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Zai Lab Limited

再鼎醫藥有限公司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9688)

GRANT OF RESTRICTED SHARES

This announcement is made pursuant to Rules 17.06A, 17.06B and 17.06C of the Listing Rules. The Board hereby announces that on March 3, 2023 (U.S. Eastern Time), the Company granted Restricted Shares covering an aggregate of 18,332 ADSs to 1 Grantee under the 2022 Equity Incentive Plan.

RESTRICTED SHARES UNDER THE 2022 EQUITY INCENTIVE PLAN

On the Date of Grant, the Company granted such number of Restricted Shares to 1 Grantee in accordance with the terms of the 2022 Equity Incentive Plan.

Details of the grant of Restricted Shares are as follows:

Date of Grant:	March 3, 2023 (U.S. Eastern Time)
Number of Grantee(s):	1
Name of the Grantee and the relationship between the Grantee and the Company:	Mr. Michel Vounatsos, an independent director of the Company
Number of underlying Shares pursuant to the Restricted Shares granted:	183,320
Number of the Restricted Shares granted (in ADSs):	18,332 (such number of ADSs is equal to US\$750,000 divided by the NASDAQ closing price of the Company's ADSs on the Date of Grant, rounded down to the nearest whole number)

Purchase price for the grant:	Nil
Closing price of the ADSs on the Date of Grant:	US\$40.91 per ADS (approximately HK\$31.91 per Share)
Vesting period:	One-third of 18,332 ADSs shall vest on each anniversary of the Date of Grant for the next three years, in each case, subject to the Grantee's continued service as a member of the Board on such vesting dates.
Performance target(s) and/or clawback mechanism:	There are no performance targets attached to the grant of Restricted Shares above. The grant above is not subject to any clawback mechanism for the Company to recover but would be subject to tax withholding by the Company pursuant to the terms and conditions of the 2022 Equity Incentive Plan.

The Compensation Committee of the Board is of the view that the grant of Restricted Shares to the Grantee without performance targets or a clawback mechanism is market competitive, consistent with the Company's non-employee director compensation policy, and aligns with the purpose of the 2022 Equity Incentive Plan.

The grant of Restricted Shares is subject to the terms and conditions of the 2022 Equity Incentive Plan and form of award agreement covering the grants.

REASONS FOR AND BENEFITS OF THE GRANT

The grant of Restricted Shares is to recognize and reward the Grantee for his contribution to the Group, and to provide additional incentives to him to maintain and further promote the success of the Group's business.

LISTING RULES IMPLICATIONS

Pursuant to Rule 17.04(1) of the Listing Rules, the grant of Restricted Shares to Mr. Michel Vounatsos had been approved by the independent directors (other than Mr. Michel Vounatsos himself). The grant would not result in the share options and awards granted and to be granted to the Grantee in the 12-month period up to and including the date of such grant in aggregate to exceed 1% individual limit for the purpose of Rule 17.03D of the Listing Rules; nor would the grant result in the shares issued and to be issued in respect of all options and awards granted to such Grantee in the 12-month period up to and including the date of such grant representing in aggregate to exceed 0.1% limit for the purpose of Rule 17.04(3) of the Listing Rules.

NUMBER OF SHARES AVAILABLE FOR FUTURE GRANT

Based on the information available to the Company as of February 28, 2023 (being the latest practicable date for ascertaining the relevant information), approximately 89,773,733 underlying Shares will be available for future grants under the 2022 Equity Incentive Plan after the grant above.

The 2022 Equity Incentive Plan was adopted before the effective date of the new Chapter 17 of the Listing Rules. The Company will comply with the new Chapter 17 in accordance with the transitional arrangements for the existing share plan.

DEFINITIONS

“2022 Equity Incentive Plan”	the Zai Lab Limited 2022 Equity Incentive Plan approved at the Company’s 2022 annual general meeting of shareholders on June 22, 2022 and effective on June 27, 2022, the principal terms of which were set out in the Company’s definitive proxy statement/circular dated May 3, 2022
“ADS(s)”	American Depositary Shares (each representing 10 Shares of the Company)
“Board”	the board of directors of the Company
“Company”	Zai Lab Limited, a company incorporated in the Cayman Islands with limited liability and listed on the Stock Exchange (Stock Code: 9688) and NASDAQ (Trading Symbol: ZLAB)
“Date of Grant”	March 3, 2023 (U.S. Eastern Time)
“Grantee”	the awardee who was granted the Restricted Shares in accordance with the 2022 Equity Incentive Plan on the Date of Grant
“Group”	the Company and its subsidiaries

“HK\$”	the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“NASDAQ”	Nasdaq Global Market
“PRC”	the People’s Republic of China
“Restricted Share(s)”	Share(s) subject to restrictions requiring that they be redelivered or offered for sale to the Company if specified service-based condition is not satisfied
“Share(s)”	ordinary share(s) in the authorized share capital of the Company with a par value of US\$0.000006 per share
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules
“US\$”	the lawful currency of the United States

For the purpose of this announcement and for illustrative purpose only, conversions of US\$ to HK\$ are based on the exchange rate of US\$1.00 = HK\$7.8. No representation is made that any amounts in HK\$ or US\$ can be or could have been converted at the relevant dates at the above rate or at any other rates or at all.

By order of the Board
Zai Lab Limited
Samantha Du
Director, Chairperson and Chief Executive Officer

Hong Kong, March 6, 2023

As at the date of this announcement, the board of directors of the Company comprises Dr. Samantha Du as a director, and Dr. Kai-Xian Chen, Dr. John Diekman, Ms. Nisa Leung, Mr. William Lis, Mr. Leon O. Moulder, Jr., Mr. Peter Wirth, Mr. Scott W. Morrison, Richard Gaynor, M.D. and Mr. Michel Vounatsos as the independent directors.

* For identification only