

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.



Zai Lab Limited

再鼎醫藥有限公司 *

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 9688)

GRANT OF SHARE OPTIONS AND RESTRICTED SHARE UNITS

This announcement is made pursuant to Rules 17.06A, 17.06B and 17.06C of the Listing Rules. The Board hereby announces that on June 7, 2023 (U.S. Eastern Time), the Company granted Options to subscribe for an aggregate of 22,594 ADSs to 4 Grantees and Restricted Share Units covering an aggregate of 12,055 ADSs to 11 Grantees under the 2022 Equity Incentive Plan.

GRANT OF SHARE OPTIONS UNDER THE 2022 EQUITY INCENTIVE PLAN

On the Date of Grant, the Company granted 22,594 Options (in ADSs) to 4 Grantees in accordance with the terms of the 2022 Equity Incentive Plan.

Details of the grant of Options are as follows:

Date of Grant:	June 7, 2023 (U.S. Eastern Time)
Number of Grantees:	4
Type of Grantees:	employee participants of the Group
Number of the Options granted (in ADSs):	22,594
Number of underlying Shares pursuant to the Options granted:	225,940
Exercise price of the Options granted:	US\$34.03 per ADS (approximately HK\$26.54 per Share)
Closing price of the ADSs on the Date of Grant:	US\$28.66 per ADS (approximately HK\$22.35 per Share)

Validity period of the Options granted: The validity period of the Options shall be ten years from the Date of Grant, and the Options shall lapse at the expiry of the validity period or earlier if the employment relationship has terminated prior to the expiry of the validity period.

Vesting period of the Options granted: The Options granted shall vest as follows:

- 25% shall vest on each anniversary of the Date of Grant for the next four years, in each case, subject to each Grantee's continued employment relationship with the Company on such vesting dates.

Performance target(s) and/or clawback mechanism: There are no performance targets attached to the grant of Options above. The grants above are 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 Options to the Grantees without performance targets or a clawback mechanism is market competitive, consistent with the Company's customary practice, and aligns with the purpose of the 2022 Equity Incentive Plan.

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

GRANT OF RESTRICTED SHARE UNITS UNDER THE 2022 EQUITY INCENTIVE PLAN

On the Date of Grant, the Company granted 12,055 Restricted Share Units (in ADSs) to 11 Grantees in accordance with the terms of the 2022 Equity Incentive Plan.

Details of the grant of Restricted Share Units are as follows:

Date of Grant: June 7, 2023 (U.S. Eastern Time)

Number of Grantees: 11

Type of Grantees:	employee participants of the Group
Number of the Restricted Share Units granted (in ADSs):	12,055
Number of underlying Shares pursuant to the Restricted Share Units granted:	120,550
Purchase price for the grant:	Nil
Closing price of the ADSs on the Date of Grant:	US\$28.66 per ADS (approximately HK\$22.35 per Share)
Vesting period of the Restricted Share Units granted:	<p>The Restricted Share Units granted shall vest as follows:</p> <ul style="list-style-type: none"> • 25% shall vest on each anniversary of the Date of Grant for the next four years, in each case, subject to each Grantee's continued employment relationship with the Company on such vesting dates.
Performance target(s) and/or clawback mechanism:	<p>There are no performance targets attached to the grant of Restricted Share Units above. The grants above are 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.</p> <p>The Compensation Committee of the Board is of the view that the grant of Restricted Share Units to the Grantees without performance targets or a clawback mechanism is market competitive, consistent with the Company's customary practice, and aligns with the purpose of the 2022 Equity Incentive Plan.</p>

The grant of Restricted Share Units 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 Options and Restricted Shares Units is to recognize and reward the Grantees for their contribution to the Group, and to provide additional incentives to them to maintain and further promote the success of the Group's business.

LISTING RULES IMPLICATIONS

The Grantees above are employee participants of the Group. Each of the Grantees above is neither (i) a Director, nor a chief executive, nor a substantial shareholder of the Company, nor an associate of any of them; (ii) a participant with options and awards granted and to be granted exceeding the 1% individual limit for the purpose of Rule 17.03D of the Listing Rules; nor (iii) a related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the issued ADSs.

The grant of the Restricted Share Units was made in the form of new Shares to be issued pursuant to the general mandate granted under Rule 13.36(2) of the Listing Rules and approved by the shareholders of the Company at its 2022 annual general meeting on June 22, 2022. The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares that will be issued pursuant to the grant of Restricted Share Units.

The grant of the Options and the Restricted Share Units will not result in the total number of share options and awards granted and to be granted to a Grantee in the 12-month period up to and including the Date of Grant in aggregate to exceed 1% individual limit for the purpose of Rule 17.03D of the Listing Rules.

NUMBER OF SHARES AVAILABLE FOR FUTURE GRANT

Based on the latest information available to the Company as of May 31, 2023 (being the latest practicable date for ascertaining the relevant information), approximately 61,096,953 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 2022 Equity Incentive Plan.

PREVIOUS GRANTS UNDER THE 2022 EQUITY INCENTIVE PLAN AND LISTING RULES IMPLICATIONS

As disclosed in the announcement of the Company dated March 6, 2023, on March 3, 2023 (U.S. Eastern Time), the Company granted 18,332 Restricted Shares (representing 183,320 underlying Shares) to Mr. Michel Vounatsos, a connected person of the Company by virtue of being its Director, under the 2022 Equity Incentive Plan. As the grant was made in the form of existing Shares and all applicable percentage ratios as defined under Rule 14.07 of the Listing Rules are less than 0.1%, the grant is fully exempt from shareholders' approval, annual review, and all disclosure requirements under Chapter 14A of the Listing Rules.

As disclosed in the announcements of the Company dated January 3, 2023, March 7, 2023, April 4, 2023 and May 16, 2023 and the 2022 annual report of the Company published on April 27, 2023, the Company granted the following non-option awards to the employee participants of the Group under the 2022 Equity Incentive Plan. The grantees are not connected persons of the Company. These grants were made in the form of new Shares to be issued pursuant to the general mandate granted under Rule 13.36(2) of the Listing Rules and approved by the shareholders of the Company at its 2022 annual general meeting on June 22, 2022. The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the underlying Shares that will be issued to satisfy these grants.

Date of grant	Type of grantee	Type of award	Relevant disclosure of the Company containing more details about the grant
August 15, 2022 (U.S. Eastern Time)	45 employee participants of the Group	94,455 Restricted Share Units (in ADSs) representing 944,550 underlying Shares	2022 annual report published on April 27, 2023
September 12, 2022 (U.S. Eastern Time)	5 employee participants of the Group	1,609 Restricted Share Units (in ADSs) representing 16,090 underlying Shares	2022 annual report published on April 27, 2023
October 3, 2022 (U.S. Eastern Time)	7 employee participants of the Group	12,400 Restricted Share Units (in ADSs) representing 124,000 underlying Shares	2022 annual report published on April 27, 2023
November 14, 2022 (U.S. Eastern Time)	10 employee participants of the Group	65,325 Restricted Share Units (in ADSs) representing 653,250 underlying Shares	2022 annual report published on April 27, 2023
December 12, 2022 (U.S. Eastern Time)	9 employee participants of the Group	30,500 Restricted Share Units (in ADSs) representing 305,000 underlying Shares	2022 annual report published on April 27, 2023
December 30, 2022 (U.S. Eastern Time)	1 employee participant of the Group	126,000 Restricted Share Units (in ADSs) representing 1,260,000 underlying Shares	Announcement dated January 3, 2023
March 6, 2023 (U.S. Eastern Time)	14 employee participants of the Group	8,325 Restricted Share Units (in ADSs) representing 83,250 underlying Shares	Announcement dated March 7, 2023

Date of grant	Type of grantee	Type of award	Relevant disclosure of the Company containing more details about the grant
April 3, 2023 (U.S. Eastern Time)	533 employee participants of the Group	565,437 Restricted Share Units (in ADSs) representing 5,654,370 underlying Shares	Announcement dated April 4, 2023
May 15, 2023 (U.S. Eastern Time)	15 employee participants of the Group	24,258 Restricted Share Units (in ADSs) representing 242,580 underlying Shares	Announcement dated May 16, 2023

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 share(s) (each representing 10 Shares of the Company)
“associate”	has the same meaning ascribed to it under the Listing Rules
“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 main board of the Stock Exchange (Stock Code: 9688) and NASDAQ (Trading Symbol: ZLAB)
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Date of Grant”	June 7, 2023 (U.S. Eastern Time)
“Director(s)”	member(s) of the Board
“Grantee(s)”	employee participant(s) of the Group who were granted the Options and/or the Restricted Share Units in accordance with the 2022 Equity Incentive Plan on the Date of Grant
“Group”	the Company and its subsidiaries from time to time

“HK\$”	the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“NASDAQ”	Nasdaq Global Market
“Option(s)”	share option(s) entitling the Grantee(s) to acquire Shares upon payment of the exercise price which are granted under the 2022 Equity Incentive Plan
“PRC”	the People’s Republic of China
“Restricted Share Unit(s)”	restricted share unit(s) entitling the Grantee(s) to acquire Shares subject to the satisfaction of specified vesting condition which are granted under the 2022 Equity Incentive Plan
“Share(s)”	ordinary shares 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
“substantial shareholder”	has the same meaning ascribed to it under the Listing Rules

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.

Except as otherwise specified, all references in this announcement to times and dates are references to Hong Kong times and dates.

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

Hong Kong, June 8, 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 independent directors.

* *For identification only*