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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)

**VOLUNTARY ANNOUNCEMENT –
ENTERING INTO AN EXCLUSIVE PROMOTION AGREEMENT WITH ASTRAZENECA
PHARMACEUTICAL**

This announcement is made by Shanghai Junshi Biosciences Co., Ltd.* (上海君實生物醫藥科技股份有限公司) (the “**Company**”) on a voluntary basis. Reference is also made to the overseas regulatory announcement of the Company dated 28 February 2021.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 28 February 2021, the Company entered into an exclusive promotion agreement (the “**Agreement**”) with AstraZeneca Pharmaceutical Co., Ltd. (“**AstraZeneca Pharmaceutical**” or the “**Promoter**”), pursuant to which the Company will grant AstraZeneca Pharmaceutical the exclusive promotion right of Toripalimab Injection (trade name: TUOYI®) for the urinary cancer indications to be approved subsequently for marketing in mainland China and the exclusive promotion right for all indications approved and to be approved in non-core urban areas. The Company will continue to be responsible for the promoting of other indications approved and to be approved excluding urinary cancer indications in core urban areas.

As the parties entered into a long-term cooperation agreement this time, specific payment amounts for this Agreement cannot be ascertained.

I. THE SUBJECT AND THE COUNTERPARTY OF THE TRANSACTION

(1) Subject of the Agreement

The subjects of the agreement are the exclusive promotion right of Toripalimab Injection for urinary cancer indications to be approved subsequently for marketing in mainland China and the exclusive promotion right for all indications approved and to be approved in non-core urban areas.

(2) Counterparty of the Transaction

Company name: AstraZeneca Pharmaceutical Co., Ltd.

Legal representative: Wang Lei (王磊)

Registered capital: US\$91.20 million

Date of establishment: 26 October 1993

Principle place of office: No.2 Huangshan Road, New District, Wu Xi

Principle businesses: Development and production of freeze-dried powder injections, tablets, hard capsules, and imported drugs sub-packages 【freeze-dried powder injections, tablets, budesonide nasal spray (hormones), large-volume injections, small-volume injections, implants】. Self-operating and acting as an agent for the import and export business of various commodities and technologies (except for commodities and technologies that the state restricts enterprises to operate or are prohibited from import and export, excluding distribution and other items prohibited and restricted by other countries) (Activities of projects subject to the legal approval shall be conducted after relevant authorities' approval)

Substantial shareholder: Wuxi Municipal Xinfu Group Limited* (無錫市新發集團有限公司), Jiangsu Wuxi Pharmaceutical Company* (江蘇省無錫醫藥公司) and AstraZeneca

To the best knowledge, information and belief of the Company after making all reasonable enquiries, AstraZeneca Pharmaceutical is not a connected person of the Company (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).

II. THE MAIN CONTENT OF THE AGREEMENT

- (1) Promoting product: Toripalimab Injection
- (2) The rights of the Promoter: Within the term of the Agreement, the Promoter shall obtain the exclusive promotion right of Toripalimab Injection for urinary cancer indications to be approved subsequently for marketing in mainland China and the exclusive promotion right for all indications approved and to be approved in non-core urban areas.
- (3) Product promotion: The Promoter shall promote the product according to the product indications and label scope approved by the government authority.
- (4) Financial terms: The Company shall pay the service fee to the Promoter in accordance with the Agreement. In addition, as the consideration for the promotion rights granted by the Company to the Promoter, the Promoter agrees to pay an upfront payment to the Company after the urothelial cancer indications are approved. The specific amount of the upfront payment will be discussed and determined by the joint steering committee jointly established by both parties.
- (5) Payment arrangement: After the end of the calendar quarter, the parties to the Agreement shall confirm the service fee for the quarter and perform the payment procedure. After the end of the calendar year, the parties to the Agreement shall conduct the final annual accounting.
- (6) Intellectual property rights: The Company is entitled to the ownership of intellectual property rights related to the promoting product; the goodwill and other intellectual property rights related to the Company and the product incurred by the Promoter during the promotion process are attributable to the Company.

- (7) Term of the agreement: the initial term of the agreement lasts for five calendar years from the effective date of the agreement and may be automatically extended for another five years upon expiration of initial term and the sales target requirements are met within the initial term.

The transactions contemplated under the Agreement are of a revenue nature in the ordinary and usual course of business of the Company.

III. THE IMPACT OF THE PERFORMANCE OF THE AGREEMENT ON THE COMPANY

Leveraging on AstraZeneca Pharmaceutical's extensive channel network accumulated for many years in China, especially its ability to promote in the county market, this cooperation between the Company and AstraZeneca Pharmaceutical is conducive to promoting more Chinese patients benefiting from the local high-quality innovative drugs. The Company and AstraZeneca Pharmaceutical will continue to explore business cooperation overseas including in emerging markets, and actively explore the possibility of expanding the depth and breadth of future cooperation based on existing cooperation.

IV. RISK ANALYSIS OF THE AGREEMENT PERFORMANCE

- (1) In the process of agreement performance, in the event of impact of unpredictable factors or force majeure such as policy and market environment, the agreement may not be performed as scheduled or in full.
- (2) The results of product promotion may not meet expectations, and there will be uncertainty in its final impact on the Company's profits.

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

Shanghai, the PRC, 1 March 2021

As at the date of this announcement, the board of directors of the Company comprises Mr. Xiong Jun, Dr. Li Ning, Dr. Feng Hui, Mr. Zhang Zhuobing and Dr. Yao Sheng as executive Directors; Dr. Wu Hai, Mr. Tang Yi, Mr. Li Cong, Mr. Yi Qingqing and Mr. Lin Lijun as non-executive Directors; and Dr. Chen Lieping, Mr. Qian Zhi, Mr. Zhang Chun, Dr. Jiang Hualiang and Dr. Roy Steven Herbst as independent non-executive Directors.

* For identification purpose only