basis in the year 2023 and 2024, the total amortized cost of the Restricted Shares on an annual basis for the Connected Grant amounts to approximately RMB0.9 million, accounting for approximately 0.16% of the net profit of the Group of approximately RMB557.5 million for FY2021. On this basis, we are of the view that the financial impact of the Connected Grant shall not be material.

In addition, on the basis that total emoluments of the Connected Participants (excluding the Connected Grant) would remain the same as the level for FY2021, the annual remunerations of the Connected Participants would range from approximately RMB1.3 million to approximately 2.6 million, being approximately 0.23% to 0.46% of the net profit of the Group of approximately RMB557.5 million for FY2021.

Among the 4 Connected Participants, taking into account the Connected Grant, (1) 2 are with annual remunerations of below RMB2 million; and (2) 2 are with annual remunerations of above RMB2 million but below RMB3 million.

*(b) Remuneration packages of the Comparable Companies*

The Company is principally engaged in biological technology-related businesses. Based on the closing price of H share and A Shares of HK\$47.25 and RMB79.71, respectively, and the total issued H shares and A Shares of 84,996,576 and 450,126,833, respectively, as at the Last Trading Day, the market capitalization of the Company amounts to approximately HK\$53.3 billion.

The Connected Participants involved under the Connected Grant are either executive Directors or senior management of the Company. In assessing the fairness and reasonableness of the remuneration packages of the Connected Participants taking into account the Connected Grant under the Incentive Scheme, we have, based on our search on the website of the Stock Exchange, identified an exhaustive list of biotech companies which are listed on the Stock Exchange (the “**Comparable Company(ies)**”) with the market capitalization ranging from approximately HK\$10 billion to HK\$100 billion as at the Last Trading Day and considered the remuneration packages of the executive directors of the Comparable Companies for FY2021. Based on the aforesaid criteria, we have identified 13 Comparable Companies.

We consider that the Comparable Companies are fair and representative for comparison purpose given that (1) they are all engaged in the same sector as the Group does; (2) their sizes are generally comparable to that of the Group in terms of market capitalization; and (3) the sufficient number of the Comparable Companies are identified.

Set below is a summary of the remuneration packages of the executive directors of the Comparable Companies for FY2021:

Company	Stock Code	Market Capitalization as at the Last Trading Day (HK\$' million)	Range of total remunerations of executive directors (Note 1) (RMB'000)
Hangzhou Tigermed Consulting Co., Ltd.	3347	95,862	787 – 922
Genscript Biotech Corporation	1548	54,541	3,663 – 6,443 (Note 2)
Shanghai Junshi Biosciences Co., Ltd.	1877	50,623	10,722 – 38,369
Innovent Biologics, Inc.	1801	49,415	20,367 and 127,959
RemeGen Co., Ltd.	9995	33,859	883 – 10,487
Zai Lab Ltd	9688	34,562	N/A (Note 3)
CanSino Biologics Inc.	6185	28,211	3,559 – 4,533
HUTCHMED (China) Limited	0013	17,067	1,142 – 24,335 (Note 2)
Akeso, Inc.	9926	20,312	3,386 – 139,284
InnoCare Pharma Limited	9969	17,306	2,040 and 29,413
Shanghai Haohai Biological Technology Co., Ltd.	6826	12,848	1,092 – 1,467
Lepu Biopharma Co., Ltd.	2157	11,699	12,212 and 12,549
CARsgen Therapeutics Holdings Limited	2171	10,587	1,099 and 1,186
		<b>The Company</b>	<b>1,287 – 2,569</b> (Note 4)

Source: Annual reports of the Comparable Companies

Notes:

- Primarily included salaries, allowances and other benefits, performance-related bonus, retirement benefit scheme contributions and share-based payment expenses as extracted from the annual reports of the Comparable Companies.
- Calculated based on the average exchange rate of US\$1: RMB6.4498 in 2021 as extracted from Bloomberg.
- Remuneration of its executive directors was not disclosed in the annual report of Zai Lab Ltd for FY2021.
- Represented the range of the annual remunerations of the Connected Participants (comprising three executive Directors and a senior management) taking into account the Connected Grant, which are calculated on the basis set out in the sub-section headed “(a) Remuneration packages of the Connected Participants” above.

Although details with respect to each Comparable Company and its executive director(s) such as responsibilities, experience and year of service of each executive director as well as product type, stage of clinical development and commercialization and scale of each company may vary, we consider that the Comparable Companies can provide a general reference for common market practice in determining the remuneration packages of executive directors of biotech companies.

As shown in the table above, the remuneration of the executive directors of the Comparable Companies ranged from approximately RMB787,000 to approximately RMB139.3 million for FY2021. The maximum total remuneration of the Connected Participants is approximately RMB2.6 million. Among the 13 Comparable Companies identified above, we noted that (1) executive directors in 11 Comparable Companies had total annual remunerations of at least RMB1.0 million for FY2021; (2) executive directors in 9 Comparable Companies had total annual remunerations of at least RMB2.0 million for FY2021; and (3) executive directors in 9 Comparable Companies had total annual remunerations of at least RMB3 million for FY2021. On this basis, we consider that the annual remunerations of the Connected Participants are in line with those of the Comparable Companies. In other words, we are of the view that the number of the Restricted Shares to be granted to the Connected Participants under the Connected Grant is fair and reasonable.

Save for the expenses relating to the allotment and issue of the new A Shares and the proceeds of not more than approximately RMB55.8 million, it is expected that the grant of the Restricted Shares will not have other material impact on the Company's cash position and net current assets.

## OPINION AND RECOMMENDATION

Taking into account the above principal factors and reasons, we consider that the terms of the Connected Grant are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned. We also consider that the Connected Grant is conducted in the ordinary and usual course of business of the Group and in the interest of the Company and the Shareholders as a whole. We therefore advise the Independent Board Committee to recommend, and ourselves recommend, the Independent Shareholders to vote in favor of the special resolutions to be proposed at the EGM and the Class Meetings to approve the Connected Grant.

Yours faithfully,  
For and on behalf of  
**Rainbow Capital (HK) Limited**



**Danny Leung**  
*Managing Director*

*Mr. Danny Leung is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over 10 years of experience in the corporate finance industry.*