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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)

(1) PROPOSED ADOPTION OF THE 2025 H SHARE OPTION INCENTIVE SCHEME;
(2) PROPOSED GRANT OF H SHARE OPTIONS TO THE GRANTEES;
(3) PROPOSED ADOPTION OF THE 2025 A SHARE OPTION INCENTIVE SCHEME; AND
(4) PROPOSED GRANT OF A SHARE OPTIONS TO A DIRECTOR AND SUBSTANTIAL SHAREHOLDER

PROPOSED ADOPTION OF THE 2025 H SHARE OPTION INCENTIVE SCHEME AND 2025 A SHARE OPTION INCENTIVE SCHEME

On 2 September 2025, the Board resolved to approve, among other things, (i) the proposed adoption of the 2025 H Share Option Incentive Scheme; and (ii) the proposed adoption of the 2025 A Share Option Incentive Scheme. The 2025 H Share Option Incentive Scheme and the 2025 A Share Option Incentive Scheme constitute share schemes involves the issue of new Shares of the Company under Chapter 17 of the Listing Rules. Accordingly, the adoption of the 2025 H Share Option Incentive Scheme and the 2025 A Share Option Incentive Scheme are subject to Shareholders' approval.

PROPOSED GRANT TO THE GRANTEES AND PROPOSED GRANT TO MR. XIONG

The Board also resolved to approve, among other things, (i) the proposed grant of 13,210,000 H Share Options to seven executive Directors (including Dr. Li Ning, Dr. Zou Jianjun, Mr. Li Cong, Mr. Zhang Zhuobing, Dr. Yao Sheng, Dr. Wang Gang, Dr. Li Xin) and three other Employee Participants; and (ii) proposed grant of the 8,000,000 A Share Options to Mr. Xiong, conditional upon the adoption of the 2025 A Share Option Incentive Scheme and the 2025 H Share Option Incentive Scheme.

EGM

An EGM will be convened for the Shareholders to consider and, if thought fit, approve, among other things, (i) the proposed adoption of the 2025 H Share Option Incentive Scheme; and (ii) the proposed adoption of the 2025 A Share Option Incentive Scheme and the Proposed Grant to Mr. Xiong.

A circular containing, among other things, a notice of the EGM, and details including (i) the proposed adoption of the 2025 H Share Option Incentive Scheme; and (ii) the proposed adoption of the 2025 A Share Option Incentive Scheme and the Proposed Grant to Mr. Xiong, will be published in due course.

I. PROPOSED ADOPTION OF THE 2025 H SHARE OPTION INCENTIVE SCHEME

On 2 September 2025, the Board resolved to approve the adoption of the 2025 H Share Option Incentive Scheme, subject to the approval of the Shareholders which will be sought at the EGM. The adoption of the 2025 H Share Option Incentive Scheme and the adoption of the 2025 A Share Option Incentive Scheme are not inter-conditional upon each other.

The principal terms of the 2025 H Share Option Incentive Scheme are set out below:

(A) Purposes of the 2025 H Share Option Incentive Scheme

The purposes of the 2025 H Share Option Incentive Scheme are:

(1) to provide the Company with a flexible means of attracting, remunerating, incentivising, retaining, rewarding, compensating and/or providing benefits to the Participants;

(2) to align the interests of Participants with those of the Company and Shareholders by providing such Participants with the opportunity to acquire proprietary interests in the Company and become Shareholders; and

(3) to encourage Participants to contribute to the long-term growth, performance and profits of the Company and to enhance the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole.

(B) Participants and basis of determining eligibility of the Participants

The Participants of the 2025 H Share Option Incentive Scheme include Employee Participant(s) and Related Entity Participant(s). The basis of eligibility of any Participants to the grant of any H Share Options shall be determined by the Board or the Scheme Administrator from time to time. For the avoidance of doubt, the Participants of the 2025 H Share Option Incentive Scheme will not include Mr. Xiong and the 250 employees who will be granted A Share Options under the first grant of 2025 A Share Option Incentive Scheme.

(C) Scheme Mandate Limit

The total number of H Shares which may be issued in respect of H Share Option(s) to be granted under the 2025 H Share Option Incentive Scheme and other Shares which may be issued under any other effective share scheme(s) of the Company is up to 10% of the total Shares (excluding treasury shares) in issue as at the Adoption Date (the "**Scheme Mandate Limit**").

As at the date of this announcement, the Company has 1,025,874,000 issued Shares (excluding 815,871 treasury shares). Assuming that there is no change in the total number of Shares in issue between the period from the date of this announcement up to the Adoption Date, the maximum number of H Shares which may be issued in respect of all H Share Options which may be granted pursuant to the 2025 H Share Option Incentive Scheme, together with the Shares which may be issued in respect of share options and awards which may be granted under any other effective share scheme(s) of the Company (including under the 2025 A Share Option Incentive Scheme) will be 102,587,400 Shares, representing approximately 10% of the total number of Shares in issue (excluding treasury shares) as at the Adoption Date.

The Company may issue new H Shares or utilize treasury shares (if any) to satisfy the grant of the H Share Options under the 2025 H Share Option Incentive Scheme.

New H Shares that may be issued in respect of H Share Option(s) which have lapsed in accordance with the terms of the 2025 H Share Option Incentive Scheme Rules (or the terms of any other share schemes of the Company) shall not be counted for the purpose of calculating the Scheme Mandate Limit.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the H Shares to be issued by the Company to any grantee pursuant to the terms and conditions of the 2025 H Share Option Incentive Scheme as and when required under the Hong Kong Listing Rules.

(D) Administration

The H Share Option Scheme shall be subject to the administration of the Board, which may delegate any or all of the Board's rights and duties to a committee of the Board or any other person(s) deemed appropriate at the sole discretion of the Board, including its powers to offer or grant H Share Options and to determine the terms and conditions of such H Share Options, in accordance with the applicable laws, regulations and rules of the 2025 H Share Option Incentive Scheme.

(E) Vesting Period

The vesting period, being the minimum period for which a H Share Option must be held before it can be exercised, is determined by the Board or the Scheme Administrator as authorised by the Board, which shall not be less than twelve (12) months, except that H Share Options granted to Employee Participants may be subject to a shorter vesting period under certain circumstances as set out below:

(1) grants of "make-whole" H Share Options to new Employee Participants to replace the options they forfeited when leaving his/her previous employer;

(2) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;

(3) grants with performance-based vesting conditions;

(4) grants of H Share Options the timing of which is determined by administrative or compliance requirements not connected with the performance of the relevant Employee Participant, in which case the Vesting Date may be adjusted to take account of the time from which the grant would have been granted if not for such administrative or compliance requirements;

(5) grants with a mixed vesting schedule such as where the H Share Options may vest evenly over a period of 12 months; and

(6) grants of H Share Options with a total vesting and holding period of more than 12 months.

H Share Options do not carry any right to vote at general meetings of the Company, nor any right to dividends, transfer or other rights. No grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of a H Share Option unless and until the H Shares underlying a H Share Option are delivered to the grantee pursuant to the vesting and exercise of such H Share Option.

(F) Performance Targets

The Board or the Scheme Administrator may, in respect of each grant of H Share Option and subject to all applicable laws, rules and regulations, determine such performance targets, criteria or conditions for vesting of a H Share Option in its sole and absolute discretion. Any such performance targets, criteria or conditions shall be set out in the Grant Letter with reference to key performance targets including, among others, key performance indicators at corporate, subsidiary, project or individual level, or otherwise commonly adopted by businesses operating in the industry in which the Group operates or other criteria, such as the operation income, business or financial milestones or performance results, transaction milestones, etc., as considered appropriate by the Board or the Scheme Administrator. For the avoidance of doubt, the vesting of an H Share Option shall not be subject to any performance targets, criteria or conditions if none are set out in the relevant Grant Letter.

(G) Exercise Price of H Share Options

The Exercise Price of H Share Options shall be such price determined by the Board of Directors or the Scheme Administrator in its absolute discretion and notified to the Participant in the Grant Letter, provided that the Exercise Price of H Share Options shall in any event be no less than the highest of: (1) the closing price of the H Shares as stated in the daily quotations sheet issued by the Hong Kong Stock Exchange on the Grant Date, which must be a Business Day; and (2) the average closing price of the H Shares as stated in the daily quotations sheets issued by the Hong Kong Stock Exchange for the five Business Days immediately preceding the Grant Date.

(H) Clawback Mechanism

Under the 2025 H Share Option Incentive Scheme, there are specific circumstances where clawback or lapse of the H Share Options may be triggered. These include, (i) the grantee ceasing to be a Participant due to termination of employment/contractual engagement for cause, without notice, or over offences involving integrity; (ii) the grantee committing material breaches of the Group's internal policies, agreements (including non-compete obligations); (iii) the grantee engaging in serious misconduct, including breaches of the terms of the 2025 H Share Option Incentive Scheme; (iv) granting H Share Options to a grantee is no longer appropriate or does not align with the purpose of the 2025 H Share Option Incentive Scheme; or (v) the Company being required to exercise clawback under applicable laws (such as the Hong Kong Listing Rules) or at the request of regulatory authorities (such as the Hong Kong Stock Exchange). In the event of the above circumstances, the Board of Directors may, at its absolute discretion, determine that all unexercised H Share Options (whether vested or not) lapse immediately, and require the grantee to transfer back to the Company or its nominee the H Shares delivered or the Actual Selling Price received (in the form of equivalent H Shares, cash equal to their market value or the Actual Selling Price, or a combination thereof).

(I) Duration

Subject to early termination by the Board of Directors, the 2025 H Share Option Incentive Scheme shall remain in effect for a period of ten (10) years commencing from the Adoption Date, unless terminated earlier in accordance with the 2025 H Share Option Incentive Scheme Rules.

II. PROPOSED GRANT TO THE GRANTEES

On 2 September 2025, in accordance with the Hong Kong Listing Rules, the Articles of Association and the 2025 H Share Option Incentive Scheme Rules, the Board resolved to make the conditional grant of H Share Options to the following Grantees:

Grantee	Position	Number of H Share Options to be granted	Percentage of total issued Shares (excluding treasury shares)
Li Ning	Executive Director and Vice Chairman	1,200,000	0.12%
Zou Jianjun	Executive Director, Chief Executive Officer and General Manager	5,000,000	0.49%
Li Cong	Executive Director and Co-Chief Executive Officer	1,200,000	0.12%
Zhang Zhuobing	Executive Director	1,200,000	0.12%
Yao Sheng	Executive Director	1,200,000	0.12%
Wang Gang	Executive Director	1,200,000	0.12%
Li Xin	Executive Director	1,200,000	0.12%
Three other Employee Participants	Employees	1,010,000	0.10%
Total		**13,210,000**	**1.29%**

A summary of the details of the Proposed Grant to the Grantees is set out below:

Date of conditional grant:	2 September 2025
Exercise price of H Share Options to be granted under the 2025 H Share Option Incentive Scheme:	HK$32.30 per H Share, which represents the higher of (i) the closing price of the H Shares as stated in the daily quotations sheet issued by the Hong Kong Stock Exchange on the date of conditional grant; or (ii) the average closing price of the H Shares as stated in the daily quotations sheets issued by the Hong Kong Stock Exchange for the five business days immediately preceding the date of the conditional grant. The Group will not provide any financial assistance to the above Grantees to facilitate the exercise of the H Share Options under the 2025 H Share Option Incentive Scheme.
Closing price of the H Shares on the date of conditional grant:	HK$32.3 per H Share
Vesting period of H Share Options:	All the H Shares Options granted shall vest in two equal installments on each of the first and second anniversaries of the date of the conditional grant:

Vesting Batch	**Vesting Date**	**Percentage to be vested**
First Batch	The first anniversary of the date of the conditional grant (i.e. 2 September 2026)	50%
Second Batch	The Second anniversary of the date of the conditional grant (i.e. 2 September 2027)	50%

Exercise period of H Share Options:	Subject to the vesting of the H Share Options, the Exercise Period of the H Share Options granted shall be not more than five (5) years commencing on the date of the conditional grant.

Performance targets:

(1) **Performance assessment requirements at the Company level**

The assessment years applicable to the vesting of the H Share Options granted under the conditional grant shall be the two fiscal years (from 2025 to 2026), and the performance assessment shall be carried out on a yearly basis. The Grantees under the 2025 H Share Option Incentive Scheme shall be assessed once in a fiscal year, and the satisfaction of the performance assessment targets shall be one of the conditions of vesting of the relevant year. The performance assessment targets for each year are subject to the vesting amounts:

Vesting Date	Corresponding Assessment Year	Performance Target A Percentage to be vested: 100%	Performance Target B Percentage to be vested: 90%	Performance Target C Percentage to be vested: 80%
First Vesting Date	2025	Fulfillment of any of the following conditions: (1) the operating income in 2025 shall not be less than RMB2.4 billion; (2) the loss reduction ratio for net profit in 2025 shall not be less than 29% as compared with 2024	Fulfillment of any of the following conditions: (1) the operating income in 2025 shall not be less than RMB2.3 billion; (2) the loss reduction ratio for net profit in 2025 shall not be less than 27% as compared with 2024	Fulfillment of any of the following conditions: (1) the operating income in 2025 shall not be less than RMB2.2 billion; (2) the loss reduction ratio for net profit in 2025 shall not be less than 25% as compared with 2024
Second Vesting Date	2026	Fulfillment of any of the following conditions: (1) the accumulated operating income from 2025 to 2026 shall not be less than RMB5.4 billion; (2) the loss reduction ratio for net profit in 2026 shall not be less than 76% as compared with 2024	Fulfillment of any of the following conditions: (1) the accumulated operating income from 2025 to 2026 shall not be less than RMB5.2 billion; (2) the loss reduction ratio for net profit in 2025 shall not be less than 74% as compared with 2024	Fulfillment of any of the following conditions: (1) the accumulated operating income from 2025 to 2026 shall not be less than RMB5.0 billion; (2) the loss reduction ratio for net profit in 2026 shall not be less than 72% as compared with 2024

Notes:

1. If the Company enters into a new external licensing cooperation (BD transactions) for pharmaceutical products in the future, and the amount of upfront payment exceeds the Company's operating income of the previous year, the revenue and costs generated from such transactions will not be included from the performance assessment.
2. In each of the assessment years above, the operating income and the net profit shall be calculated based on the audited consolidated statements prepared by the accounting firm, and the results are rounded to two decimal places. The net profit shall be calculated based on the audited net profit attributable to the Shareholders before deducting the share-based payment expenses incurred by the Company in implementing the 2025 H Share Option Incentive Scheme.
3. The above performance assessment targets do not constitute the Company's performance forecast or substantive commitment to investors.

In the event that none of the vesting conditions at the Company level is fulfilled, the H Share Options granted to the Grantees scheduled to vest for the applicable appraisal year shall not vest, and all such H Share Options shall immediately lapse.

(2) Performance assessment at the individual level

The individual assessment of grantees is carried out according to the internal performance assessment system of the Company. The results of the individual performance assessment of Grantees are divided into five levels: "outstanding", "excellent", "meets standards", "partly meets standards" and "fails to meet standards", and the corresponding vesting availability is as follows:

Appraisal Results	Outstanding or Excellent or Meets Standard	Partially Meets Standard	Does Not Meet Standard
Individual Exercise Availability Factor (P)	100%	50%	0%

(3) Application of the Assessment Results

The number of Share Options actually vested by a Grantee in the assessment year = the number scheduled to be vested by the individual in the same year × the coefficient of the vested ratio at the Company level × the coefficient of the vested ratio at the individual level (P).

Rights of the H Share Options and the H Shares to be issued upon exercise of the H Share Options:

Prior to the Grantees being registered as Shareholders on the register of members of the Company in respect of the H Shares to be issued upon the exercise of the H Share Options, the Grantees shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the Shareholders on the register.

The H Shares to be allotted upon the exercise of the H Share Options shall be subject to the provisions of the Articles of Association for the time being in force and shall rank pari passu in all respects with the fully paid Shares in issue on the date on which those H Shares are allotted on exercise of the H Share Options and will entitle the Grantees to participate in all dividends or other distributions declared or recommended or resolved to be paid or made in respect of a record date falling on or after the date of allotment.

Reasons for and benefits of the Proposed Grant to the Grantees

The Board considers that the proposed Grant to the Grantees under the 2025 H Share Option Incentive Scheme play an important role in the Group's strategies and operations, and have made, and are expected to continue to make contributions to the Group. Therefore, the Board is of the view that it is essential to provide them with incentive options for their contributions and to motivate them to strive for the future development of the Group.

In view of the above, the Board (including all the independent non-executive Directors but excluding Dr. Li Ning, Dr. Zou Jianjun, Mr. Li Cong, Mr. Zhang Zhuobing, Dr. Yao Sheng, Dr. Wang Gang and Dr. Li Xing who had abstained from voting on the Board resolutions in relation to the adoption of the 2025 H Share Option Incentive Scheme and the Proposed Grant to the Grantees) is of the view that the terms of the Proposed Grant to the Grantees are fair and reasonable, align the interests of the Grantees with that of the Company and its Shareholders and are in the interest of the Company and its Shareholders as a whole.

III. PROPOSED ADOPTION OF THE 2025 A SHARE OPTION INCENTIVE SCHEME

On 2 September 2025, the Board resolved to approve the adoption of the 2025 A Share Option Incentive Scheme, subject to the approval of the Shareholders which will be sought at the EGM. The principal terms of the 2025 A Share Option Incentive Scheme are set out below:

(A) Purpose of the 2025 A Share Option Incentive Scheme

The 2025 A Share Option Incentive Scheme is established for the purpose of further refining and enhancing the Company's long-term incentive framework. The 2025 A Share Option Incentive Scheme is designed with the primary objectives of: (i) attracting and retaining individuals possessing exceptional qualifications and capabilities; (ii) fully stimulating and maximizing the motivation and initiative of employees of the Company and its subsidiaries; and (iii) effecting a close alignment of the interests of the shareholders, the Company, and the core team members. The 2025 A Share Option Incentive Scheme is intended to promote a unified and sustained focus on the long-term development of the Company, thereby ensuring that the interests of all relevant parties are aligned. The implementation of the 2025 A Share Option Incentive Scheme shall be conducted in a manner that safeguards the legitimate rights and interests of the Shareholders and adheres to the principle that remuneration and incentives shall be commensurate with the individual contributions made by the Participants to the Company.

(B) Scope and List of Participants

The Participants of the 2025 A Share Option Incentive Scheme may include the Directors, senior management and employees of the Company and its subsidiaries. The Board of Directors shall draft a list of eligible Participants within the defined scope, which shall be verified and confirmed by the Board of Supervisors (or a supervisory authority in the case that the Board of Supervisors has been cancelled). The criteria for determining the basis of eligibility of the Participants include (i) experience in relation to the Group's business; (ii) length of service with and the quality of service provided to the Group; and (iii) amount of support, assistance, guidance, advice, efforts and contributions the Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, effort and contributions the Participant is likely to be able to give or make towards the success of the Group in the future.

The total number of Participants for the first grant under the 2025 A Share Option Incentive Scheme is 251, who are employees whom the Board of Directors determines to be eligible and Mr. Xiong, being the chairman of the Board, executive Director and substantial shareholder of the Company. The Participants for the first grant under the 2025 A Share Option Incentive Scheme do not include Directors (other than Mr. Xiong), Supervisors, and senior management of the Company. All Participants must maintain an employment or labor relationship with the Company or its subsidiaries during the appraisal period of the 2025 A Share Option Incentive Scheme.

The list of Participants eligible for the reserved grant under the 2025 A Share Option Incentive Scheme shall be determined within 12 months from the EGM, otherwise such reserved grant shall lapse. The Participants for the reserved grant under the 2025 A Share Option Incentive Scheme may include Directors, senior management and employees whom the Board of Directors determines to be eligible, but do not include Independent Non-executive Directors, Supervisors, Shareholders or actual controllers holding individually or collectively more than 5% of the Shares, along with their spouses, parents, and children. For the avoidance of doubt, the Participants of the reserved grant of the 2025 A Share Option Incentive Scheme will not include Mr. Xiong and the Grantees. The criteria for determining the list of Participants eligible for the reserved grant under the 2025 A Share Option Incentive Scheme shall be based on the same standards as those for the first grant under the 2025 A Share Option Incentive Scheme.

The following individuals are prohibited from becoming Participants under the 2025 A Share Option Incentive Scheme:

(1) the individual being determined as an inappropriate candidate by the Shanghai Stock Exchange within the most recent 12 months;

(2) the individual being identified as an inappropriate candidate by the CSRC and its dispatch agencies within the most recent 12 months;

(3) the individual being subject to administrative punishment or market access restrictions by the CSRC and its dispatch agencies due to material breach of laws and regulations in the most recent 12 months;

(4) the individual being prohibited from acting as a director or senior management of a company under the PRC Company Law;

(5) being prohibited to participate in the equity incentives of listed companies under laws and regulations; and

(6) any other circumstance as prescribed by the CSRC.

If, during the implementation of the 2025 A Share Option Incentive Scheme, any of the aforementioned situations occur with respect to a Participant, the Company will terminate that individual's eligibility to participate in the 2025 A Share Option Incentive Scheme. Any A Share Options that have been granted to the Participant but have not yet been exercised will become non-exercisable and will be cancelled by the Company.

(C) Source and number of the underlying shares in respect of the A Share Options to be granted

The source of the underlying shares of the 2025 A Share Option Incentive Scheme shall be Treasury Shares and/or new A Shares to be specifically issued to the Participants.

As at the Latest Practicable Date, the Company has a total of 1,025,874,000 issued Shares (excluding treasury shares), comprising 765,578,300 A Shares and 260,295,700 H Shares. The number of underlying A Shares in respect of the A Share Options proposed to be granted under the 2025 A Share Option Incentive Scheme is 26,175,871, representing approximately 2.55% of the total issued Shares of the Company (excluding treasury shares) as at the Adoption Date (assuming there is no change in the total number of issued Shares between the period from the date of this announcement up to the Adoption Date), among which, (i) the first grant of A Share Options consists of 25,360,000 A Shares (the "**First Grant of A Share Options**"), representing approximately 2.47% of the total issued Shares of the Company (excluding treasury shares) and 96.88% of the total number of A Share Options under the Grant of A Share Options; (ii) the reserved grant of A Share Options consists of 815,871 A Shares (the "**Reserved Grant of A Share Options**"), representing approximately 0.08% of the total issued Shares of the Company (excluding treasury shares) and 3.12% of the total number of A Share Options under the Grant of A Share Options.

The total number of underlying shares which may be issued in respect of the 2025 A Share Option Incentive Scheme and shares under all other effective share incentive schemes of the Company shall not exceed 10% of the total issued Shares of the Company (excluding treasury shares) as at the Adoption Date. The total number of Shares to be granted to any Participant under the 2025 A Share Option Incentive Scheme shall not exceed 1% of the total issued Shares of the Company (excluding treasury shares).

(D) Validity Period

The validity period of the 2025 A Share Option Incentive Scheme commences on the date of the first grant of A Share Options and ends on the date on which all A Share Options granted to the Participants have been exercised or cancelled. Such validity period shall not exceed 48 months.

(E) Vesting Period

The A Share Options granted to the Participants are subject to different vesting periods, all calculated from the respective Grant Dates. The vesting periods for the First Grant of A Share Options are 12 months or 24 months from the Grant Date of the First Grant of A Share Options. The vesting periods for the Reserved Grant of A Share Options are 12 months or 24 months from the Grant Date of the Reserved Grant of A Share Options. During the vesting periods, the A Share Options granted to the Participants may not be transferred, used as collateral, or used to repay debts.

The vesting period stipulated under the 2025 A Share Option Incentive Scheme serves as a fundamental mechanism to advance the objectives of the 2025 A Share Option Incentive Scheme by conditioning the exercisability of granted A Share Options upon the continued service of Participants for a specified duration, thereby fostering long-term retention and aligning the interests of employees with those of the Company and its Shareholders.

(F) Exercise Period

Upon the fulfillment of conditions of the exercise of the A Share Options, the A Share Options are exercisable in two tranches upon expiry of 12 months from the Grant Date. The exercise arrangement for the First Grant of A Share Options and the Reserved Grant of A Share Options are as follows.

(1) The exercise arrangement for the First Grant of A Share Options

Exercise Arrangement	**Exercise Period**	**Proportion of exercisable A Share Options to the total number of A Share Options granted**
First Exercise Period	Commencing from the first trading day after the expiry of the 12th month from the Grant Date of the First Grant of A Share Options, and ending on the last trading day of the 24th month from the Grant Date of the First Grant of A Share Options	50%
Second Exercise Period	Commencing from the first trading day after the expiry of the 24th month from the Grant Date of the First Grant of A Share Options, and ending on the last trading day of the 36th month from the Grant Date of the First Grant of A Share Options	50%

(2) The exercise arrangement for the Reserved Grant of A Share Options

Exercise Arrangement	Exercise Period	Proportion of exercisable Share Options to the total number of Share Options granted
First Exercise Period	Commencing from the first trading day after the expiry of the 12th month from the Grant Date of the Reserved Grant of A Share Options, and ending on the last trading day of the 24th month from the Grant Date of the Reserved Grant of A Share Options	50%
Second Exercise Period	Commencing from the first trading day after the expiry of the 24th month from the Grant Date of the Reserved Grant of A Share Options, and ending on the last trading day of the 36th month from the Grant Date of the Reserved Grant of A Share Options	50%

A Share Options for which the Exercise Conditions are not fulfilled during the above agreed period shall not be exercised or deferred to the next Exercise Period, and the relevant A Share Options of such Participants shall be cancelled by the Company in accordance with the principles stipulated in the 2025 A Share Option Incentive Scheme. After the end of each Exercise Period of the A Share Options, the A Share Options exercisable by the Participants for the current period that have not been exercised shall be terminated and cancelled by the Company.

(G) Black-out period

A black-out period refers to the time interval during which the Participants are restricted from selling the Shares obtained after exercise of the A Share Options. The provisions for black-out periods under the 2025 A Share Option Incentive Scheme shall be implemented in accordance with the requirements in the PRC Company Law, PRC Securities Law and other relevant laws, regulations, regulatory documents and the Articles of Association. Details of which are set out below:

(1) if the Participant is a Director or a senior management of the Company, the number of Shares that may be transferred each year during the term of office of the Participant shall not exceed 25% of the total number of Shares held by such Participant. No Shares shall be transferred within six months after the Participant has left his or her office;

(2) if the Participant is a Director or a senior management of the Company and sells any Shares purchased in the last six months, or purchases Shares in the six months following a disposal, all gains arising therefrom shall belong to the Company and be recovered by the Board;

(3) if the Participant is a Director or a senior management of the Company, the reduction of Shares must comply with the relevant PRC rules and regulations, and the Articles of Association; and

(4) If, during the Validity Period of the 2025 A Share Option Incentive Scheme, there are any changes in the provisions of the PRC Company Law, PRC Securities Law and other relevant laws, regulations, regulatory documents and the Articles of Association regarding the transfer of the Shares held by a Director or a senior management of the Company, the relevant Participants shall comply with the relevant amended provisions prevailing at the time of the share transfer.

(H) Exercise Price of A Share Options and its basis for determination

The Exercise Price of A Share Options for the First Grant of A Share Options under the 2025 A Share Option Incentive Scheme is RMB46.67 per A Share. As such, the Participants have the right to purchase A Shares at a price of RMB46.67 per A Share after satisfying the conditions of the grant of the A Share Options and Exercise Conditions.

The Exercise Price of A Share Options to be granted under the 2025 A Share Option Incentive Scheme shall not be lower than the face value of the Shares, and shall not be lower than the higher of:

(1) the average trading price of the A Shares on the trading day preceding the announcement date of the draft 2025 A Share Option Incentive Scheme, i.e., RMB46.67 per A Share; and

(2) the average trading price of the Company's A Shares for the 120 trading days preceding the announcement date of the 2025 A Share Option Incentive Scheme, i.e., RMB37.00 per A Share.

The Exercise Price of A Share Options granted in the Reserved Grant of A Share Options under the 2025 A Share Option Incentive Scheme is the same as the Exercise Price of A Share Options granted in the First Grant of A Share Options, being RMB46.67 per A Share. The Board of Directors shall convene a meeting to review and approve the relevant proposals, and disclose the details of the Reserved Grant of A Share Options.

(I) Conditions

(I) Conditions of grant of the A Share Options

The Company shall grant the A Share Options to the Participants upon satisfaction of all of the following conditions of grant. Conversely, no A Share Options shall be granted to the Participants if any of the following conditions of grant has not been satisfied:

(1) There is no occurrence of any of the following to the Company:

(a) issuance of an auditors' report with an adverse opinion or a disclaimer of opinion by certified public accountants in respect of the Company's financial accounting report for the most recent accounting year;

(b) issuance of an auditors' report with an adverse opinion or a disclaimer of opinion by certified public accountants in respect of the Company's internal control over financial reporting for the most recent accounting year;

(c) failure to carry out profit distribution in accordance with the laws and regulations, the Articles of Association or public undertakings during the most recent 36 months after listing;

(d) prohibition from implementation of any equity incentives by applicable laws and regulations;

(e) any other circumstances as prescribed by the CSRC.

(2) There is no occurrence of any of the following to the Participants:

(a) being deemed as an inappropriate candidate by the stock exchanges in the PRC in the most recent 12 months;

(b) being deemed as an inappropriate candidate by the CSRC or any of its dispatch agencies in the most recent 12 months;

(c) being imposed with administrative penalties or market access restrictions by the CSRC or any of its dispatch agencies due to material breach of laws and regulations in the most recent 12 months;

(d) being prohibited from acting as a director or a senior management of a company under the PRC Company Law;

(e) being prohibited from participating in any equity incentives of a listed company under laws and regulations; or

(f) any other circumstances as prescribed by the CSRC.

(II) Exercise Conditions of the A Share Options and Clawback Mechanism

During the Exercise Period, the A Share Options shall only be exercised by the Participants upon satisfaction of all of the following Exercise Conditions:

(1) There is no occurrence of any of the following to the Company:

(a) issuance of an auditors' report with an adverse opinion or a disclaimer of opinion by certified public accountants in respect of the Company's financial accounting report for the most recent accounting year;

(b) issuance of an auditors' report with an adverse opinion or a disclaimer of opinion by certified public accountants in respect of the Company's internal control over financial reporting for the most recent accounting year;

(c) failure to carry out profit distribution in accordance with the laws and regulations, the Articles of Association or public undertakings during the most recent 36 months after listing;

(d) prohibition from implementation of any equity incentives by applicable laws and regulations; or any other circumstances as prescribed by the CSRC;

(e) any other circumstances as prescribed by the CSRC.

(2) There is no occurrence of any of the following to the Participants:

(a) being deemed as an inappropriate candidate by the stock exchanges in the PRC in the most recent 12 months;

(b) being deemed as an inappropriate candidate by the CSRC or any of its dispatch agencies in the most recent 12 months;

(c) being imposed with administrative penalties or market access restrictions by the CSRC or any of its dispatch agencies due to material breach of laws and regulations in the most recent 12 months;

(d) being prohibited from acting as a director or a senior management of a company under the PRC Company Law;

(e) being prohibited from participating in any equity incentives of a listed company under laws and regulations; or

(f) any other circumstances as prescribed by the CSRC.

In the event that one of the circumstances set forth in (1) above occurs to the Company, the 2025 A Share Option Incentive Scheme shall be terminated, and all A Share Options that have been granted to the Participants but not exercised shall not be exercised and shall be cancelled by the Company. In the event that one of the clawback circumstances set forth in (2) above occurs to a Participant, the A Share Options that have been granted to such Participant shall not be exercised and shall be cancelled by the Company.

(3) Tenure requirements for Participants to exercise A Share Options:

Participants must complete a tenure period of at least 12 months before they are eligible to exercise each tranche of A Share Options granted to them.

(4) Performance appraisal requirements

The performance appraisal requirements for the 2025 A Share Option Incentive Scheme stipulate that the ability of the Participants to exercise A Share Options each year from 2025 to 2027 depends on both company-level and individual-level assessments. At the company level, the operating revenue or the percentage of reduction in net loss must meet or exceed predetermined targets for Participants to fully or partially exercise their A Share Options; while failure to meet minimum thresholds results in cancellation of the A Share Options for the relevant year. At the individual level, Participants are evaluated according to the Company's internal appraisal system. The actual number of exercisable A Share Options is calculated by multiplying the A Share Options planned to be exercised by the Participant by both the company and individual scale factors, and any unexercised or partially unexercised A Share Options for a given year are cancelled and cannot be carried forward.

The performance appraisal requirements for the 2025 A Share Option Incentive Scheme thereby ensures that Participants' interests are aligned with those of the Company and its shareholders. In the event that such performance conditions are not satisfied, any unexercised A Share Options shall be subject to cancellation in accordance with the terms of the 2025 A Share Option Incentive Scheme, thereby reinforcing the objective of promoting sustained, value-oriented performance and safeguarding the integrity of its incentive structure, which aligns with the purpose of the 2025 A Share Option Incentive Scheme.

Performance assessment at the Company level

The performance assessment targets for each, Exercise Period together with the proportion of A Share Options to be exercised are shown in the table below:

Exercise Period	**Corresponding assessment year**	**Performance Target A Exercise proportion 100%**	**Performance Target B Exercise proportion 90%**	**Performance Target C Exercise proportion 80%**
First Exercise Period	2025	Fulfillment of any of the following conditions: 1. the operating income in 2025 shall not be less than RMB2.4 billion; 2. the loss reduction ratio for net profit in 2025 shall not be less than 29% as compared with 2024	Fulfillment of any of the following conditions: 1. the operating income in 2025 shall not be less than RMB2.3 billion; 2. the loss reduction ratio for net profit in 2025 shall not be less than 27% as compared with 2024	Fulfillment of any of the following conditions: 1. the operating income in 2025 shall not be less than RMB2.2 billion; 2. the loss reduction ratio for net profit in 2025 shall not be less than 25% as compared with 2024
Second Exercise Period	2026	Fulfillment of any of the following conditions: 1. the accumulated operating income from 2025 to 2026 shall not be less than RMB5.4 billion; 2. the loss reduction ratio for net profit in 2026 shall not be less than 76% as compared with 2024	Fulfillment of any of the following conditions: 1. the accumulated operating income from 2025 to 2026 shall not be less than RMB5.2 billion; 2. the loss reduction ratio for net profit in 2026 shall not be less than 74% as compared with 2024	Fulfillment of any of the following conditions: 1. the accumulated operating income from 2025 to 2026 shall not be less than RMB5.0 billion; 2. the loss reduction ratio for net profit in 2026 shall not be less than 72% as compared with 2024

Notes:

1. If the Company enters into a new external licensing cooperation (BD transactions) for pharmaceutical products in the future, and the amount of upfront payment exceeds the Company's operating income of the previous year, the revenue and costs generated from such transactions will not be included from the performance assessment. The same applies below.

2. In each of the assessment years above, the operating income and the net profit shall be calculated based on the audited consolidated statements prepared by the accounting firm, and the results are rounded to two decimal places. The net profit shall be calculated based on the audited net profit attributable to shareholders of the listed company before deducting the share-based payment expenses incurred by the company in implementing the option incentive plan.

3. The performance targets associated with the Exercise Conditions do not constitute the Company's performance forecast or substantive commitment to investors.

If the A Share Options under the reserved grant of the 2025 A Share Option Incentive Scheme are granted on or before 30 September 2025 (inclusive), the annual performance assessment arrangements for the A Share Options under the reserved grant of the 2025 A Share Option Incentive Scheme shall be consistent with those for the first grant. of the 2025 A Share Option Incentive Scheme

If the A Share Options under the reserved grant of the 2025 A Share Option Incentive Scheme are granted after 30 September 2025 (exclusive), the annual performance assessment requirements for the exercise of the A Share Options under the reserved grant of the 2025 A Share Option Incentive Scheme are as shown in the table below:

Exercise Period	**Corresponding assessment year**	**Performance Target A Exercise proportion 100%**	**Performance Target B Exercise proportion 90%**	**Performance Target C Exercise proportion 80%**
First Exercise Period	2026	Fulfillment of any of the following conditions: 1. the accumulated operating income from 2025 to 2026 shall not be less than RMB5.4 billion; 2. the loss reduction ratio for net profit in 2026 shall not be less than 76% as compared with 2024	Fulfillment of any of the following conditions: 1. the accumulated operating income from 2025 to 2026 shall not be less than RMB5.2 billion; 2. the loss reduction ratio for net profit in 2026 shall not be less than 74% as compared with 2024	Fulfillment of any of the following conditions: 1. the accumulated operating income from 2025 to 2026 shall not be less than RMB5.0 billion; 2. the loss reduction ratio for net profit in 2026 shall not be less than 72% as compared with 2024
Second Exercise Period	2027	Fulfillment of any of the following conditions: 1. the accumulated operating income from 2025 to 2027 shall not be less than RMB9.0 billion; 2. the net profit in 2027 shall not be less than RMB0	Fulfillment of any of the following conditions: 1. the accumulated operating income from 2025 to 2027 shall not be less than RMB8.7 billion; 2. the loss reduction ratio for net profit in 2027 shall not be less than 92% as compared with 2024	Fulfillment of any of the following conditions: 1. the accumulated operating income from 2025 to 2027 shall not be less than RMB8.4 billion; 2. the loss reduction ratio for net profit in 2027 shall not be less than 90% as compared with 2024

Notes:

1. If the Company enters into a new external licensing cooperation (BD transactions) for pharmaceutical products in the future, and the amount of upfront payment exceeds the Company's operating income of the previous year, the revenue and costs generated from such transactions will not be included from the performance assessment.

2. In each of the assessment years above, the operating income and the net profit shall be calculated based on the audited consolidated statements prepared by the accounting firm, and the results are rounded to two decimal places. The net profit shall be calculated based on the audited net profit attributable to shareholders of the listed company before deducting the share-based payment expenses incurred by the company in implementing the option incentive plan.

3. The performance targets associated with the Exercise Conditions do not constitute the Company's performance forecast or substantive commitment to investors.

During the Exercise Period, the Company shall handle the issues concerning the exercise of the A Share Options for the Participants who fulfill the Exercise Conditions. If the performance levels for the current period of the Company do not fulfill the conditions of performance assessment target during such Exercise Period, all Participants shall not exercise the exercisable A Share Options that shall be assessed in such year, the Company shall cancel the A Share Options exercisable by the Participants for the current period.

Performance assessment at the individual level

The individual assessment of Participants is carried out according to the internal performance assessment system of the Company. The results of the individual performance assessment of Participants are divided into five levels: "outstanding", "excellent", "meets standards", "partly meets standards" and "fails to meet standards", and the corresponding exercise availability is as follows:

Assessment Level	**Outstanding, Excellent, Meets Standard**	**Partially Meets Standard**	**Does Not Meet Standard**
Individual Exercise Availability Factor (P)	100%	50%	0%

Application of Assessment Results

The actual number of A Share Options available for exercise by the Participant for the current assessment year = the number for exercise by the individual under the 2025 A Share Option Incentive Scheme for the current year × company exercise availability factor × individual exercise availability factor (P).

The A Share Options of a Participant that cannot be exercised or cannot be fully exercised for the current assessment year shall be cancelled by the Company, and shall not be deferred to subsequent years.

(J) Methods of and procedures for adjustment of the 2025 A Share Option Incentive Scheme

In the event of conversion of capital reserve into share capital, bonus issue and share split, rights issue, share consolidation and dividend distribution of the Company during the period from the date of announcement of the drafted 2025 A Share Option Incentive Scheme to the completion of registration of exercise of the A Share Options by the Participants, the Exercise Price of A Share Options and/or the number of A Shares subject to A Share Options to be granted under the Grant of A Share Options should be adjusted accordingly, but no adjustments may be made to the extent that the Exercise Price of A Share Options would be lower than the nominal value of the A Shares.

IV. PROPOSED GRANT TO MR. XIONG

In accordance with the STAR Market Listing Rules, the Listing Rules of the Hong Kong Stock Exchange, the Articles of Association and the 2025 A Share Option Incentive Scheme Rules, the Company proposed the grant of 8,000,000 A Share Options to Mr. Xiong, being the chairman of the Board, executive Director and substantial shareholder of the Company, upon the approval of the adoption of the 2025 A Share Option Incentive Scheme at the EGM.

The principal terms of the Proposed Grant to Mr. Xiong is set out below:

Date of Proposed Grant to Mr. Xiong	:	2 September 2025
Total number of A Share Options to be granted:	:	8,000,000 A Share Options
Total number of A Shares issuable upon full exercise of the A Share Options:	:	8,000,000 A Shares, which represent approximately 0.78% of the total issued Shares (excluding treasury shares) as at the date of Proposed Grant to Mr. Xiong
Exercise price of A Share Options	:	RMB 46.67 per A Share, which represents the higher of (i) the average trading price of the A Shares on the trading day preceding the announcement date of the draft 2025 A Share Option Incentive Scheme, i.e., RMB46.67 per A Share; and (ii) the average trading price of the Company' A Shares for the 120 trading days preceding the announcement date of the drafted 2025 A Share Option Incentive Scheme, i.e., RMB37.00 per A Share.
Vesting period of the A Share Options	:	The vesting periods are 12 months or 24 months from the date of Proposed Grant to Mr. Xiong. During the vesting periods, the A Share Options granted may not be transferred, used as collateral, or used to repay debts.

Exercise period of the A Share Options : Upon the fulfillment of conditions of the exercise of the A Share Options, the A Share Options are exercisable in two tranches upon expiry of 12 months from the date of the Proposed Grant to Mr. Xiong.

Exercise Arrangement	**Exercise Period**	**Proportion of exercisable A Share Options to the total number of A Share Options granted**
First Exercise Period	Commencing from the first trading day after the expiry of the 12th month from the date of the Proposed Grant to Mr. Xiong, and ending on the last trading day of the 24th month from the date of Proposed Grant	50%
Second Exercise Period	Commencing from the first trading day after the expiry of the 24th month from the date of the Proposed Grant to Mr. Xiong, and ending on the last trading day of the 36th month from the date of the Proposed Grant to Mr. Xiong	50%

Performance targets : The performance targets for the 2025 A Share Option Incentive Scheme stipulate that the ability of Mr. Xiong to exercise A Share Options each year from 2025 to 2026 depends on both performance assessment requirements at the Company level and individual level.

(i) Performance assessment requirements at the Company level

The assessment years applicable to the vesting of the A Share Options granted under the Proposed Grant to Mr. Xiong shall be the two fiscal years (from 2025 to 2026), and the performance assessment shall be carried out on a yearly basis. Mr. Xiong shall be assessed once in a fiscal year, and the satisfaction of the performance assessment targets shall be one of the conditions of vesting of the relevant year. The performance assessment targets for each year are subject to the vesting amounts:

Exercise Period	**Corresponding Assessment Years**	**Performance Target A**	**Performance Target B**	**Performance Target C**
		Exercise proportion 100%	**Exercise proportion 90%**	**Exercise proportion 80%**

First Exercise Period	2025	Fulfillment of any of the following conditions: (1) the operating income in 2025 shall not be less than RMB2.4 billion; (2) the loss reduction ratio for net profit in 2025 shall not be less than 29% as compared with 2024.	Fulfillment of any of the following conditions: (1) the operating income in 2025 shall not be less than RMB2.3 billion; (2) the loss reduction ratio for net profit in 2025 shall not be less than 27% as compared with 2024.	Fulfillment of any of the following conditions: (1) the operating income in 2025 shall not be less than RMB2.2 billion; (2) the loss reduction ratio for net profit in 2025 shall not be less than 25% as compared with 2024.
Second Exercise Period	2026	Fulfillment of any of the following conditions: (1) the accumulated operating income from 2025 to 2026 shall not be less than RMB5.4 billion; (2) the loss reduction ratio for net profit in 2026 shall not be less than 76% as compared with 2024.	Fulfillment of any of the following conditions: (1) the accumulated operating income from 2025 to 2026 shall not be less than RMB5.2 billion; (2) the loss reduction ratio for net profit in 2026 shall not be less than 74% as compared with 2024.	Fulfillment of any of the following conditions: (1) the accumulated operating income from 2025 to 2026 shall not be less than RMB5.0 billion; (2) the loss reduction ratio for net profit in 2026 shall not be less than 72% as compared with 2024.

Notes:

1. If the Company enters into a new external licensing cooperation (BD transactions) for pharmaceutical products in the future, and the amount of upfront payment exceeds the Company's operating income of the previous year, the revenue and costs generated from such transactions will not be included from the performance assessment.

2. In each of the assessment years above, the operating income and the net profit shall be calculated based on the audited consolidated statements prepared by the accounting firm, and the results are rounded to two decimal places. The net profit shall be calculated based on the audited net profit attributable to shareholders of the listed company before deducting the share-based payment expenses incurred by the company in implementing the option incentive plan.

3. The performance targets associated with the Exercise Conditions do not constitute the Company's performance forecast or substantive commitment to investors.

During the Exercise Period, the Company shall handle the issues concerning the exercise of the A Share Options for Mr. Xiong when he fulfills the Exercise Conditions. If the performance levels for the current period of the Company do not fulfill the conditions of performance assessment target during such Exercise Period, Mr. Xiong shall not exercise the exercisable A Share Options that shall be assessed in such year, the Company shall cancel the A Share Options exercisable by Mr. Xiong for the current period.

(ii) Performance assessment requirements at the individual level

The individual assessment of Mr. Xiong is carried out according to the internal performance assessment system of the Company. The results of the individual performance assessment of Mr. Xiong are divided into five levels: "outstanding", "excellent", "meets standards", "partly meets standards" and "fails to meet standards", and the corresponding vesting availability is as follows:

Appraisal Results	**"Outstanding" or "Excellent" or "Meets Standard"**	**Partially Meets Standard**	**Does Not Meet Standard**
Individual Exercise Availability Factor (P)	100%	50%	0%

(iii) Application of the Assessment Results

The actual number of A Share Options available for exercise by Mr. Xiong for the current assessment year = the number for exercise by the individual under the 2025 A Share Option Incentive Scheme for the current year × company exercise availability factor × individual exercise availability factor (P).

The A Share Options of Mr. Xiong that cannot be exercised or cannot be fully exercised for the current assessment year shall be cancelled by the Company, and shall not be deferred to subsequent years.

Rights of the A Share Options and the A Shares to be issued upon exercise of the A Share Options	:	Prior to Mr. Xiong being registered as a Shareholder on the register of members of the Company in respect of the A Shares to be issued upon the exercise of the A Share Options, Mr. Xiong shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the Shareholders on the register. The A Shares to be allotted upon the exercise of the A Share Options shall be subject to the provisions of the Articles of Association for the time being in force and shall rank pari passu in all respects with the fully paid Shares in issue on the date on which those A Shares are allotted on exercise of the A Share Options and will entitle Mr. Xiong to participate in all dividends or other distributions declared or recommended or resolved to be paid or made in respect of a record date falling on or after the date of allotment.
Other terms	:	Under the 2025 A Share Option Incentive Scheme Rules, the Company will not provide any loans, guarantee any borrowings, or offer other forms of financial assistance to a Participant (including Mr. Xiong) in connection with acquiring any interest under the A Share Option Incentive Scheme, if such assistance would be contrary to the Company's interests. The Proposed Grant to Mr. Xiong is also subject to the same clawback mechanisms as any other A Share Options which may be granted under the 2025 A Share Option Incentive Scheme, including but not limited to situations where a Participant is deemed to be an inappropriate candidate by the stock exchanges in the PRC or the CSRC or its dispatch agencies in the most recent 12 months.

As of the date of this announcement, no grant of A Share Options has been made to Mr. Xiong by the Company under the 2025 A Share Option Incentive Scheme and any other share option schemes of the Company within the 12-month period prior to the Proposed Grant to Mr. Xiong.

None of the Directors is the trustee of the 2025 A Share Option Incentive Scheme, nor do they have any direct or indirect interest in the trustee of the 2025 A Share Option Incentive Scheme.

Reasons for and benefits of the Proposed Grant to Mr. Xiong

Mr. Xiong has been serving as the Chairman of the Company since March 2015. As a key leader in the operation management of the Company, Mr. Xiong has had great influence on, and has assumed significant responsibility in, among other things, the daily operation decision-making, strategic development, international expansion, pipeline layout and team management of, the Company. The proposed grant of A Share Options further aligns Mr. Xiong's interests with those of the Group and encourage his continued contribution to the Group's long term goals, which is in line with the purposes of the 2025 A Share Option Incentive Scheme. The Proposed Grant to Mr. Xiong will provide an incentive for him to devote himself to enhancing the value of the Company and its Shares for the overall benefit of the Company and its Shareholders by consistently contributing his strategic guidance, sound performance and professional and industry knowledge to the Group to enhance the long-term business of the Group.

The Directors (including all Independent Non-executive Directors, other than Mr. Xiong who has abstained from voting on the Board resolution relating to the Proposed Grant to Mr. Xiong) consider that the terms of the Proposed Grant to Mr. Xiong are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

V. PROPOSED AUTHORIZATION TO THE BOARD OF DIRECTORS AND/OR THE SCHEME ADMINISTRATOR TO HANDLE MATTERS IN RELATION TO THE 2025 H SHARE OPTION INCENTIVE SCHEME

In order to ensure the successful implementation of the 2025 H Share Option Incentive Scheme, the Board of Directors proposed that, subject to the approval of the 2025 H Share Option Incentive Scheme by the Shareholders at the EGM, the Shareholders also grant an authorization to the Board of Directors, and/or the Scheme Administrator to take all relevant measures and deal with all relevant matters to approve and execute on behalf of the Company such documents as are necessary, appropriate or expedient for the purpose of giving effect to and implementation of and to handle matters in relation to the 2025 H Share Option Incentive Scheme with full authority, including but not limited to:

(1) construe and interpret the 2025 H Share Option Incentive Scheme Rules and the terms of the H Share Options granted under the 2025 H Share Option Incentive Scheme;

(2) make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the 2025 H Share Option Incentive Scheme, provided that they are not inconsistent with the 2025 H Share Option Incentive Scheme Rules;

(3) grant H Share Options to the Participants whom it shall select from time to time;

(4) determine the number of H Share Options to be granted;

(5) determine the terms and conditions of the H Share Options and make any such appropriate adjustments to the terms of the H Share Options granted as they deem necessary or appropriate;

(6) determine whether and to what extent, and circumstances pursuant to which a H Share Option may be lapsed, cancelled, forfeited and/or surrendered;

(7) where applicable, establish and administer performance targets in respect of the 2025 H Share Option Incentive Scheme;

(8) approve the form of a Grant Letter;

(9) decide any other matters that need to be determined in connection with an offer and make any other determination and take any other actions as it deems necessary or desirable for the administration of the 2025 H Share Option Incentive Scheme;

(10) take such other steps or actions to give effect to the terms and intent of the 2025 H Share Option Incentive Scheme Rules and/or the H Share Options; and

(11) on behalf of the Company, approve, execute, refine, deliver, negotiate, agree on and agree to all such agreements, contracts, documents, regulations, matters and things (as the case may be) as it deems reasonable, necessary, desirable, appropriate or expedient, in order to implement and/or implement all transactions conducted accordingly, and make any reasonable alterations, amendments, changes, modifications and/or supplements as it deems necessary, desirable, appropriate or expedient. If there is a requirement to affix a company seal on any such agreement, contract or document, it has the right to sign the agreement, contract or document and affix the company seal in accordance with the Articles of Association in that case.

The aforementioned authorization to the Board of Directors and/or the Scheme Administrator shall be valid for the Validity Period of the 2025 H Share Option Incentive Scheme.

VI. PROPOSED AUTHORIZATION TO THE BOARD OF DIRECTORS TO HANDLE MATTERS IN RELATION TO THE 2025 A SHARE OPTION INCENTIVE SCHEME

To ensure the smooth implementation of the 2025 A Share Option Incentive Scheme, it is proposed that the Board of Directors be authorized to handle matters in relation to the 2025 A Share Option Incentive Scheme, including but not limited to the following:

1. To propose at the EGM that the Board of Directors be authorized to be responsible for the following matters in relation to the implementation of the Incentive Scheme:

   (1) To authorize the Board of Directors to determine the participation qualification and conditions of the Participants under the 2025 A Share Option Incentive Scheme, and determine the Grant Date under the 2025 A Share Option Incentive Scheme;

   (2) To authorize the Board of Directors to adjust the number of the A Share Options and the number of underlying shares involved according to the 2025 A Share Option Incentive Scheme Rules in the event of capitalization of capital reserves, bonus issue, share split or consolidation and rights issue of the Company;

   (3) To authorize the Board of Directors to adjust the number of the Exercise Price according to the 2025 A Share Option Incentive Scheme Rules in the event of capitalization of capital reserves, bonus issue, share split or consolidation, rights issue and dividend distribution of the Company;

   (4) To authorize the Board of Directors to adjust the portion of the A Share Options that the Participant(s) have waived to subscribe to the Reserved Grant of A Share Options, or allocate and adjust such A Share Options among the Participants before the grant of the A Share Options;

   (5) To authorize the Board of Directors to grant the A Share Options to a Participant upon his/her fulfillment of the conditions of grant, and to handle all necessary matters in connection with the grant of the A Share Options, including but not limited to submitting an application for grant to the stock exchange and applying to securities registration and clearing company for registration and clearing services;

(6) To authorize the Board of Directors to review and confirm the exercise qualification of the Participants and the conditions for exercising the A Share Options, and to agree to the Board of Directors delegating such rights to the Remuneration and Appraisal Committee;

(7) To authorize the Board of Directors to determine whether the Share Options may be exercised to a Participant;

(8) To authorize the Board of Directors to handle all matters necessary in connection with the exercise of the Share Options to the Participants, including but not limited to the submission of application to a stock exchange in respect of the exercise of the Share Options, applying to securities registration and clearing company for registration and clearing services, amending the Articles of Association; and applying to register the change in registered capital of the Company to the administration for industry and commerce;

(9) To authorize the Board of Directors to handle the exercise of A Share Options that have not yet been exercised;

(10) To authorize the Board of Directors to determine all matters including the Participants, the number of A Share Options to be granted, the Exercise Price and the Grant Date of the A Share Options for the Reserved Grant under the 2025 A Share Option Incentive Scheme;

(11) To authorize the Board of Directors to sign, execute, amend or terminate any agreement in connection with the 2025 A Share Option Incentive Scheme and other relevant agreements;

(12) To authorize the Board of Directors to manage and adjust the 2025 A Share Option Incentive Scheme, and from time to time formulate or amend the management and implementation rules of the 2025 A Share Option Incentive Scheme, subject to compliance with the 2025 A Share Option Incentive Scheme Rules. However, if such amendments are subject to approval at the general meeting or/and by relevant regulatory authorities under the requirements of laws, regulations or relevant regulatory authorities, such amendments by the Board of Directors shall be subject to such approvals;

(13) To authorize the Board of Directors to implement all other necessary matters in connection with the 2025 A Share Option Incentive Scheme, except such rights as expressly required under the relevant documents to be exercised by the Shareholders at a general meeting;

2. To propose at the EGM to authorize the Board of Directors to complete procedures with relevant governments and authorities in relation to the 2025 A Share Option Incentive Scheme including review, registration, filing, approval and consent; to sign, execute, amend and complete documents submitted to relevant governments, authorities, organizations, and individuals; to amend the Articles of Association and handle the registration of the change in registered capital of the Company; and to carry out all actions deemed to be necessary, appropriate, or expedient in relation to the Incentive Scheme;

3. To propose at the EGM to authorize the Board of Directors to engage intermediaries, such as receiving bank, accountants, lawyers, securities companies, or financial advisor for the implementation of the 2025 A Share Option Incentive Scheme; and

4. To propose at the EGM to approve the period of authorization given to the Board of Directors to be consistent with the Validity Period of the 2025 A Share Option Incentive Scheme.

Save as specifically required by the laws, administrative regulations, rules of the CSRC, regulatory documents, the 2025 A Share Option Incentive Scheme, or the Articles of Association to be approved by the Board of Directors through resolutions, other matters may be directly exercised on behalf of the Board of Directors by the chairman of the Board of Directors or appropriate person(s) authorized thereby.

VII. NUMBER OF SHARES AVAILABLE FOR FUTURE GRANT

As disclosed above, as at the date of this announcement, the Company has 1,025,874,000 issued Shares (excluding 815,871 treasury shares). Assuming that there is no change in the total number of Shares in issue between the period from the date of this announcement up to the Adoption Date, the maximum number of H Shares that may be issued in respect of all H Share Options which may be granted pursuant to the 2025 H Share Option Incentive Scheme, together with the Shares which may be issued in respect of share options and awards which may be granted under any other share scheme(s) of the Company (including under the 2025 A Share Option Incentive Scheme) will be 102,587,400 Shares, representing approximately 10% of the total number of Shares in issue (excluding treasury shares) as at the Adoption Date. Subsequent to the adoption of the 2025 H Share Option Incentive Scheme and the 2025 A Share Option Incentive Scheme, the number of H Shares available for future grant under the Scheme Mandate Limit of the 2025 H Share Option Incentive Scheme is 64,017,400 H Shares, assuming that there is no change in the total number of Shares in issue between the period from the date of this announcement up to the Adoption Date and after taking into account the proposed grant of 13,210,000 H Share Options to the Grantees under the 2025 H Share Option Incentive Scheme and the proposed grant of 25,360,000 A Share options to 250 Employee Participants and Mr. Xiong under the first grant of the 2025 A Share Option Incentive Scheme.

VIII. LISTING RULE IMPLICATIONS

The 2025 H Share Option Incentive Scheme and the 2025 A Share Option Incentive Scheme constitute share option schemes under Chapter 17 of the Hong Kong Listing Rules.

Pursuant to Rule 17.04(3) of the Hong Kong Listing Rules, where any grant of A Share Options to a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all share options or share awards granted (excluding any share options and share awards lapsed in accordance with the terms of their respective schemes) to a substantial shareholder of the Company in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the relevant class of Shares in issue (excluding treasury shares), such grant must be approved by the Shareholders in general meeting, whereby such grantee and his/her associates and all core connected persons of the Company must abstain voting in favour of the relevant resolution at such general meeting. The total number of A Shares to be issued upon exercise of the 8,000,000 A Share Options granted to Mr. Xiong under the proposed grant represents approximately 0.78% of the total Shares in issue (excluding treasury shares) as at the date of the Proposed Grant to Mr. Xiong. This would result in the A Shares issued and to be issued in respect of all share options and share awards granted (excluding any shares options and awards lapsed in accordance with the terms of their respective schemes) to Mr. Xiong, who is a substantial shareholder of the Company, in the 12-month period up to and including the date of the Proposed Grant to Mr. Xiong in aggregate exceeding 0.1% of the A Shares in issue (excluding treasury shares) as at the date of the Proposed Grant to Mr. Xiong.

Therefore, the adoption of the 2025 A Share Option Incentive Scheme and the Proposed Grant to Mr. Xiong will, pursuant to Rule 17.04(3) of the Hong Kong Listing Rules and the 2025 A Share Option Incentive Scheme Rules, be conditional upon and subject to the approval of the Shareholders at the EGM, where any of the 250 Employee Participants who has material interest in such resolution, and Mr. Xiong, his associates and all core connected persons of the Company shall abstain from voting in favour of such resolution in the EGM pursuant to Rule 17.04(4) of the Hong Kong Listing Rules. Mr. Xiong has abstained from voting in favour of such resolution at the Board meeting held on the date of this announcement to approve such resolution.

Pursuant to the Rule 17.04(1) of the Hong Kong Listing Rules, any grant of H Share Options to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, under the 2025 H Share Option Incentive Scheme must be approved by the Independent Non-executive Directors. On 2 September 2025, the Proposed Grant to the Grantees were approved by all the Independent Non-executive Directors. Dr. Li Ning, Mr. Li Cong, Dr. Zhang Zhuobing, Dr. Wang Gang, Dr. Li Xin and one other Employee Participant shall abstain from voting in favour of the resolution in relation to the adoption of the 2025 H Share Option Incentive Scheme and the Proposed Grant to the Grantees at the EGM.

IX. WAIVERS FROM STRICT COMPLIANCE WITH THE HONG KONG LISTING RULES

As the 2025 A Share Option Incentive Scheme involves the issuance of new A Shares by the Company, Chapter 17 and certain provisions under the Hong Kong Listing Rules are therefore applicable to the 2025 A Share Option Incentive Scheme, and the relevant PRC laws and regulations relating to the establishment of the 2025 A Share Option Incentive Scheme and the Grant of A Share Options are also applicable. Therefore, the Company has complied with the requirements of the relevant PRC laws and regulations as well as the Hong Kong Listing Rules as far as possible when preparing the terms of the 2025 A Share Option Incentive Scheme, and has been granted certain waivers from strict compliance with the requirements for Exercise Price and its adjustment under the Rule 17.03 of the Hong Kong Listing Rules by the Hong Kong Stock Exchange.

X. EGM

An EGM will be convened to consider and, if thought fit, approve, among other things, (i) the proposed adoption of the 2025 A Share Option Incentive Scheme and the Proposed Grant to Mr. Xiong; (ii) the proposed adoption of the Assessment Management Measures; (iii) the proposed authorization to the Board of Directors to handle matters in relation to the 2025 A Share Option Incentive Scheme; (iv) the proposed adoption of the 2025 H Share Option Incentive Scheme; and (v) the proposed authorization to the Board of Directors and/or the Scheme Administrator to handle matters in relation to the 2025 H Share Option Incentive Scheme.

A circular of the Company containing, among other things, details of (i) the 2025 A Share Option Incentive Scheme and the Proposed Grant to Mr. Xiong; (ii) the Assessment Management Measures; (iii) the proposed authorization to the Board of Directors to handle matters in relation to the 2025 A Share Option Incentive Scheme; (iv) the 2025 H Share Option Incentive Scheme; (v) the proposed authorization to the Board of Directors and/or the Scheme Administrator to handle matters in relation to the 2025 H Share Option Incentive Scheme, together with a notice of the EGM, is expected to be despatched to the Shareholders in due course.

DEFINITIONS

Unless the context otherwise requires, the following expressions in this announcement shall have the following meanings:

"2025 A Share Option Incentive Scheme"	the A Share Option Incentive Scheme proposed to be adopted by the Company at the EGM
"2025 H Share Option Incentive Scheme"	the H Share Option Incentive Scheme proposed to be adopted by the Company at the EGM
"2025 H Share Option Incentive Scheme Rules"	the rules governing the operation of the 2025 H Share Option Incentive Scheme as well as the implementation procedure (as amended from time to time)
"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
"A Share Option"	the right to be granted to a Participant by the Company to acquire certain number of A Shares under the pre-determined conditions in a particular period of time in the future
"Actual Selling Price"	the proceeds from the Board or the Scheme Administrator (whether or not through a trustee or other third party) arranging to sell the relevant H Shares on market through the facilities of the Hong Kong Stock Exchange at prevailing market prices
"Adoption Date"	the date on which the Shareholders approve the 2025 A Share Option Incentive Scheme and 2025 H Share Option Incentive Scheme, as applicable
"Articles of Association" or "Articles"	the articles of association of the Company
"Assessment Management Measures"	Assessment Management Measures for the Implementation of the 2025 A Share Option Incentive Scheme
"associate(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Board of Directors" or "Board"	the board of Directors
"Board of Supervisors"	the board of Supervisors
"Business Day"	any day on which the Hong Kong Stock Exchange is open for the business of dealing in securities, and excluding Saturdays, Sundays and any other days when banks in the PRC and Hong Kong are closed for business

"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
"CSRC"	China Securities Regulatory Commission
"Director(s)"	the director(s) of the Company
"EGM" or "2025 First EGM"	the 2025 first extraordinary general meeting of the Company (and any adjournment thereof)
"Employee Participant"	in respect of the 2025 H Share Option Incentive Scheme, any person who is an employee (whether full-time or part-time or other employment relationship), director or officer of the Company or any of its subsidiaries on the Grant Date
"Exercise Conditions"	the conditions required to be satisfied by the Participants to exercise the A Share Options under the 2025 A Share Option Incentive Scheme
"Exercise Period"	the period during which an A Share Option or a H Share Option is exercisable by a Participant
"Exercise Price of A Share Options"	the price for the Participants to purchase A Shares, as determined by the Company when the Participants are being granted with the A Share Options
"Exercise Price of H Share Options"	the price for the Participants to purchase H Shares, as determined by the Company when the Participants are being granted with the H Share Options
"First Grant of A Share Options"	has the meaning ascribed thereto under the section headed "III. Proposed adoption of the 2025 A Share Option Incentive Scheme – (A) Source and number of the underlying shares in respect of the A Share Options to be granted"
"Grant Date"	in respect of the 2025 A Share Option Incentive Scheme, the date on which the Company grants A Share Options to the Participants, which must be a trading day on the Shanghai Stock Exchange; in respect of the 2025 H Share Option Incentive Scheme, the date on which the Company grants H Share Options to the Participants
"Grantees"	seven executive Directors (including Dr. Li Ning, Dr. Zou Jianjun, Mr. Li Cong, Mr. Zhang Zhuobing, Dr. Yao Sheng, Dr. Wang Gang, Dr. Li Xin) and three other Employee Participants

"Grant Letter"	the letter issued by the Company in respect of the grant of H Share Option(s)
"Grant of A Share Options"	a total of 26,175,871 A Share Options proposed to be granted by the Company to the Participants under the 2025 A Share Option Incentive Scheme, including the First Grant of A Share Options and the Reserved Grant of A Share Options
"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
"H Shareholder(s)"	holder(s) of H Shares
"H Share Option"	the right to be granted to a Participant by the Company to acquire certain number of H Shares under the pre-determined conditions in a particular period of time in the future
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules" or "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
"Independent Non-executive Director(s)"	the independent non-executive Director(s)
"Mr. Xiong"	Mr. Xiong Jun, chairman of the Board of Directors, executive Director and substantial shareholder of the Company
"Participant(s)"	person(s) eligible to participate in the 2025 A Share Option Incentive Scheme or the 2025 H Share Option Incentive Scheme
"PRC" or "China"	the People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan of China
"PRC Company Law"	the Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time

"PRC Securities Law"	the Securities Law of the PRC (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time
"Proposed Grant to the Grantees"	proposed conditional grant of 13,210,000 H Share Options to seven executive Directors (including Dr. Li Ning, Dr. Zou Jianjun, Mr. Li Cong, Mr. Zhang Zhuobing, Dr. Yao Sheng, Dr. Wang Gang, Dr. Li Xin) and three other Employee Participants
"Proposed Grant to Mr. Xiong"	proposed conditional grant of the 8,000,000 A Share Options to Mr. Xiong, conditional upon the adoption of the 2025 A Share Option Incentive Scheme
"Related Entity"	the holding companies, fellow subsidiaries or associated companies of the Company
"Related Entity Participant"	any director or employee (whether full-time or part-time employees, including senior management and supervisors) of the Related Entity
"Remuneration and Appraisal Committee"	remuneration and appraisal committee of the Company
"Reserved Grant of A Share Options"	has the meaning ascribed thereto under the section headed "III. Proposed adoption of the 2025 A Share Option Incentive Scheme – (C) Source and number of the underlying shares in respect of the A Share Options to be granted"
"RMB"	Renminbi, the lawful currency of the PRC
"draft 2025 A Share Option Incentive Scheme"	《the 2025 A Share Option Incentive Scheme (Draft)》 published by the Company on the website of Shanghai Stock Exchange, of the announcement date on 3 September 2025.
"Scheme Administrator"	the Board of Directors and/or any committee of the Board of Directors or person(s) to whom the Board has delegated its authority (as applicable) to administer the 2025 H Share Option Incentive Scheme
"Scheme Mandate Limit"	has the meaning ascribed thereto in the section headed "I. Proposed adoption of the 2025 H Share Option Incentive Scheme - (C) Scheme Mandate Limit"
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"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)
"Share Options"	the right to be granted to a Participant by the Company to acquire certain number of A Shares or H Shares (as the case may be) under the pre-determined conditions in a particular period of time in the future
"STAR Market"	the STAR Market of the Shanghai Stock Exchange (上海證券交易所科創板)
"STAR Market Listing Rules"	the Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》)
"substantial shareholder"	has the meaning ascribed thereto under the Hong Kong Listing Rules and as amended from time to time
"Supervisor(s)"	the supervisor(s) of the Company
"treasury shares"	has the meaning ascribed thereto under the Hong Kong Listing Rules and as amended from time to time
"Validity Period"	the period from the date on which the A Share Options or H Share Options are granted to the date on which all of the A Share Options or H Share Options are exercised or cancelled, as the case may be
"Vesting Date"	in respect of the 2025 H Share Option Incentive Scheme, the date on which the H Share Options are vested
"%"	per cent

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

Shanghai, the PRC, 2 September 2025

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Xiong Jun, Dr. Li Ning, Dr. Zou Jianjun, Mr. Li Cong, Mr. Zhang Zhuobing, Dr. Yao Sheng, Dr. Wang Gang and Dr. Li Xin as executive Directors; Mr. Tang Yi as a non-executive Director; and Mr. Zhang Chun, Dr. Feng Xiaoyuan, Dr. Yang Yue, Mr. Li Zhongxian and Ms. Lu Kun as independent non-executive Directors.

* *For identification purposes only*