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Zai Lab Limited

再鼎醫藥有限公司 *

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 9688)

GRANT OF RESTRICTED SHARES AND RESTRICTED SHARE UNITS

The Board hereby announces that on June 29, 2023 (U.S. Eastern Time), the Company granted Restricted Shares covering an aggregate of 132,321 ADSs to 7 RSA Grantees and Restricted Share Units covering an aggregate of 71,880 ADSs to the RSU Grantee under the 2022 Equity Incentive Plan. The grants of the Restricted Shares and Restricted Share Units were made in the form of existing issued Shares.

GRANT OF RESTRICTED SHARES UNDER THE 2022 EQUITY INCENTIVE PLAN

Details of the grant of Restricted Shares are as follows:

Date of Grant: June 29, 2023 (U.S. Eastern Time)

Number of RSA Grantees: 7

Category and names of RSA Grantees: Independent directors of the Company, details of which are as follows:

Name of RSA Grantees	Number of Restricted Shares granted (in ADSs)	Number of underlying Shares pursuant to the Restricted Shares granted
Mr. Peter Wirth	18,903	189,030
Mr. William Lis	18,903	189,030
Dr. John Diekman	18,903	189,030
Mr. Leon O. Moulder, Jr.	18,903	189,030
Richard Gaynor, M.D.	18,903	189,030
Mr. Scott W. Morrison	18,903	189,030
Dr. Kai-Xian Chen	18,903	189,030

Aggregate number of the Restricted Shares granted (in ADSs):	132,321 (such number of ADSs granted to each RSA Grantee is equal to US\$500,000 divided by the NASDAQ closing price of the Company's ADSs on the Date of Grant, rounded down to the nearest whole number)
Aggregate number of underlying Shares pursuant to the Restricted Shares granted:	1,323,210
Purchase price for the grants:	Nil
Closing price of the ADSs on the Date of Grant:	US\$26.45 per ADS (approximately HK\$20.63 per Share)
Vesting period of the Restricted Shares granted:	<p>The Restricted Shares granted shall vest as follows:</p> <ul style="list-style-type: none"> • 100% shall vest on the first anniversary of the Date of Grant, subject to each RSA Grantee's continued service as a member of the Board on such vesting date.
Performance target(s) and/or clawback mechanism:	<p>There are no performance targets attached to the grant of Restricted Shares above. The grants above are not subject to any clawback mechanism for the Company to recover but the grant of Restricted Shares to Dr. Kai-Xian Chen above would be subject to tax withholding by the Company pursuant to the terms and conditions of the 2022 Equity Incentive Plan.</p> <p>The Compensation Committee of the Board is of the view that the grant of Restricted Shares to the RSA Grantees without performance targets or a clawback mechanism is market competitive, consistent with the Company's customary practice, and aligns with the purpose of the 2022 Equity Incentive Plan.</p>

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

GRANT OF RESTRICTED SHARE UNITS UNDER THE 2022 EQUITY INCENTIVE PLAN

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

Date of Grant:	June 29, 2023 (U.S. Eastern Time)
Number of RSU Grantee:	1
Category and name of RSU Grantee:	Dr. Samantha Du, the executive Director, Chairperson, and Chief Executive Officer of the Company
Number of the Restricted Share Units granted (in ADSs):	71,880
Number of underlying Shares pursuant to the Restricted Share Units granted:	718,800
Purchase price for the grant:	Nil
Closing price of the ADSs on the Date of Grant:	US\$26.45 per ADS (approximately HK\$20.63 per Share)
Vesting period of the Restricted Share Units granted:	<p>The Restricted Share Units granted shall vest as follows:</p> <ul style="list-style-type: none">• 25% shall vest on each anniversary of the Date of Grant for four years from the Date of Grant, in each case, subject to the RSU Grantee's continued employment relationship with the Company on such vesting dates.
Performance target(s) and/or clawback mechanism:	<p>There are no performance targets attached to the grant of Restricted Share Units above. The grant above is not subject to any clawback mechanism for the Company to recover but would be subject to tax withholding by the Company pursuant to the terms and conditions of the 2022 Equity Incentive Plan.</p> <p>The Compensation Committee of the Board is of the view that the grant of Restricted Share Units to the RSU Grantee without performance targets or a clawback mechanism is market competitive, consistent with the Company's customary practice, and aligns with the purpose of the 2022 Equity Incentive Plan.</p>

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

REASONS FOR AND BENEFITS OF THE GRANT

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

LISTING RULES IMPLICATIONS

All Grantees are Directors and are therefore connected persons of the Company under the Listing Rules. Accordingly, the grant of Restricted Shares or Restricted Share Units (as the case may be) to each of the Grantees constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. The grants were made in the form of existing issued Shares.

The grant of Restricted Share Units to the RSU Grantee is fully exempt from shareholders' approval, annual review, and all disclosure requirements under Chapter 14A of the Listing Rules pursuant to Rules 14A.73(6) and Rule 14A.95 of the Listing Rules.

As all applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the grant of Restricted Shares to the RSA Grantees are, in each case, less than 0.1%, the grants of Restricted Shares are also fully exempt from shareholders' approval, annual review, and all disclosure requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 17.04(1) of the Listing Rules, the grants of Restricted Shares and Restricted Share Units to the Directors and chief executive of the Company had been approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Restricted Shares).

The grants of the Restricted Shares and Restricted Share Units will not result in the total number of share options and awards granted and to be granted to a Grantee in the 12-month period up to and including the Date of Grant in aggregate to exceed 1% individual limit for the purpose of Rule 17.03D of the Listing Rules; nor would the grants result in the shares issued and to be issued in respect of all options and awards granted to such Grantee in the 12-month period up to and including the date of such grant representing in aggregate to exceed 0.1% limit for the purpose of Rule 17.04(2) and Rule 17.04(3) of the Listing Rules.

NUMBER OF SHARES AVAILABLE FOR FUTURE GRANT

Based on the latest information available to the Company as of June 26, 2023 (being the latest practicable date for ascertaining the relevant information), approximately 59,117,693 underlying Shares will be available for future grants under the 2022 Equity Incentive Plan after the grant above.

The 2022 Equity Incentive Plan was adopted before the effective date of the amended Chapter 17 of the Listing Rules. The Company will comply with the amended Chapter 17 in accordance with the transitional arrangements for the 2022 Equity Incentive Plan.

DEFINITIONS

“2022 Equity Incentive Plan”	the Zai Lab Limited 2022 Equity Incentive Plan approved at the Company’s 2022 annual general meeting of shareholders on June 22, 2022 and effective on June 27, 2022, the principal terms of which were set out in the Company’s definitive proxy statement/circular dated May 3, 2022
“ADS(s)”	American depositary share(s) (each representing 10 Shares)
“Board”	the board of directors of the Company
“Company”	Zai Lab Limited, a company incorporated in the Cayman Islands with limited liability and listed on main board of the Stock Exchange (Stock Code: 9688) and NASDAQ (Trading Symbol: ZLAB)
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Date of Grant”	June 29, 2023 (U.S. Eastern Time)
“Director(s)”	member(s) of the Board
“Grantee(s)”	the RSA Grantees and the RSU Grantee
“Group”	the Company and its subsidiaries from time to time
“HK\$”	the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“NASDAQ”	Nasdaq Global Market
“PRC”	the People’s Republic of China
“Restricted Share(s)”	Share(s) subject to restrictions requiring that it be redelivered or offered for sale to the Company if specified service-based conditions are not satisfied
“Restricted Share Unit(s)”	restricted share unit(s) entitling the Grantee(s) to acquire Shares subject to the satisfaction of specified vesting conditions
“RSA Grantee(s)”	a participant who was granted the Restricted Shares in accordance with the 2022 Equity Incentive Plan on the Date of Grant

“RSU Grantee”	Dr. Samantha Du, who was granted the Restricted Share Units in accordance with the 2022 Equity Incentive Plan on the Date of Grant
“Share(s)”	ordinary shares in the authorized share capital of the Company with a par value of US\$0.000006 per share

For the purpose of this announcement and for illustrative purpose only, conversions of US\$ to HK\$ are based on the exchange rate of US\$1.00 = HK\$7.8. No representation is made that any amounts in HK\$ or US\$ can be or could have been converted at the relevant dates at the above rate or at any other rates or at all.

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

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

Hong Kong, June 30, 2023

As at the date of this announcement, the board of directors of the Company comprises Dr. Samantha Du as a director, and Dr. Kai-Xian Chen, Dr. John Diekman, Ms. Nisa Leung, Mr. William Lis, Mr. Leon O. Moulder, Jr., Mr. Peter Wirth, Mr. Scott W. Morrison, Richard Gaynor, M.D. and Mr. Michel Vounatsos as independent directors.

* *For identification only*