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**(1) VOLUNTARY ANNOUNCEMENT
INTENTION TO
CONDUCT ON-MARKET SHARE REPURCHASE;
and (2) SUPPLEMENTAL INFORMATION
IN RELATION TO THE ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. VOLUNTARY ANNOUNCEMENT INTENTION TO CONDUCT ON-MARKET SHARE REPURCHASE

This announcement is made by Everest Medicines Limited (the “**Company**”) on a voluntary basis to provide its shareholders and potential investors with information in relation to the latest developments of the Company.

Reference is made to the announcement of the Company dated 30 August 2021 (the “**30 August Announcement**”) in relation to the Proposed Share Repurchase under the Share Repurchase Mandate. Unless otherwise defined, capitalized terms used in section 1 of this announcement shall have the same meanings as those defined in the 30 August Announcement.

Pursuant to the Share Repurchase Mandate, the Company is allowed to repurchase up to 10% of the total number of Shares in issue as at the date of the AGM. As of 5 November 2021, the Company has exercised its powers under the Share Repurchase Mandate and pursuant to which, has repurchased 1,615,500 Shares for approximately HK\$71 million.

On 5 November 2021, the Board has decided to continue utilizing the Share Repurchase Mandate and, subject to market conditions, further repurchase Shares in the open market from time to time to use up to an additional HK\$100 million in funds for the Proposed Share Repurchase. The Company will finance the repurchase from its existing available cash reserves and free cash flow.

The Company will conduct the Proposed Share Repurchase in compliance with the memorandum and articles of association of the Company, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Codes on Takeovers and Mergers and Share

Buy-backs, the Companies Law of the Cayman Islands and all applicable laws and regulations to which the Company is subject to.

The Board believes that a share repurchase in the present conditions will demonstrate the Company's confidence in its own business outlook and prospects and would, ultimately, benefit the Company and create value to the Shareholders. The Board believes that the current financial resources of the Company would enable it to implement the share repurchase while maintaining a solid financial position.

Shareholders and potential investors should note that any repurchase may be done subject to market conditions and at the Board's absolute discretion. There is no assurance of the timing, quantity or price of any repurchase. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.

2. SUPPLEMENTAL INFORMATION IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Reference is made to the annual report of Everest Medicines Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2020 (the “**2020 Annual Report**”) published on 29 April 2021. Unless otherwise defined, capitalised terms used in section 2 of this announcement shall have the same meanings as those defined in the 2020 Annual Report.

In addition to the information disclosed under the section headed “Management Discussion and Analysis — Financial Review — 3. Research and Development Expenses”, the Company would like to provide additional information in connection to the breakdown of the expenses underlying the movement of overall research and development expenses.

Breakdown of Expenses Underlying the Movement of Overall Research and Development Expenses in the 2020 Annual Report

The research and development expenses of the Company were in a total of RMB377.4 million for the year ended 31 December 2020, increased significantly from RMB150.9 million for the year ended 31 December 2019. The increase was primarily attributable to additional clinical trials of drug candidates and the expansion of research and development headcount. The Company wishes to provide a detailed breakdown of its research and development expenses as follows:

	Years ended 31 December	
	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Employee benefit expenses	136,001	54,128
Clinical trial expenses	211,304	86,641
Depreciation	11,973	2,095
Professional expenses	10,691	2,102
Office and travelling expenses	6,683	5,067
Others	759	855
Total	377,411	150,888

The above supplemental information does not affect other information contained in the 2020 Annual Report and save as disclosed above, all other information and contents as set out in the 2020 Annual Report remain unchanged.

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

Hong Kong, 8 November 2021

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