

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Shanghai Bio-heart Biological Technology Co., Ltd.
上海百心安生物技術股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2185)

**(1) PROPOSED ADOPTION OF
THE 2022 H SHARE INCENTIVE SCHEME;
AND
(2) PROPOSED AUTHORIZATION TO THE BOARD AND/OR
THE DELEGATEE TO HANDLE MATTERS PERTAINING TO
THE 2022 H SHARE INCENTIVE SCHEME**

INTRODUCTION

The Board has resolved at a meeting of the Board held on May 11, 2022 to propose the adoption of the 2022 H Share Incentive Scheme (the “**Scheme**”). The Scheme is still subject to the consideration and approval of the Shareholders which will be sought at the AGM.

The Scheme Limit shall be the maximum number of H Shares that will be acquired by the Trustee through on-market transactions from time to time at the prevailing market price, and in any case being 1,500,000 H Shares.

IMPLICATIONS UNDER THE LISTING RULES

The Scheme

The Scheme involves no issue of new shares or granting of option for any new securities of the Company. Thus, it does not constitute a share option scheme as defined and regulated under Chapter 17 of the Listing Rules.

AGM

The forthcoming AGM will be convened to consider and, if thought fit, approve, among other things, the (i) proposed adoption of the Scheme and (ii) the proposed authorization to the Board and/or the Delegatee to handle matters pertaining to the Scheme.

A circular of the Company containing, among other things, further details of the Scheme and a notice convening the AGM is expected to be despatched to the Shareholders in due course.

I. PROPOSED ADOPTION OF THE SCHEME

The Board has resolved at a meeting of the Board held on May 11, 2022 to propose the adoption of the Scheme. The Scheme is still subject to the consideration and approval of the Shareholders which will be sought at the AGM. The principal terms of the Scheme are set out below.

Purpose of the Scheme

The purposes of the Scheme are:

- (i) to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company;
- (ii) to modernize the Company's remuneration practices and to improve the interests balance mechanism among the Shareholders, the operational and executive management; and
- (iii) to recognize the contributions of the prudent leadership of the Company including the Directors; encourage, motivate and retain the leadership of the Company whose contributions are beneficial to the continued operation, development and long-term growth of the Group; and provide additional incentive for the leadership of the Company by aligning the interests of the leadership of the Company to that of the Shareholders and the Group as a whole.

Duration

Subject to any early termination of the Scheme pursuant to the Scheme Rules, the Scheme shall be valid and effective for 10 years commencing from the date on which the Scheme is approved by the Shareholders at the AGM (after which no Awards shall be granted), and thereafter for so long as there are non-vested RSUs granted under the Scheme prior to the expiration of the Scheme, in order to give effect to the vesting of such RSUs.

Source of Funds

The source of funds for funding the Scheme is the internal funds of the Company. The administration of the Scheme and the acquisition of H Shares will not be funded from the proceeds of the Global Offering.

Source of RSUs and acquisition of H Shares by the Trustee

The source of the RSUs under the Scheme shall be H Shares to be acquired by the Trustee through on-market transactions at the prevailing market price in accordance with the instructions of the Company and the relevant provisions of the Scheme Rules. The Board may specify in the instructions given to the Trustee with respect to the acquisition of H Shares any conditions or terms, including without limitation, the specified price or range of prices for the acquisition, the maximum amount of funds to be used for the acquisition, and/or the maximum number of H Shares to be acquired.

The Company shall as soon as reasonably practicable, for the purposes of satisfying the grant of Awards, transfer to the Trust the necessary funds and instruct the Trustee to acquire H Shares through on-market transactions at the prevailing market price up to the Scheme Limit. The Trustee shall as soon as reasonably practicable thereafter proceed to acquire such number of H Shares as instructed by the Company on-market at the prevailing market price.

The Company shall instruct the Trustee whether or not to apply any Returned Shares to satisfy any grant of Awards made, and if the Returned Shares, as specified by the Company, are not sufficient to satisfy the Awards granted, the Company shall, as soon as reasonably practicable, for purposes of satisfying the Awards granted, transfer to the Trust the necessary funds and instruct the Trustee to acquire further H Shares through on-market transactions at the prevailing market price.

Scheme Limit

Subject to the Scheme Rules, the Scheme Limit shall be the maximum number of H Shares that will be acquired by the Trustee through on-market transactions from time to time at the prevailing market price, and in any case being 1,500,000 H Shares. The Company proposed to set the Scheme Limit in terms of the number of H Shares in order to (i) regulate the costs of the Company in setting up the Scheme; and (ii) provide Shareholders with clarity on the financial outlay on the Scheme.

The maximum number of H Shares that can be purchased accounts for approximately 2.43% of the Company's total number of issued H Shares and approximately 0.61% of the Company's total share capital as at the date of this announcement. The ultimate number of H Shares underlying the Scheme is uncertain as it depends on the actual implementation of the acquisition of H Shares by the Trustee.

The Company shall not make any further grant of Award which will result in the aggregate number of H Shares underlying all grants made pursuant to the Scheme (excluding RSUs that have been forfeited in accordance with the Scheme) to exceed the Scheme Limit without Shareholders' approval. The Scheme Limit shall not be subject to any refreshment.

At no time shall the Trustee be holding more than 10% of the total number of H Shares in issue. The H Shares held by the Trustee will be regarded as public float unless the Trustee becomes a core connected persons of the Company or would otherwise cease to be regarded as member of the public under the Listing Rules.

The maximum number of H Shares which may be subject to an Award or Awards to a Selected Person in a 12-month period up to and including the date of the grant of such Award shall not in aggregate exceed 1% of the total number of issued H Shares of the Company from time to time.

Administration of the Scheme

The Scheme shall be subject to the administration of the following administrative bodies:

- (a) the general meeting of the Shareholders, as the institution vested with the supreme authority of the Company, is responsible for the consideration and approval of the adoption of the Scheme. The general meeting of the Shareholders may authorize the Board to deal with all matters related to the Scheme to the extent of its authority;
- (b) the Board is the institution in charge of the administration of the Scheme in accordance with the Scheme Rules and where applicable, the Trust Deed. A decision of the Board or the Delegatee shall be final and binding on all persons affected. The Remuneration Committee shall be responsible for drafting and revising the Scheme and submitting the same to the Board for consideration. Upon consideration and approval of the Scheme, the Board will submit the Scheme to the general meeting of the Shareholders for consideration. The Board or the Delegatee may handle all matters related to the Scheme within the authorization by the general meeting of the Shareholders;
- (c) the independent non-executive Directors are the supervisory institution of the Scheme and shall express their views on whether the Scheme facilitates the sustainable development of the Company and whether the Scheme impairs the interests of the Company and the Shareholders as a whole. The independent non-executive Directors supervise whether the implementation of the Scheme complies with relevant laws, regulations, regulatory documents and the Listing Rules, and is responsible for reviewing the list of Selected Persons; and
- (d) the Trust will be constituted to service the Scheme whereby the Trustee shall, subject to the relevant provisions of the Trust Deed and upon the instruction of the Company, acquire not more than 1,500,000 H Shares through on-market transactions with funds to be transferred by the Company to the Trust.

Pursuant to the Scheme Rules, the authority to administer the Scheme may be delegated by the Board to the Delegatee as deemed appropriate at the sole discretion of the Board. Upon the approval and adoption of the Scheme by the Shareholders at the AGM, the Board will delegate to the Management Committee the authority to administer the Scheme, including the power to grant an Award under the Scheme.

Selected Persons of the Scheme

Eligible Participant who may participate in the Scheme include any full-time PRC or non-PRC employee of any members of the Group, who is a Director, senior management, key operating team member, employee, or, a consultant of the Group.

The Board or the Delegatee may, from time to time, select any Eligible Participant to be a Selected Person of the respective plans in accordance with the Scheme Rules.

The Selected Persons are determined in accordance with the Company Law of the PRC, the Securities Law of the PRC and other applicable laws, regulations and regulatory documents and the relevant provisions of the Articles of Association, together with the Company's actual circumstances and matters including the present and expected contribution of the relevant Selected Person to the Group.

No one should be considered as a Selected Person of the Scheme if he:

- (a) has been publicly reprimanded or deemed as an inappropriate candidate for similar award schemes or share incentive plans of a listed company by any securities regulatory bodies with authority in the last 12 months;
- (b) has been imposed with penalties or is banned from trading securities by securities regulatory bodies due to material non-compliance with laws or regulations in the last 12 months;
- (c) is in breach of relevant national laws and regulations or the Articles of Association;
or
- (d) absent prior approval of the Company, is directly or indirectly engaged in any other business which is in competition with the business of the Group during his employment with the Group.

The Selected Persons shall undertake that if any of the above provisions occur during implementation of the Scheme which would prevent him from being considered as a Selected Person, he shall give up his rights to participate in the Scheme and shall not be given any compensation.

Grant of Awards

The Board or the Delegatee may grant Awards to Selected Persons during the Award Period conditional upon fulfilment of terms and conditions of the Awards and performance targets as the Board or the Delegatee determines from time to time. Each grant of an Award to any connected person of the Group will constitute a connected transaction which will be subject to the applicable requirements under Chapter 14A of the Listing Rules.

No grant of any RSUs to any Selected Person may be made and no directions or recommendations shall be given to the Trustee with respect to a grant of an Award or the acquisition of H Shares through on-market transactions under certain circumstances including:

- (i) where the requisite approval from any applicable regulatory authorities or Shareholders has not been granted;
- (ii) where any member of the Group will be required under applicable securities laws, rules or regulations to issue a prospectus or other offer documents in respect of such Award or the Scheme;
- (iii) where such Award would result in a breach by any member of the Group or its directors of any applicable securities laws, rules or regulations in any jurisdiction;
- (iv) where such grant of Award would result in a breach of the Scheme Limit;
- (v) after the expiry of the Award Period or after the earlier termination of the Scheme;
- (vi) where any Director is in possession of unpublished inside information (as defined under the SFO) in relation to the Company or where any Director reasonably believes there is inside information which must be disclosed pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO or where dealings by Directors are prohibited under any code or requirement of the Listing Rules or any applicable laws, rules or regulations;
- (vii) during the period of 60 days immediately preceding the publication date of the annual results of the Group or, if shorter, the period from the end of the relevant financial year up to the publication date of such results; and
- (viii) during the period of 30 days immediately preceding the publication date of the quarterly or half-year results of the Group or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of such results.

Vesting of the Awards

The Board or the Delegatee may determine the vesting criteria and conditions or periods for the Awards to be vested. The Vesting Date(s) and number of RSUs granted shall be specified in the Grant Letter approved by the Board or the Delegatee.

For the purposes of vesting of the RSU(s), the Board or the Delegatee may direct and procure the Trustee to release from the Trust the RSU(s) or the Actual Selling Price in cash to the Selected Person by transferring the number of the RSUs or the Actual Selling Price in cash to the Selected Person in such manner as determined by it from time to time.

The Vesting Date(s) of the Awards granted under the Scheme or the Awards to be satisfied by the application of any Returned Shares shall be determined by the Board or the Delegatee in its sole and absolute discretion, and shall in any event not extend beyond the then remaining term of the Award Period at the time of grant.

Vesting Conditions

Vesting of the Award granted under the Scheme is subject to the conditions of the performance indicators of the Company and any other applicable vesting conditions as set out in the Grant Letter.

The details of the performance indicators of the Company shall be determined by the Board or the Delegatee from time to time with reference to the business performance and financial condition of the Company and the then market conditions and shall be set out in the Grant Letter.

If the Selected Person fails to fulfil the vesting conditions applicable to the relevant Awards, all the RSUs underlying the relevant Awards which may otherwise be vested on the Vesting Date(s) shall not be vested and become immediately forfeited with respect to such Selected Person.

Transfer and sale of RSUs

For the purpose of vesting of the Award, the Board or the Delegatee may either:

- (a) direct and procure the Trustee to release from the Trust and transfer the relevant Shares underlying the RSUs to the Selected Persons in such manner as determined by them from time to time; or
- (b) to the extent that, at the determination of the Board or the Delegatee, it is not practicable for the Selected Person to receive the Award in RSUs, the Board or the Delegatee will direct and procure the Trustee to sell, on-market at the prevailing market price, the number of RSUs so vested in respect of the Selected Person and pay the Selected Person the proceeds in cash arising from such sale based on the Actual Selling Price of such RSUs as set out in the Vesting Notice.

Within a reasonable time after the vesting conditions applicable to the Award have been satisfied or otherwise waived, the Board or the Delegatee shall send to the relevant Selected Person the Vesting Notice. The Board or the Delegatee shall forward a copy of the Vesting Notice to the Trustee and instruct the Trustee the extent to which the RSUs held in the Trust shall be transferred and released from the Trust to the Selected Person in the manner as determined by the Board or the Delegatee, or be sold as soon as practicable from the Vesting Date.

Subject to the receipt of the Vesting Notice and the instructions from the Board or the Delegatee, the Trustee shall transfer and release the relevant RSUs to the relevant Selected Person in the manner as determined by the Board or the Delegatee or sell the relevant RSUs as soon as practicable from the Vesting Date and pay the Actual Selling Price to the Selected Person within a reasonable time period in satisfaction of the Award.

Interest in the RSUs

Any Award granted hereunder but not yet vested shall be personal to the Selected Person to whom it is made and shall not be assignable or transferable and no Selected Person shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any other person over or in relation to any Award, or enter any agreement to do so.

Neither the Selected Person nor the Trustee may exercise any voting rights attached to any H Shares held by the Trustee under the Trust (including any RSUs that have not yet vested).

Any dividend underlying the non-vested RSUs shall be retained by the Trustee, and transferred to the Selected Person together with the RSUs upon vesting. In the event that the RSUs are to be forfeited, such underlying dividend shall be transferred back to the Company.

Occurrence of certain events pertaining to the Company

(A) Change in control

If there is an event of change in control (as defined under the Takeovers Code) of the Company by way of a merger, privatization of the Company by way of a scheme or by way of an offer, change of actual control of the Company involving reorganization of major assets, the Company no longer exists after merger with another company, division of the Company, or resolution of the general meeting of the Shareholders to replace half of all members of the Board before the expiry of the term of office of the Board, the Board shall in its sole and absolute discretion determine whether this Scheme shall be terminated within 5 trading days upon the change in control of the Company.

Pursuant to the Scheme Rules, (i) no instructions may be given by a Selected Person to the Trustee in respect of the Award or any other property of the Trust and the Trustee shall not follow instructions given by a Selected Person to the Trustee in respect of the Award or any other property of the Trust; and (ii) neither the Selected Person nor the Trustee may exercise any voting rights attached to any H Shares held by the Trustee under the Trust (including any RSUs that have not yet vested). As such, neither the Selected Person nor the Trustee has a right to accept or decline any offer in connection with a privatization of the Company and in turn has no entitlement to the consideration of such offer.

(B) Open offer and rights issue

In the event the Company undertakes an open offer of new securities, the Trustee shall not subscribe for any new H Shares. In the event of a rights issue, the Trustee shall seek instruction from the Company on the steps or actions to be taken in relation to the nil-paid rights allotted to it.

(C) Consolidation or sub-division of shares

In the event the Company undertakes a capitalization issue, rights issue, sub-division, consolidation or reduction of the H Shares, corresponding changes will be made to the number of outstanding RSUs that have been granted provided that the adjustments shall be made in such manner as the Board determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Scheme for the Selected Persons. All fractional shares (if any) arising out of such consolidation or sub-division in respect of the RSUs of a Selected Person shall be deemed as Returned Shares and shall not be transferred to the relevant Selected Person on the relevant Vesting Date.

Amendment of the Scheme

Subject to the Scheme Limit, the Scheme may be altered or supplemented in any respect by resolution of the Board.

Termination of the Scheme

The Scheme shall terminate on the earlier of (i) the end of the Award Period except in respect of any non-vested RSUs granted hereunder prior to the expiration of the Scheme, for the purpose of giving effect to the vesting of such RSUs or otherwise as may be required in accordance with the provisions of the Scheme; or (ii) such date of early termination as determined by the Board.

Scheme Costs

The Company shall bear the costs of establishing and administering the Scheme, including the fees of the Trustee. The administration of the Scheme and the acquisition of H Shares will not be funded from the proceeds of the Global Offering.

II. REASONS FOR AND BENEFITS OF THE ADOPTION OF THE SCHEME

Please refer to the section headed “I. Proposed Adoption of the Scheme – Purposes of the Scheme” in this announcement.

The Directors consider that the inclusion of consultants as Eligible Participants is appropriate, as the successful development of the Group could not be achieved by Directors and employees alone and will also depend on the cooperation with external consultants (e.g. industry research and development experts), who play an important role in the business of the Group. Having the Scheme in place is one of the means to attract and retain those consultants who contribute to the continuous development of the Group, so that they have an incentive to render improved services and/or patronage to the Group on a long-term basis. The inclusion of consultants who have contributed to the Group in the list of Eligible Participants would provide the Company with the flexibility of rewarding such persons should the situation arises that such award and incentive would encourage them to align their interest and objectives with that of the Group and work towards enhancing the value of the Company for the long-term development and would benefit of the Company and the Shareholders as a whole. The Board will consider the suitability of each consultant based on merits and his/her contribution to the growth and development of the Group on a case-by-case basis before any Award is made. In particular, the Board might consider factors including but not limited to (i) the consultant’s background and length of business relationship with the Group, (ii) the materiality and nature of their services, and (iii) the track record in the quality of the services and advices provided.

The Directors are of the view that the adoption of the Scheme will realize the aforesaid goals, and that the terms and conditions of the Scheme are on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

III. IMPLICATIONS UNDER THE LISTING RULES

The Scheme involves no issue of new shares or granting of option for any new securities of the Company. Thus, it does not constitute a share option scheme as defined and regulated under Chapter 17 of the Listing Rules.

IV. PROPOSED AUTHORIZATION TO THE BOARD AND/OR THE DELEGATEE TO HANDLE MATTERS PERTAINING TO THE SCHEME

In order to ensure the successful implementation of the Scheme, the Board proposed that, subject to the approval of the Scheme by the Shareholders at the AGM, the Shareholders also grant an authorization to the Board and/or the Delegatee to deal with matters in relation to the Scheme with full authority, including but not limited to:

- (i) to authorize the Board to consider, appoint and establish the Management Committee for the purpose of the Scheme, consisting of the executive Directors of the Company;

- (ii) to authorize any member of the Management Committee to enter into the Trust Deed on behalf of the Company with the Trustee and to affix the Company seal onto such Trust Deed, pursuant to which the Trustee will provide trust services for the Scheme;
- (iii) to authorize the Board to consider and approve the plan management agreement and to authorize any member of the Management Committee to enter into the plan management agreement with the Trustee on behalf of the Company, pursuant to which the Trustee will provide plan management services in respect of the Scheme;
- (iv) to authorize the Board to set up a cash securities account under the name of the Trust or its nominee so as to facilitate the provision of trading services and trading platform for the Selected Persons of the Scheme by the Trustee;
- (v) to authorize the Board to consider and authorize the Management Committee to handle matters pertaining to the Scheme with full authority during the validity period of the Scheme, including but not limited to:
 - a. to determine the terms and conditions of the grant of Awards, approve the form and content of the Grant Letter, select Eligible Participants to become Selected Persons, and grant Awards to Selected Persons from time to time;
 - b. to determine the Grant Date and Vesting Date(s) of RSUs;
 - c. to administer, amend and adjust the Scheme, including but not limited to adjusting the number of outstanding RSUs or accelerate the Vesting Dates of any Awards, provided that the Scheme Limit shall not be adjusted and if such amendments require the approval of the Shareholders' meeting and/or relevant regulatory authorities pursuant to the relevant laws, regulations or requirements of the relevant regulatory authorities, the Board or the Delegatee shall obtain the corresponding authorization for such amendments;
 - d. to decide on the selection, engagement and change of bank(s), accountant(s), lawyer(s), consultant(s) and other professional parties for the purpose of the Scheme;
 - e. to sign, execute, and terminate all agreements and other relevant documents in connection with the Scheme, fulfill all relevant procedures in relation to the Scheme, and adopt other methods to implement the terms of the Scheme;
 - f. to determine and adjust the standards and conditions of the vesting of the Awards as well as the Vesting Dates, evaluate and manage the performance indicators, and to determine whether Awards granted to the Selected Persons can be vested;
 - g. to determine the execution, amendment and termination of the Scheme, including the forfeiture of Awards and continued vesting of RSUs upon the changes in circumstances pertaining to the Selected Persons;

- h. to construe and interpret the Scheme Rules and to resolve any issues and disputes arising from or in connection with the Scheme;
- i. to exercise any other authorizations in relation to matters necessary to the implementation of the Scheme granted by the Shareholders' meeting from time to time;
- j. on behalf of the Company, execute all documents in relation to the operations of and other matters of the Scheme, or providing instructions to the Trustee in relation to its operations, the execution of relevant documents in relation to the setting up of the accounts, operations of the accounts, and the setting up and operations of the cash securities account under the name of the Company, the release of RSUs for the purpose of the vesting of the Awards, or the sale of RSUs on-market at the prevailing market price and pay the proceeds arising from such sale to Selected Persons, or directing and procuring the Trustee to release the RSUs to the Selected Persons by transferring the RSUs to the Selected Persons as determined by them from time to time, and confirming, allowing and approving all matters precedent arising from or in relation to the Trust Deed and the plan management agreement; and
- k. on behalf of the Company, approve, execute, refine, deliver, negotiate, agree on and agree to all such agreements, contracts, documents, regulations, matters and things (as the case may be) as it deems reasonable, necessary, desirable, appropriate or expedient, in order to implement and/or implement all transactions conducted accordingly, and make any reasonable alterations, amendments, changes, modifications and/or supplements as it deems necessary, desirable, appropriate or expedient. If there is a requirement to affix a company seal on any such agreement, contract or document, it has the right to sign the agreement, contract or document and affix the company seal in accordance with the Articles of Association in that case.

The aforementioned authorization to the Board and/or the Delegatee shall be valid for the Award Period.

V. AGM

The forthcoming AGM will be convened to consider and, if thought fit, approve, among other things, the proposed adoption of the Scheme and the proposed authorization to the Board and/or the Delegatee to handle matters pertaining to the Scheme. A circular of the Company containing, among other things, (i) further details of the Scheme; (ii) the proposed authorization to the Board and/or the Delegatee to handle matters pertaining to the Scheme; and (iii) a notice convening the AGM, is expected to be despatched to the Shareholders on or before May 20, 2022.

Please refer to the announcement of the Company dated April 14, 2022 for the details of the book closure period of the AGM.

DEFINITIONS

Unless the context requires otherwise, the capitalized terms used herein shall have the following meanings:

“Actual Selling Price”	the actual price at which the RSUs are sold (net of brokerage, Stock Exchange trading fee, SFC transaction levy and any other applicable costs) on vesting of an Award pursuant to the Scheme
“Adoption Date”	the date on which the Shareholders approve the Scheme
“AGM”	the forthcoming annual general meeting of the Company to be held on June 27, 2022
“Articles of Association”	the articles of association of the Company currently in force (as amended from time to time)
“Award”	means an award of RSUs granted to a selected Participant pursuant to the Scheme, which may vest in the form of RSUs or the Actual Selling Price of the RSUs in cash
“Award Period”	a term of 10 years commencing on the Adoption Date
“Board”	the board of Directors of the Company
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“Company”	Shanghai Bio-heart Biological Technology Co., Ltd. (上海百心安生物技術股份有限公司), a joint stock company incorporated in the PRC with limited liability, the issued H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2185)
“Delegatee”	the Management Committee, person(s) or board committee(s) to which the Board has delegated its authority
“Directors”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and are unlisted Shares which are currently not listed or traded in any stock exchange

“Eligible Participant”	any full-time PRC or non-PRC employee of any members of the Group, who is a Director, senior management, key operating team member, employee, or, a consultant of the Group; however, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or the Delegatee, in compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Scheme and such individual shall therefore be excluded therefrom
“Global Offering”	the offer of H Shares for subscription as described in the prospectus of the Company dated December 13, 2021
“Grant Date”	the date of an Grant Letter, on which the grant of an Award is made to a Selected Person
“Grant Letter”	letter issued by the Company to each Selected Person in such form as the Board or the Delegatee may from time to time determine, specifying the Grant Date, the manner of acceptance of the Award, the value of the Award and/or number of RSUs underlying the Award (with the basis on which the number of H Shares underlying the RSUs is arrived at), the vesting criteria and conditions, and the Vesting Date and such other details, terms and conditions as they may consider necessary and in compliance with the Scheme
“Group”	the Company and its subsidiaries from time to time, and the expression member of the Group shall be construed accordingly
“H Shareholder(s)”	holder(s) of the H Shares
“H Share(s)”	overseas listed foreign invested ordinary share(s) in the ordinary share capital of our Company, with a nominal value of RMB1.00 each, which are listed on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Management Committee”	the management committee of the Scheme, which includes the executive Directors of the Company to which the Board has delegated its authority to administer the Scheme

“on-market”	the acquisition of H Shares of the Company through one or more transactions through the facilities of the Stock Exchange in accordance with the Listing Rules and any other applicable laws and regulations
“Participant”	means a Selected Person who has duly accepted the offer in accordance with the Grant Letter
“PRC”	the People’s Republic of China
“Remuneration Committee”	the Remuneration Committee of the Company
“Returned Shares”	Such RSUs that are not vested and/or are lapsed, cancelled or forfeited in accordance with the terms of the Scheme, or such H Shares being deemed to be Returned Shares under the Scheme Rules
“RMB”	Renminbi, the lawful currency of the PRC
“RSU(s)”	a conditional right when the Award vests whereby the Participant shall be entitled to obtain either Shares or the payment of the Actual Selling Price with reference to the market value of the H Shares on or about Vesting Date(s) as finally and conclusively determined by the Board or the Delegatee. Each RSU shall represent a conditional right to one underlying H Share
“Scheme Limit”	the maximum size of the Scheme, being the maximum number of H Shares that will be acquired by the Trustee through on-market transactions from time to time at the prevailing market price, and in any case being 1,500,000 H Shares
“Scheme Rules”	the rules governing the operation of the Scheme as well as the implementation procedure (as amended from time to time)
“Selected Person”	any Eligible Participant who, in accordance with Scheme Rules, is approved for participation in the Scheme, and has been granted any Award thereunder
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)

“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, comprising Domestic Shares, Unlisted Foreign Shares and H Shares
“Shareholder(s)”	the holders of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust”	the trust constituted by the Trust Deed to service the Scheme
“Trust Deed”	the trust deed to be entered into between the Company and the Trustee (as may be restated, supplemented and amended from time to time)
“Trustee”	the trustee appointed by the Company for the purpose of the Trust, and initially, THE CORE TRUST COMPANY LIMITED, a company incorporated in Hong Kong and having its registered office at 28th Floor, 33 Des Voeux Road Central, Central, Hong Kong
“Unlisted Foreign Shares”	ordinary shares issued by our company with a nominal value of RMB1.00 each and are held by foreign investors and are not listed on any stock exchange
“Vesting Date”	the date or dates, as determined from time to time by the Board or the Delegatee on which the Award (or part thereof) is to vest in the relevant Selected Person as set out in the relevant Grant Letter
“Vesting Notice”	a notice to be sent by the Company to each of the relevant Participants after the vesting criteria, conditions and time schedule have been reached, fulfilled, satisfied or waived, the number or percentage of the H Shares involved as described in the Scheme
“%”	percent

By order of the Board
Shanghai Bio-heart Biological Technology Co., Ltd.
Philip Li WANG
Chairman and executive director

Shanghai, the People’s Republic of China, May 11, 2022

As at the date of this announcement, the Board of the Company comprises Mr. Philip Li WANG as chairman and executive director, Mr. Yunqing WANG as executive director, Ms. Li CAI, Mr. Quan ZHOU, Mr. Ji CHEN and Mr. Jie YIN as non-executive directors, and Mr. Charles Sheung Wai CHAN, Mr. Xubo LU and Mr. George Chien Cheng LIN as independent non-executive directors.