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SHANGHAI JUNSHI BIOSCIENCES CO., LTD.*

上海君實生物醫藥科技股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 1877)

**APPROVAL BY THE BOARD
TO REPURCHASE A SHARES OF
THE COMPANY
THROUGH CENTRALIZED PRICE BIDDING**

This announcement is made by Shanghai Junshi Biosciences Co., Ltd.* (上海君實生物醫藥科技股份有限公司) (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) (the “**Listing Rules**”) as well as the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Reference is also made to the inside information announcement of the Company dated 27 August 2023 (the “**Previous Announcement**”), and the overseas regulatory announcements of the Company dated 27 August 2023 and 10 September 2023. Unless otherwise defined in this announcement, capitalized terms used herein shall have the same meanings as those defined in the Previous Announcement.

I. APPROVAL OF THE REPURCHASE PLAN BY THE BOARD

On 8 September 2023, the Board convened the 22nd meeting of the third session of the Board, in which the “Plan in relation to the Repurchase of A Shares through Centralized Price Bidding” (the “**Repurchase Plan**”) was considered and approved.

In accordance with the articles of association of the Company (“**Articles of Association**”) and the Self-Regulatory Guideline No. 7 for Companies Listed on the Shanghai Stock Exchange – Share Repurchases promulgated by the Shanghai Stock Exchange* (《上海證券交易所上市公司自律監管指引第7號－回購股份》) (“**Guideline No. 7**”), the Repurchase Plan can be implemented after it has been approved at a meeting of the Board, which is attended by more than two-thirds of the Directors, and does not need to be submitted to the general meeting of the Company for consideration.

II. DETAILS OF THE REPURCHASE PLAN

Purpose of the Repurchase and use of the Repurchased A Shares

Based on the confidence in the sustainable future development of the Company and recognition of the Company's value, the Company intends to repurchase a portion of its issued A Shares through centralized price bidding, with the aim to safeguard the interests of general investors, enhance investors' confidence, further promote the stable and healthy development of the Company, and align the interests of the Company with that of the Shareholders and employees of the Company. The Repurchased A Shares will be used for the purpose of share incentives and/or employee stock ownership plan(s) at an appropriate time in the future.

Type of shares to be repurchased

The type of shares to be repurchased is RMB-denominated ordinary shares (A Shares) issued by the Company.

Method of the Repurchase

The shares will be repurchased through centralized price bidding on the Shanghai Stock Exchange.

Repurchase Period

The Company may conduct the Repurchase within 12 months from the date of approval of the Repurchase Plan by the Board (the "**Repurchase Period**").

During the Repurchase Period, if the trading of A Shares is suspended for more than 10 consecutive trading days due to the planning of material event(s), the implementation of the Repurchase Plan shall be postponed and disclosed in a timely manner upon the resumption of trading of A Shares.

The management of the Company will be authorized by the Board to make strategic decisions relating to the Repurchase and implement the Repurchase Plan in accordance with market conditions during the Repurchase Period.

The Repurchase Period shall expire in advance if the following conditions are triggered:

- (1) if the amount of funds used for the Repurchase reaches the maximum limit within the Repurchase Period, the implementation of the Repurchase Plan shall end and the Repurchase Period shall expire on such date;
- (2) if the amount of funds used for the Repurchase reaches the minimum limit within the Repurchase Period, the implementation of the Repurchase Period shall expire on the date when the management of the Company decides to terminate the Repurchase Plan;
or
- (3) if the Board resolves to terminate the Repurchase Plan, the Repurchase Period shall expire on the date when the Board resolves to terminate the Repurchase Plan.

The Company shall not repurchase any A Shares during the following periods:

- (1) within 10 trading days prior to the publication of the annual reports, interim reports and quarterly reports of the Company. In the case where the publication date is delayed due to certain reasons, such period shall be calculated from 10 trading days prior to the original scheduled publication date to the date prior to publication;
- (2) within 10 trading days prior to the publication of the results forecasts or preliminary results of the Company;
- (3) from the date of occurrence of material events that may have relatively significant impact on the trading price of the shares (or during the decision-making process of such events) to the date of disclosure of such event in accordance with law; and
- (4) other circumstances as stipulated by the China Securities Regulatory Commission and the Shanghai Stock Exchange.

Repurchase Price

The repurchase price of the A Shares shall be not exceed RMB58 (inclusive) per A Share. Such price shall not exceed 150% of the average trading price of A Shares for the 30 trading days immediately preceding the date of approval of the the Repurchase Plan by the Board. The actual repurchase price shall be determined by the management of the Company with the authorization of the Board, taking into account the market price of the A Shares during the Repurchase Period.

In the event of any ex-rights or ex-dividend matters of the Company, such as bonus issue, conversion of capital reserve into share capital, distribution of cash dividends, payment of stock dividends or rights issue during the Repurchase Period, the maximum limit of the repurchase price shall be adjusted in accordance with the relevant requirements of the China Securities Regulatory Commission and the Shanghai Stock Exchange.

Use of Repurchased A Shares

All of the Repurchased A Shares will be used for the purpose of share incentives and/or employee stock ownership plan(s) at an appropriate time in the future. In the event that the Company fails to fully utilize the Repurchased A Shares within three years upon the publication of the announcement regarding the implementation results of the Repurchase Plan and changes in the Shares, the unused Repurchased A Shares will be cancelled. In the event any adjustment is made to relevant national policies, the Repurchase Plan shall be implemented subject to such adjustment.

Total amount and source of funds to be used for the Repurchase

The total amount of funds for the Repurchase shall be no less than RMB30 million (inclusive) and no more than RMB60 million (inclusive), which shall be from part of the surplus proceeds from the initial public offering of RMB-denominated ordinary shares of the Company (A Shares).

Number of shares to be repurchased and its proportion to the total share capital of the Company

Based on the calculation with reference to the total number of Shares (i.e. 985,689,871 Shares), the minimum amount of funds (i.e. RMB30 million) for the Repurchase, the maximum amount of funds (i.e. RMB60 million) for the Repurchase, and the maximum repurchase price (i.e. RMB58 per A Share), the number of Repurchased A Shares will range from 517,242 to 1,034,482 A Shares, representing approximately 0.05% to 0.10% of the total number of Shares.

Expected changes in the shareholding structure of the Company after the Repurchase

Based on the calculation with reference to the total number of Shares and shareholding structure of the Company as of 8 September 2023 and the maximum repurchase price of RMB58 per A Share, and assuming that all Repurchased A Shares will be used as share incentives and/or for employee stock ownership plan(s) subject to lock-up, the expected changes in the shareholding structure of the Company are as follows:

Type of shares	Before the Repurchase		After the Repurchase at the minimum repurchase amount		After the Repurchase at the maximum repurchase amount	
	Number of shares	% of total number of issued shares	Number of shares	% of total number of issued shares	Number of shares	% of total number of issued shares
Shares subject to trading restrictions	263,795,836	26.76	264,313,078	26.82	264,830,318	26.87
Shares not subject to trading restrictions	721,894,035	73.24	721,376,793	73.18	720,859,553	73.13
Total number of issued shares	985,689,871	100.00	985,689,871	100.00	985,689,871	100.00

Note: The above changes have not taken into account other factors and the figures are for reference only. The specific number of the Repurchased A Shares and changes in the Company's shareholding structure are subject to the actual implementation of the Repurchase Plan.

Possible effect of the Repurchase on the daily operation, finance, research and development, profitability, debt repayment ability, future development and maintenance of listing status of the Company

As of 30 June 2023, the total assets of the Company amounted to RMB11,779 million, the net assets attributable to the Shareholders amounted to RMB8,493 million, and the current assets of the Company amounted to RMB6,424 million. The maximum amount of funds required for the Repurchase, being RMB60 million, accounts for a relatively small portion of the total assets of the Company, the net assets attributable to the Shareholders and the current assets of the Company, being 0.51%, 0.71% and 0.93%, respectively. The Company has sufficient capital to satisfy the funds required for the Repurchase. Therefore, it is expected that the Repurchase Plan will not have a material impact on the daily operation, financial position and future development of the Company.

The Repurchased A Shares will be used for the purpose of share incentives and/or employee stock ownership plan(s), which is beneficial to improve the Company's long-term incentive mechanism, fully mobilize employees' enthusiasm and creativity, and strengthen the research and development ability, core competitiveness and operating results of the Company, so as to promote the long-term development of the Company in a healthy and sustainable manner. The Repurchase will not result in a change in the control and listing status of the Company. The shareholding of the Company is in line with the listing requirements of the Shanghai Stock Exchange as well as the Hong Kong Stock Exchange.

Opinion of independent non-executive Directors on the compliance, necessity, reasonableness and feasibility of the Repurchase Plan

- (1) The Repurchase Plan is in compliance with the requirements of the laws, regulations, departmental rules and regulatory documents including the Company Law of the People's Republic of China (the "**Company Law**"), Securities Law of the People's Republic of China (the "**Securities Law**"), the Rules on Repurchase of Shares by Listed Companies (《上市公司股份回購規則》), Guideline No. 7, and the Articles of Association. The voting procedures at the Board meeting at which the matter was considered were in compliance with relevant laws and regulations, and relevant requirements of the Articles of Association.
- (2) Implementation of the Repurchase Plan is conducive to enhancing the long-term investment value of the shares of the Company in order to safeguard the interests of the Shareholders, and to improving the Company's long-term incentive mechanism for fully mobilizing employees' enthusiasm and creativity.
- (3) The Company intends to use part of the surplus proceeds from the initial public offering of RMB-denominated ordinary shares of the Company (A Shares) for the Repurchase, and the total amount of funds required for the Repurchase is relatively little as compared to the total amount of assets of the Company. The Repurchase will not have a material impact on the daily operation, finance, research and development, profitability, debt repayment ability and future development of the Company. The implementation of the Repurchase Plan will not lead to a change in the control of the Company, affect the Company's listing status, nor result in non-compliance with the listing requirements. It is considered that the Repurchase Plan is reasonable and feasible.

- (4) The Repurchase Plan will be implemented through centralized price bidding, and will not prejudice the interests of the Company and all of its Shareholders, especially the interest of minority Shareholders.

In conclusion, the independent non-executive Directors are of the view that the Repurchase Plan is legal, compliant, necessary, reasonable and feasible, and in line with the interests of the Company and its Shareholders. Therefore, the independent non-executive Directors unanimously consent to the matters relating to the Repurchase Plan.

Share transaction by the Directors, supervisors, senior management, controlling shareholders, de facto controllers of the Company and the proposer of the Repurchase Plan, and other related matters

None of the Directors, supervisors, senior management, controlling shareholders and parties acting in concert, de facto controllers of the Company and the proposer of the Repurchase Plan has bought or sold any Shares within six months prior to the approval of the Repurchase by the Board. No conflict of interest with the Repurchase Plan, insider trading and market manipulation exist. Certain Directors and senior management of the Company may purchase Shares during the Repurchase Period due to the vesting of Type II restricted A Shares under the 2020 Restricted A Share Incentive Scheme of the Company. Save as disclosed above, there is no plan to increase or reduce shareholding in the Company during the Repurchase Period, and the above persons will cooperate with the Company to fulfill information disclosure obligations in a timely manner in accordance with the requirements of relevant laws, regulations, regulatory documents and commitments in case of any subsequent new plan to increase or reduce shareholding in the future.

Plan to reduce shareholding by the Directors, supervisors, senior management, controlling shareholders, de facto controllers, proposer of the Repurchase Plan and Shareholders holding more than 5% of the Shares

None of the Directors, supervisors, senior management, controlling shareholders and parties acting in concert, de facto controllers of the Company and the proposer of the Repurchase Plan has any plan to reduce their shareholding in the Company within the next six months. Greenland Financial Holdings Group Co., Ltd* (綠地金融投資控股集團有限公司), Shanghai Jiakai Investment Management Co., Ltd.* (上海加財投資管理有限公司) and Greenland Financial Overseas Investment Group Co., Ltd. do not have any plan to reduce their shareholding in the Company within the next six months. Other Shareholders holding more than 5% of the Shares and parties acting in concert may intend to reduce their shareholding in the Company in the next six months. If any relevant person intends to decrease his/her shareholding in the future, the Company will fulfill its information disclosure obligations in a timely manner in accordance with relevant requirements.

Relevant information regarding the Proposal

On 27 August 2023, the Company received a proposal from Mr. Xiong Jun (“**Mr. Xiong**”), chairman of the Board, regarding the use of part of the surplus proceeds to repurchase A Shares through centralized price bidding. The Proposal is based on Mr. Xiong’s confidence in the sustainable future development of the Company and high recognition of the Company’s value, with the aim to safeguard the interests of general investors, enhance investors’ confidence, further promote the stable and healthy development of the Company, and align the interests of the Company with that of the Shareholders and employees of the Company.

Mr. Xiong has not dealt in the Shares within six months prior to the date of the Proposal, and has not engaged in any insider dealing and market manipulation solely or jointly with other parties. He does not have any plan to increase or reduce his shareholding in the Company during the Repurchase Period. The Company will comply with its information disclosure obligations in a timely manner in accordance with relevant laws and regulations in case of any subsequent new plan to increase or reduce shareholding in the future.

Relevant arrangements for cancellation or transfer of A Shares after the Repurchase

It is proposed for the Repurchased A Shares to be used for the purpose of share incentives and/or employee stock ownership plan(s). If the Company fails to fully utilize the Repurchased A Shares within three years after the date of the announcement regarding the implementation results of the Repurchase Plan and changes in the Shares, the unused Repurchased A Shares will be cancelled. In the event any adjustment is made to the relevant national policy, the Repurchase Plan shall be implemented subject to such adjustment.

Relevant arrangements to prevent jeopardizing creditors' interests

The Repurchase will not affect the normal continuing operation of the Company, and will not result in insolvency of the Company. If the Repurchased A Shares are intended to be cancelled in the future, the Company will fully protect the legitimate rights and interests of its creditors in accordance with the relevant requirements of the Company Law and other laws and regulations.

Authorization of the management of the Company to handle matters relating to the Repurchase

In order to complete the Repurchase in an efficient and orderly manner, the Board authorizes the management of the Company to handle matters relating to the Repurchase in its sole discretion.

The content and scope of authorization include but are not limited to:

- (1) setting up special securities account(s) for the Repurchase and conducting other related matters;
- (2) making decisions relating to the Repurchase within the Repurchase Period, including but not limited to the specific time, price, quantity of the Repurchase;
- (3) adjusting the Repurchase Plan in accordance with relevant regulations and requirements of the regulatory authorities and dealing with other matters relating to the Repurchase;
- (4) making corresponding amendments to the Articles of Association and other documents in accordance with the actual circumstances of the Repurchase, and handling the amendment of the Articles of Association and attending to filings of business registration (if necessary);

- (5) handling relevant approval matters, including but not limited to authorizing, signing, executing, amending and completing all necessary documents, contracts and agreements in connection with the Repurchase;
- (6) in case of any change in the policies of regulatory authorities on share repurchase or market conditions, authorizing the management of the Company to make corresponding adjustments to the Repurchase Plan and other relevant matters, except for matters that are subject to approval by the Board as provided in relevant laws, regulations and the Articles of Association;
- (7) handling other matters that are not stated above but are necessary for the Repurchase in accordance with applicable laws, regulations, and relevant regulations of regulatory authorities. This authorization shall be valid commencing on the date of consideration and approval of the Repurchase Plan by the Board to the date of completion of the matters set out above.

Risk of uncertainties of the Repurchase Plan

- (1) If the share price of the Company continues to exceed the upper limit of the repurchase price as disclosed in the Repurchase Plan during the Repurchase Period, there is a risk that the Repurchase Plan cannot be implemented.
- (2) In the event of the occurrence of material events that have a significant impact on the share price of the Company, or the occurrence of material changes to the production, operation and financial position of the Company, and external objective circumstances, or any other events that may cause the Board to terminate the Repurchase Plan, there is a risk that the Repurchase Plan cannot be implemented or may be adjusted or terminated in accordance with relevant rules.
- (3) The Company intends to use the Repurchased A Shares for the purpose of share incentives and/or employee stock ownership plan(s). If the Company fails to implement the share incentive schemes(s) and/or employee stock ownership plan(s) within the period stipulated by the laws and regulations, there is a risk that the Repurchased A Shares that have not been transferred will be cancelled.
- (4) In the event that regulatory authorities issue normative documents related to the Repurchase, there may be a risk that the terms of the Repurchase Plan may have to be adjusted according to new regulatory regulations released during the Repurchase Period.

- (5) During the Repurchase Period, the Company will make and implement decisions in connection with the Repurchase as and when appropriate based on market conditions, and perform its information disclosure obligations in a timely manner based on the progress of the Repurchase. Investors are advised to exercise caution when dealing in the Shares.

By order of the Board
Shanghai Junshi Biosciences Co., Ltd.*
Mr. Xiong Jun
Chairman

Shanghai, the PRC, 10 September 2023

As at the date of this announcement, the board of directors of the Company comprises Mr. Xiong Jun, Dr. Li Ning, Mr. Zhang Zhuobing, Dr. Yao Sheng, Mr. Li Cong and Dr. Zou Jianjun as executive Directors; Dr. Feng Hui and Mr. Tang Yi as non-executive Directors; and Dr. Roy Steven Herbst, Mr. Qian Zhi, Mr. Zhang Chun, Dr. Feng Xiaoyuan and Dr. Meng Anming as independent non-executive Directors.

* *For identification purpose only*