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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)

**CONNECTED TRANSACTION
TECHNOLOGY DEVELOPMENT CONTRACT
FOR CELL LINE DEVELOPMENT AND PRODUCTION OF
DRUG SUBSTANCES AND PREPARATIONS**

THE TECHNOLOGY DEVELOPMENT CONTRACT

On 30 January 2024 (after trading hours), the Company and Shanghai Allink entered into the Technology Development Contract, pursuant to which Shanghai Allink engaged the Company to undertake a research and development project in relation to cell line development and production of drug substances and preparations.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shanghai Allink is owned as to 46.39% by Dr. Feng, who is a non-executive Director. He is also the general partner of Shanghai Lingke Yixin and Shanghai Anling Xixu, both of which are shareholders of Shanghai Allink. As such, Shanghai Allink is an associate of Dr. Feng and is a connected person of the Company. The entering into of the Technology Development Contract constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratios in respect of the transactions contemplated under the Technology Development Contract exceed 0.1% but is less than 5%, the entering into of the Technology Development Contract is subject to the reporting and announcement requirements, but is exempted from the circular (including independent financial advice) and independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

INTRODUCTION

On 30 January 2024 (after trading hours), the Company and Shanghai Allink entered into the Technology Development Contract, pursuant to which Shanghai Allink engaged the Company to undertake a research and development project in relation to cell line development and production of drug substances and preparations.

THE TECHNOLOGY DEVELOPMENT CONTRACT

Date

30 January 2024

Parties

- (i) the Company; and
- (ii) Shanghai Allink.

Scope of work

The Company shall undertake the research and development project in relation to cell line development and production of drug substances and preparations.

Term

The term of the Technology Development Contract shall commence on 30 January 2024 and end on 30 June 2025.

Contract price and payment terms

The total contract price is RMB40 million (inclusive of 6% value-added tax). Within 30 business days after the signing of the Technology Development Contract and Shanghai Allink having received the value-added tax receipt, RMB11.9 million shall be paid by Shanghai Allink to the Company. The remaining contract price shall be paid by Shanghai Allink to the Company in the following manner:

- (i) an aggregate of RMB8.4 million shall be paid upon completion of the first program;
- (ii) an aggregate of RMB7.7 million shall be paid upon completion of the second program; and
- (iii) an aggregate of RMB12 million shall be paid upon completion of the third program.

The contract price was determined through arms' length negotiation between Shanghai Allink and the Company with reference to the prevailing market pricing principles on a fair and reasonable basis.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TECHNOLOGY DEVELOPMENT CONTRACT

The Company has mature technology and experience in biopharmaceutical research and development. Shanghai Allink engaged the Company to undertake the research and development project in relation to cell line development and production of drug substances and preparations, which is of commercial interest to the Company.

The Directors (including the independent non-executive Directors) are of the view that the transactions contemplated under the Technology Development Contract are conducted in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms of the Technology Development Contract are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Dr. Feng has abstained from voting on the Board's resolution approving the Technology Development Contract due to his connected relationship with Shanghai Allink. Save as disclosed above, none of the other Directors has a material interest in the Technology Development Contract and therefore no other Director was required to abstain from voting on the resolutions in relation to the Technology Development Contract.

INFORMATION OF THE PARTIES

Information of Shanghai Allink

Shanghai Allink is a company established in the PRC with limited liability and is principally engaged in the business of bispecific antibody and antibody-drug conjugates development. As at the date of this announcement, Shanghai Allink is owned as to 46.39% by Dr. Feng, 11.60% by the Company, 11.60% by Shanghai Lingke Yixin, 7.73% by Shanghai Anling Xixu and 22.68% by Angel Investors.

Information of the Company

The Company is a joint stock limited liability company established in the PRC, whose H Shares are listed on the Hong Kong Stock Exchange (stock code: 1877) and A Shares are listed on the STAR Market (stock code: 688180). The Company is an innovation-driven biopharmaceutical company dedicated to the discovery and development of innovative drugs and their clinical research and commercialization on a global scale.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shanghai Allink is owned as to 46.39% by Dr. Feng, who is a non-executive Director. He is also the general partner of Shanghai Lingke Yixin and Shanghai Anling Xixu, both of which are shareholders of Shanghai Allink. As such, Shanghai Allink is an associate of Dr. Feng and is a connected person of the Company. The entering into of the Technology Development Contract constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratios in respect of the transactions contemplated under the Technology Development Contract exceed 0.1% but is less than 5%, the entering into of the Technology Development Contract is subject to the reporting and announcement requirements, but is exempted from the circular (including independent financial advice) and independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“A Shares”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are traded in RMB and are listed on the Shanghai Stock Exchange
“Angel Investors”	four angel investors, all of whom are third parties independent of the Company and its connected persons
“Board”	the board of Directors
“Company”	Shanghai Junshi Biosciences Co., Ltd.* (上海君實生物醫藥科技股份有限公司), a joint stock limited company established in the PRC with limited liability, the H Shares and A Shares of which are listed and traded on the main board of the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
“connected person(s)”	has the meaning as ascribed to it in the Hong Kong Listing Rules
“Director(s)”	the director(s) of the Company
“Dr. Feng”	Feng Hui (馮輝), a non-executive Director, the chairman of the board of directors of Shanghai Allink, and the general partner of Shanghai Anling Xixu and Shanghai Lingke Yixin
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas-listed share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are traded in Hong Kong dollars and are listed on the main board of the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Parties”	parties to the Technology Development Contract
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Shanghai Allink”	Shanghai Allink Biotherapeutics Co., Ltd.* (上海安領科生物醫藥有限公司), a company established in the PRC on 27 June 2023 with limited liability
“Shanghai Anling Xixu”	Shanghai Anling Xixu Biopharmaceutical Technology Partnership (Limited Partnership)* (上海安領西旭生物醫藥科技合夥企業(有限合夥)), a limited partnership established in the PRC
“Shanghai Lingke Yixin”	Shanghai Lingke Yixin Biopharmaceutical Technology Partnership (Limited Partnership)* (上海領科屹鑫生物醫藥科技合夥企業(有限合夥)), a limited partnership established in the PRC
“Shanghai Stock Exchange”	the Shanghai Stock Exchange (上海證券交易所)
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising H Shares and A Shares
“Shareholder(s)”	holder(s) of Share(s)
“STAR Market”	the STAR Market of the Shanghai Stock Exchange
“Technology Development Contract”	the technology development contract for cell line development and production of drug substances and preparations entered into by Shanghai Allink and the Company on 30 January 2024
“%”	per cent

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

Shanghai, the PRC, 30 January 2024

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, Dr. Zou Jianjun and Dr. Wang Gang as executive Directors; Dr. Feng Hui, Mr. Tang Yi and Dr. Li Xin 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