

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**SUPPLEMENTAL ANNOUNCEMENT
CONNECTED TRANSACTION -
ENTERING INTO OF THE JOINT VENTURE AGREEMENT**

Reference is made to the announcement of the Company dated 5 June 2026 in relation to the connected transaction regarding the entering into of the Joint Venture Agreement. Unless otherwise defined herein, capitalized terms used herein shall have the same meaning ascribed to them in the Announcement.

The Company would like to provide the following additional information regarding the valuation of the Contributed Assets, the JV Company and the basis of the consideration.

Valuation of the Contributed Assets

An independent valuation has been conducted against the Contributed Assets by an independent valuer, Zhongfa International Asset Appraisal Co., Ltd. (中發國際資產評估有限公司) (the “**Valuer**”), to assess the market value of the Contributed Assets as of the date of valuation and the basis for determining the reasonableness of the subscription price.

The Valuer adopted the cost approach for the valuation. This approach was selected as the most appropriate for this transaction by the Valuer against the market approach and the income approach. The Valuer is of the view that given the nature of the assets being valued, there are substantial limitations to adopting the market approach and the income approach, as (i) the market approach typically relies on the values of market comparables or transactions to determine value, but due to the limited number of similar transactions involving comparable assets in the domestic market, the transaction information available is limited and incomplete, making it difficult to derive an indicative value with a sufficient level of accuracy; and (ii) the income approach is also considered

inappropriate as the intangible assets correspond to products that are still at an early stage of research and development and their expected future income cannot be accurately estimated, and the fixed assets being research and development equipment cannot independently generate income. As such, the Valuer adopted the cost approach, under which the replacement cost of the intangible assets is determined based on the aggregate investment in R&D costs (including direct costs, indirect costs, capital costs and reasonable profit), adjusted for depreciation, and the replacement cost of the fixed assets is determined based on the current market value of reconfiguring such assets, adjusted for the comprehensive depreciation rate. Details of the computation are set out below:

- (i) in respect of the intangible assets, the Valuer determined the appraised value using the following formula: $\text{Appraised Value} = \text{Replacement Cost} \times (1 - \text{Depreciation Rate})$.
- (ii) the gross replacement cost of the intangible assets was determined based on the formula: $\text{Replacement Cost} = \text{Direct Costs} + \text{Indirect Costs} + \text{Capital Costs} + \text{Reasonable Profit}$, representing the aggregate costs incurred from the commencement of R&D through to the date of valuation. The quantitative inputs used to determine the gross replacement cost are as follows:
 - (a) direct costs: comprising material costs and testing/trial production costs;
 - (b) indirect costs: comprising labour costs, depreciation of R&D equipment, utility costs, rental costs, intellectual property fees and other indirect costs;
 - (c) price index adjustment: given that the R&D expenditure was invested uniformly over a relatively long period, the Valuer applied price index adjustments using the Consumer Price Index (CPI), Producer Price Index (PPI) published by the National Bureau of Statistics and the year-on-year growth rate of average wages of employees in urban private sector enterprises in Shanghai by industry;
 - (d) capital costs: representing the opportunity cost of capital employed during the R&D process, calculated using the formula: $\text{Capital Costs} = (\text{Direct Costs} + \text{Indirect Costs}) \times \text{Loan Interest Rate} \times \text{Development Period (in days)} / 365 / 2$, where the loan interest rate adopted was the Loan Prime Rate (LPR) for maturities of over 5 years prevailing near the date of valuation, and R&D expenditure was assumed to have been invested uniformly throughout the development period; and
 - (e) reasonable profit: calculated using the formula: $\text{Reasonable Profit} = (\text{Direct Costs} + \text{Indirect Costs} + \text{Capital Costs}) \times \text{Cost-Expense Profit Rate}$. The cost-expense profit rate was determined with reference to the average cost-expense profit rate for the year 2025 of comparable A-share listed companies engaged in innovative drug R&D.

- (iii) the depreciation adjustment was determined by the Valuer using the following formula: $\text{Depreciation Rate} = \text{Completed Development Years} / (\text{Completed Development Years} + \text{Remaining Years of Excess Returns})$. The depreciation rate reflects the economic obsolescence of the intangible assets based on the proportion of their economic life that has already elapsed relative to their total expected economic life (including the remaining period during which excess returns can be generated). Based on the absence of clear evidence that the subject intangible assets have suffered obsolescence due to technological iteration, the Valuer has ultimately determined the depreciation rate of the intangible assets to be nil.
- (iv) in respect of the fixed assets, the Valuer determined the appraised value using the following formula: $\text{Appraised Value} = \text{Replacement Cost} \times \text{Comprehensive Condition Rate}$. The gross replacement cost was determined based on the current market value of reconfiguring such assets on the basis of continued use, and the comprehensive condition rate was determined through on-site inspection and comprehensive technical analysis of the physical deterioration of the equipment.

According to the Valuation Report, based on the above valuation method, the Valuer concluded that the market value of the intangible assets and the fixed assets was RMB2.19 million and RMB50.89 million, respectively, and that the market value of the Contributed Assets subject to the valuation as at the date of valuation is reasonably stated at the amount of approximately RMB53.08 million (the “**Appraised Value**”).

Information regarding the JV Company

The net asset value of the JV Company as of the latest practicable date is nil.

Dr. Yao, Mr. Deng, Mr. Liu subscribed for RMB600,000, RMB200,000 and RMB30,000 of registered capital in the JV Company, respectively, at a subscription price of RMB1 per RMB1 of registered capital. As founding members and core management of the JV Company, the three existing shareholders of the JV Company subscribed for the registered capital of the JV Company at par value and have been participating in its daily operations and management. As informed by the JV Company, the three shareholders intend to pay the registered capital that they subscribed in the JV company in full by 30 June 2026.

Basis of the consideration

The Directors consider that the 14.55% equity interest in the JV Company to be received by the Company in exchange for the Contributed Assets with an Appraised Value of approximately RMB53.08 million represents fair value for the following reasons:

- (i) the JV Company is supported by a strong founding team with proven expertise in the biopharmaceutical sector, which underpins the growth prospects of the JV Company. Dr. Yao, Mr. Deng and Mr. Liu are all professionals in the biopharmaceutical field, with extensive experience in innovative drug R&D, industrialization, commercialization, as well as biopharmaceutical investment and financing. They possess international scientific research backgrounds, hands-on experience in innovative drug development, and the capability to integrate industrial resources. They have participated in and led the R&D and market approval of multiple innovative biologics projects. With the financial support from the Angel Investors, the further R&D of the Licensed Intellectual Property and the IP Rights by the JV Company will enable the Company to benefit from the subsequent R&D, launch, and commercialization of the relevant drugs. The entering into of the Joint Venture Agreement and the transactions contemplated thereunder enable the Company to optimize overall resource allocation, maintain a focused and efficient investment in the Company's R&D pipeline, and make full use of the Company's existing patent achievements. Details of the background of Mr. Deng and Mr. Liu are set out below:

Mr. Deng holds a PhD from KTH Royal Institute of Technology in Sweden and completed post-doctoral research at the University of California, San Diego. Mr. Deng has over ten years of experience in glycobiology, immunology and innovative drug R&D. He previously worked at GlycoMimetics, a NASDAQ-listed biotechnology company, where he was responsible for pre-clinical R&D and project management of the company's first-in-class drug programmes. Mr. Deng has also held investment positions at Hankang Capital and Mifang Capital, specialising in primary market investments in the biopharmaceutical sector. He has published nearly 30 papers in leading international journals, including a first-author publication in *Cell*, as well as papers in *Nature Microbiology*, *PNAS*, *Blood* and other journals. From 2017 to 2023, Mr. Deng served as president of the Sino-American Pharmaceutical Professionals Association Washington D.C. Chapter (SAPA-DC).

Mr. Liu holds a PhD from Fudan University and the professional title of Senior Engineer in Biopharmaceutical Engineering. Mr. Liu has nearly 15 years of experience in biologic drug research and development, with extensive expertise in R&D and industrialization across the fields of antibody drugs, bispecific antibodies, ADC drugs, and immunotherapy. Mr. Liu has led the IND/BLA-stage development and regulatory filings for over 20 innovative biologics and played a leading role in the successful approval and launch of four innovative biologics. He has published nearly 20 papers in international journals including *PNAS* and *Signal Transduction and Targeted Therapy* (STTT), and has filed over 30 PCT patent applications, of which nearly 10 have been granted in the PRC, the United States and other jurisdictions.

- (ii) the Company's subscription price for each RMB1 of registered capital in the JV Company is approximately RMB212.32 (calculated as the Appraised Value of RMB53.08 million divided by the RMB250,000 of new registered capital to be issued to the Company). Pursuant to the Capital Increase Agreement, the Angel Investors will subscribe for new registered capital in the JV Company at a subscription price of approximately RMB218.87 per RMB1 of registered capital, which is higher than the Company's subscription price of RMB212.32 per RMB1 of registered capital. The Directors consider the Angel Investors' subscription price to be a reliable benchmark for assessing the fairness of the Company's subscription price, as the Angel Investors are independent third-party investors and professional venture capital institutions that have agreed to invest on an arm's length basis and on normal commercial terms, thereby independently validating the implied valuation of the JV Company at which the Company is contributing the Contributed Assets.

Save as disclosed above, all other information as set out in the Announcement remains unchanged and shall continue to be valid for all purposes. This announcement is supplemental to and should be read in conjunction with the Announcement.

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

Shanghai, the PRC, 26 June 2026

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. Wang Gang and Dr. Li Xin as executive Directors; Dr. Yao Sheng and Mr. Tang Yi as non-executive Directors; and Dr. Feng Xiaoyuan, Mr. Li Zhongxian, Ms. Lu Kun, Dr. Yang Jin and Mr. Chen Liang as independent non-executive Directors.

* *For identification purpose only*