
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shanghai Junshi Biosciences Co., Ltd.*, you should at once hand this circular, the accompanying form of proxy to the purchaser or transferee or to the bank, a licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the 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 company incorporated in the People's Republic of China with limited liability)

(Stock code: 1877)

**2021 ANNUAL REPORTS AND ACCOUNTS
2021 PROFIT DISTRIBUTION PLAN
BANK CREDIT LINES FOR 2022
DIRECTORS' AND SUPERVISORS' REMUNERATION
APPOINTMENT OF AUDITORS
PURCHASE OF LIABILITY INSURANCE
ADDITION OF ESTIMATED EXTERNAL GUARANTEE
QUOTA FOR 2022
GENERAL MANDATE TO ISSUE DEBT FINANCING INSTRUMENTS
GENERAL MANDATE TO ISSUE A SHARES AND/OR H SHARES
APPOINTMENT OF EXECUTIVE DIRECTOR**

A letter from the Board is set out on pages 4 to 18 of this circular. The notice convening the AGM to be held at 15th Floor, Building 7, No. 6, Lane 100, Pingjiaqiao Road, Pudong New Area, Shanghai, the PRC on Wednesday, 29 June 2022 at 2:00 p.m. is set out on pages 41 to 49 of this circular and will be despatched on 9 June 2022. The corresponding form of proxy for the AGM will also be despatched on 9 June 2022 and has been published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and of the Company (www.junshipharma.com).

Whether or not you are able to attend the AGM, you are reminded to complete, sign and return the form of proxy in accordance with the instructions printed thereon. For holders of H Shares, the form of proxy for the AGM shall be lodged at the Company's Hong Kong H share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 24 hours before the time fixed for holding the AGM or any adjournment thereof. Completion and return of the form(s) of proxy will not preclude you from attending the AGM and any adjournment thereof and voting in person.

Reference to times and dates in this circular are to Hong Kong local times and dates.

* For identification purposes only

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
APPENDIX I – 2021 REPORT OF THE BOARD OF DIRECTORS	19
APPENDIX II – 2021 REPORT OF THE BOARD OF SUPERVISORS	24
APPENDIX III – 2021 FINANCIAL ACCOUNTS REPORT	28
APPENDIX IV – ADDITION OF THE ESTIMATED EXTERNAL GUARANTEE QUOTA FOR 2022	35
NOTICE OF 2021 AGM	41

DEFINITIONS

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

“A Shares”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are traded in RMB and are listed on the Shanghai Stock Exchange
“AGM” or “2021 AGM”	the annual general meeting of the Company to be held on Wednesday, 29 June 2022 (and any adjournment thereof)
“Articles of Association” or “Articles”	the articles of association of the Company
“associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Audit Committee”	the audit committee of the Company
“Board of Directors” or “Board”	the board of Directors
“Board of Supervisors”	the board of Supervisors
“Chairman”	chairman of the Board of Directors
“Company”	Shanghai Junshi Biosciences Co., Ltd.* 上海君實生物醫藥科技股份有限公司, a joint stock limited company established in the PRC with limited liability, the H Shares and A Shares of which are listed and traded on the main board of the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
“Director(s)”	the director(s) of the Company
“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
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“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
“IFRS”	International Financial Reporting Standards
“Independent Non-executive Director(s)”	the independent non-executive Director(s)
“Latest Practicable Date”	6 June 2022, being the latest practicable date prior to the printing of this circular of ascertaining certain information herein
“Nomination Committee”	the nomination committee of the Company
“Notice of AGM”	the notice of the AGM dated 8 June 2022, a copy of which is set out on pages 41 to 49 of this circular
“PRC” or “China”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“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 GAAP”	the PRC Generally Accepted Accounting Principles
“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
“R&D”	research and development
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Company
“Reporting Period”	the year ended 31 December 2021
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“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)
“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》)
“Strategic Committee”	the strategic committee of the Company
“Supervisor(s)”	the supervisor(s) of the Company
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Xiong Jun (*Chairman and
Legal Representative*)
Dr. Li Ning (*Chief Executive Officer and
General Manager*)
Mr. Li Cong (*Co-Chief Executive Officer*)
Dr. Feng Hui
Mr. Zhang Zhuobing
Dr. Yao Sheng

Non-executive Directors:

Dr. Wu Hai
Mr. Tang Yi
Mr. Lin Lijun

Independent Non-executive Directors:

Dr. Chen Lieping
Dr. Roy Steven Herbst
Mr. Qian Zhi
Mr. Zhang Chun
Dr. Feng Xiaoyuan

Registered address, headquarters and

principal place of business in the PRC:

Room 1003, Level 10, Building 2
Nos. 36 and 58, Hai Qu Road
China (Shanghai) Pilot Free Trade Zone
PRC

Principal place of business

in Hong Kong:

Level 54, Hopewell Centre
183 Queen's Road East, Hong Kong

8 June 2022

To the Shareholders

Dear Sir or Madam,

I. INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM to enable you to make informed decisions on whether to vote for or against the proposed resolutions at the AGM.

LETTER FROM THE BOARD

At the AGM, ordinary resolutions will be proposed to consider and, if thought fit, approve:

- (1) the 2021 Report of the Board of Directors;
- (2) the 2021 Report of the Board of Supervisors;
- (3) the 2021 Annual Report and its summary;
- (4) the 2021 Financial Accounts Report;
- (5) the 2021 Profit Distribution Plan;
- (6) the application to bank(s) for credit lines for 2022;
- (7) the remuneration of Directors for 2022;
- (8) the remuneration of Supervisors for 2022;
- (9) the appointment of the PRC and overseas auditors for 2022;
- (10) the purchase of liability insurance for the Company, its Directors, Supervisors, and senior management; and
- (11) the appointment of executive Director.

At the AGM, special resolutions will be proposed to consider and, if thought fit, approve:

- (12) the addition of estimated external guarantee quota for 2022;
- (13) the grant of the general mandate to issue domestic and/or overseas debt financing instruments; and
- (14) the grant of the general mandate to issue additional A Shares and/or H Shares.

LETTER FROM THE BOARD

II. DETAILS OF THE RESOLUTIONS

(1) 2021 Report of the Board of Directors

An ordinary resolution will be proposed at the AGM to consider and approve the 2021 Report of the Board of Directors. Full text of the report is set out in Appendix I to this circular.

(2) 2021 Report of the Board of Supervisors

An ordinary resolution will be proposed at the AGM to consider and approve the 2021 Report of the Board of Supervisors. Full text of the report is set out in Appendix II to this circular.

(3) 2021 Annual Report and its summary

An ordinary resolution will be proposed at the AGM to consider and approve the 2021 Annual Report and its summary.

The 2021 annual report of the Group (for A Shares and prepared in accordance with PRC GAAP) and its summary are set out and published on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>), the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (www.junshipharma.com) on 31 March 2022.

The 2021 annual report of the Group (for H Shares and prepared in accordance with IFRS) is set out and published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>), the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the Company (www.junshipharma.com) on 29 April 2022.

(4) 2021 Financial Accounts Report

An ordinary resolution will be proposed at the AGM to consider and approve the 2021 Financial Accounts Report. Full text of the report is set out in Appendix III to this circular.

(5) 2021 Profit Distribution Plan

An ordinary resolution will be proposed at the AGM to consider and approve the 2021 Profit Distribution Plan of the Company.

Based on the Company's actual financial, operational and development status, as at the end of the Reporting Period, the Company did not record profit available for distribution. The Company has decided not to make any profit distribution, and not to convert any capital reserve to increase its registered capital, for the year 2021.

LETTER FROM THE BOARD

(6) Application to bank(s) for credit lines for 2022

An ordinary resolution will be proposed at the AGM to consider and approve the Company's application to bank(s) for credit lines for 2022.

To support the production and operations of the Company as well as the rapid development of project construction, the Company and/or its subsidiaries intend to apply for credit lines of no more than RMB5,700 million in aggregate from bank(s) with a validity period commencing from the date of approval of this resolution at the 2021 AGM and ending on the date of convening the 2022 annual general meeting. During the credit period, the credit lines can be utilized on a revolving basis. The actual amount of credit lines shall be subject to the approval of relevant bank(s), and the actual loan amount shall be determined based on the actual capital needs of the Company in its operation. The specific credit modes include but are not limited to non-current capital loan, current capital loan, bank's acceptance bill, middle and long-term loan, letter of credit, letter of guarantee, offshore financing against domestic guarantee, domestic financing against offshore guarantee, financial leasing etc. The proposed application to bank(s) for bank credit lines will support the capital demands for the Company's business development.

It is also proposed at the general meeting that the Board or its designated person(s) be authorized to handle relevant matters for obtaining the bank credit lines within the above limit.

(7) Remuneration of Directors for 2022

Ordinary resolutions will be proposed at the AGM to consider and approve the remuneration of Directors for 2022.

To further optimize the governance structure of the Company, improve the management standard of the Company, establish and refine the managerial incentive and restraint mechanism, fully mobilize the initiative and creativity of the Directors, ensure the healthy, sustainable and stable development of the Company, as well as enhance and standardize the management on the remuneration of Directors, the Company proposes to formulate the remuneration plan for Directors for 2022 in accordance with the PRC Company Law, the STAR Market Listing Rules, the Hong Kong Listing Rules and other relevant laws and regulations, as well as the Articles of Association, the terms of reference of the Remuneration and Appraisal Committee and other relevant requirements, and with reference to the outstanding contribution of the Directors as well as the market rate for remuneration of listed companies.

The remuneration of the Directors is mainly determined based on the corporate economic benefits, their duties and actual performance with reference to various factors such as the remuneration level of the industry.

LETTER FROM THE BOARD

(8) Remuneration of Supervisors for 2022

Ordinary resolutions will be proposed at the AGM to consider and approve the remuneration of Supervisors for 2022.

In accordance with the PRC Company Law, the STAR Market Listing Rules, the Hong Kong Listing Rules and other relevant laws and requirements, as well as the Articles of Association and other relevant requirements, as well as the remuneration level of the industry and geographical location in which the Company is situated, annual operational conditions and duties of the role, the proposal for the remuneration of Supervisors for 2022 are as follows: Supervisors serving in the Company will be remunerated according to their specific positions in the Company, while Supervisors not serving in the Company will not be remunerated.

(9) Appointment of the PRC and overseas auditors for 2022

An ordinary resolution will be proposed at the AGM to consider and approve the appointment of RSM China (Special General Partnership) (容誠會計師事務所(特殊普通合夥)) as the PRC financial report auditors and internal control auditors of the Company for the year 2022 and the appointment of Deloitte Touche Tohmatsu as the Hong Kong financial report auditors of the Company for the year 2022 to hold office from the date of such appointment until the conclusion of the next annual general meeting of the Company, and to authorize the Board of Directors to implement matters relating to their engagement.

The above proposal on the appointment of the PRC financial report auditors, internal control auditors and Hong Kong financial report auditors for 2022 was considered and approved at the meeting of the Board held on 31 March 2022.

(10) Purchase of liability insurance for the Company, its Directors, supervisors, and senior management

In order to improve the risk management system of the Company, strengthen risk management and control, reduce the company's operational risks, protect the rights and interests of the Directors, Supervisors and senior management of the Company and the interests of public investors, and at the same time allow the management of the Company to fully exercise its rights and perform its duties, the Company plans to purchase liability insurance for the Company, all of its Directors, Supervisors and senior management in accordance with relevant provisions of the Code of Corporate Governance for Listed Companies* (《上市公司治理準則》) and the Hong Kong Listing Rules. The specific plans of the liability insurance are as follows:

- (i) Policyholder: Shanghai Junshi Biosciences Co., Ltd.*
- (ii) Insured: the Company, all of its Directors, Supervisors, senior management and other relevant subjects

LETTER FROM THE BOARD

- (iii) Compensation limit: no more than RMB130 million (details subject to the insurance contract)
- (iv) Premium payable: no more than RMB700,000 per year (details subject to the insurance contract)
- (v) Insurance period: 12 months (subsequent annual renewal or re-enrollment)

In order to improve the efficiency of decision-making, the Board seeks a mandate from the Shareholders at the 2021 AGM authorizing the management of the Company to handle matters related to the purchase of liability insurance for the Company, its Directors, Supervisors and senior management within the above limit (including but not limited to identifying other relevant responsible persons; identifying insurance companies; determining the limit of liability, the total amount of insurance premiums and other insurance terms according to market conditions if the market changes; selecting and appointing insurance brokerage companies or other intermediaries; signing relevant legal documents and handling other matters related to the insurance), and matters related to the renewal or re-enrollment of the liability insurance contract for the Directors, Supervisors and senior management of the Company at the time of or before its expiration.

(11) Appointment of executive Director

Reference is made to the announcement of the Company dated 20 April 2022 in relation to the proposed appointment of executive Director. The Board of Directors has resolved to nominate Dr. Zou Jianjun (“**Dr. Zou**”) as a candidate for executive Director.

The biography of Dr. Zou is as follows:

Dr. Zou Jianjun (鄒建軍), aged 50, has over 26 years of experience in the healthcare sector. From August 1995 to September 2005, she served as the resident and attending physician at the department of oncology under the department of clinical medicine at the 301 Hospital of the People’s Liberation Army* (解放軍301醫院) and at the department of oncology at the Shanghai Changzheng Hospital* (上海長征醫院) respectively. From October 2005 to October 2012, she served as the medical manager of the research and development department and the head of the oncology therapeutic team of Bayer China, and the head of global medical affairs at the United States headquarters of Bayer Pharmaceuticals in New Jersey. From October 2012 to September 2015, she served as the head of China Medical Affairs at Celgene Pharmaceuticals in the United States. From September 2015 to April 2022, she served as the chief medical officer and deputy general manager at Jiangsu Hengrui Pharmaceutical Co., Ltd.* (江蘇恒瑞醫藥股份有限公司).

Dr. Zou enrolled into the department of clinical medicine at the Fourth Military Medical University* (第四軍醫大學) in 1989 and graduated with a bachelor’s degree in clinical medicine in 1995. She graduated with a doctorate degree in clinical oncology from the Second Military Medical University* (第二軍醫大學) in August 2005.

LETTER FROM THE BOARD

As at the Latest Practicable Date, save as disclosed above, Dr. Zou has confirmed that she: (i) does not hold any position in the Company or any other subsidiaries of the Company, nor did she hold any directorship or positions of supervisor in any other listed companies in Hong Kong or overseas in the last three years; (ii) does not have any relationship with any directors, supervisors, senior management or substantial or controlling shareholders (as defined in the Hong Kong Listing Rules) of the Company; and (iii) does not have any interests in the shares or underlying shares of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

If Dr. Zou is appointed as executive Director at the AGM, the Company will enter into a service contract with Dr. Zou in relation to her appointment as executive Director for a term commencing from the date of approval of her appointment at the AGM and expiring on the conclusion of the third session of the Board, which is subject to retirement by rotation and re-appointment in accordance with the Articles of Association and the Hong Kong Listing Rules. The remuneration of Dr. Zou will be determined with reference to her duties and responsibilities in the Company and prevailing market conditions, and will be subject to review by the Board and the Remuneration and Appraisal Committee from time to time. Dr. Zou has not entered into nor proposed to enter into any service contracts, which fall within the meaning of Rule 13.68 of the Hong Kong Listing Rules requiring the prior approval of Shareholders at general meetings, with the Company.

Save as disclosed above, there are no other matters concerning Dr. Zou's appointment as executive Director that need to be brought to the attention of the Shareholders nor any information required to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Hong Kong Listing Rules.

An ordinary resolution will be proposed at the AGM to consider and, if thought fit, approve the appointment of Dr. Zou as executive Director. If approved, the appointment of Dr. Zou shall take effect on the date of the AGM.

(12) Addition of estimated external guarantee quota for 2022

A special resolution will be proposed at the AGM to consider and approve the addition of the estimated external guarantee quota of the Company for 2022. Further details of the addition of the estimated external guarantee quota of the Company are set out in Appendix IV to this circular.

(13) Grant of the general mandate of issue of domestic and/or overseas debt financing instruments

A special resolution will be proposed at the AGM to consider and approve the grant of the general mandate to issue domestic and/or overseas debt financing instruments.

LETTER FROM THE BOARD

In order to meet the needs of the Company's business development, reduce financing costs and seize market opportunities in a timely manner, in accordance with the PRC Company Law, the Hong Kong Listing Rules and other relevant laws and regulations and as well as the the Articles of Association and other relevant requirements, the Board of Directors intends to propose to the Shareholders at the general meeting to generally and unconditionally authorize the Board of Directors (and for the Board of Directors to sub-delegate the Chairman and his authorized person(s)) to determine and implement specific matters regarding the issuance of debt financing instruments within the quota as approved by the Shareholders at the general meeting:

I. Principal Terms for Issuance of the Debt Financing Instruments

1. **Categories of the Debt Financing Instruments:** The relevant debt financing instruments include, but are not limited to, short-term debentures, super short-term debentures, medium term notes, private placement debt financing instruments, enterprise bonds, corporate bonds, H Share convertible bonds, offshore RMB bonds and foreign currency bonds, perpetual bonds and other domestic and overseas debt financing instruments denominated in RMB or foreign currency permitted by the competent regulatory authority.
2. **Size of Issuance:** The size of issuance of domestic and overseas debt financing instruments totaling not more than RMB2,500 million (or an equivalent amount in foreign currency) (calculated based on the aggregate balance outstanding upon the issuance and, in the case of an instrument denominated in a foreign currency, based on the median rate of the exchange rates published by the People's Bank of China on the date of the issuance) is authorized to be issued either one-off or in tranches within the validity period of such authorization.
3. **Currency of Issuance:** The currency of issuance of debt financing instruments may be RMB or foreign currency based on the review and approval results of the issuance of debt financing instruments and the domestic and overseas market conditions of debt financing instruments at the time of such issuance.
4. **Term and Interest Rate:** The maximum term shall be no more than 10 years, with a single term or hybrid type of multiple terms. Domestic debt financing instruments with an indefinite term will not be subject to the above time limit. The specific term, the size of issuance of each term and type of debt financing instruments and their interest rates shall be determined by the Board of Directors or the Chairman and his authorized person(s) in accordance with the relevant regulations and the prevailing market conditions.
5. **Issuer:** The Company or its domestic or overseas wholly-owned subsidiary, or special-purpose vehicle established by the Company. If a domestic or overseas wholly-owned subsidiary or special-purpose vehicle is the issuer of debt financing instruments, the Company shall provide guarantees (including those

LETTER FROM THE BOARD

provided by the issuer of debt financing instruments itself and/or by the Company) within the quota for issuance of its debt financing instruments, enter into a keep-well agreement or adopt a third-party credit enhancement method for such issuance.

6. **Issuance Price:** The specific issuance price shall be determined by the Board of Directors or the Chairman and his authorized person(s) in accordance with relevant regulations and market conditions.
7. **Use of Proceeds:** It is expected that, after deducting the issuance expenses, the proceeds raised from the issuance of debt financing instruments are to be used for purposes including meeting the needs of daily operations, repaying loans, replenishing working capital and/or investment, acquisition. The specific use of proceeds shall be determined by the Board of Directors or the Chairman and his authorized person(s) in accordance with the capital needs of the Company from time to time.
8. **Method of Issuance:** It shall be determined based on the approval process of debt financing instruments, and the domestic and overseas market conditions of debt financing instruments at the time of such issuance.
9. The debt financing instruments to be issued are proposed to be listed on the Inter-bank Bond Market, the Shanghai Stock Exchange, the Hong Kong Stock Exchange, or other domestic or foreign exchanges.

II. Authorization for Issuance of Debt Financing Instruments

1. It is proposed that the Shareholders at the general meeting to generally and unconditionally authorize the Board of Directors (and for the Board of Directors to sub-delegate the Chairman and his authorized person(s)) to determine in their absolute discretion, and deal with all matters in respect of the issuance of debt financing instruments in accordance with the Company's needs from time to time as well as the market conditions, including but not limited to:
 - (1) to determine and implement the specific proposal of the issuance of debt financing instruments, including but not limited to the establishment and determination of the appropriate issuer, the type of the debt financing instruments to be issued, the method of issuance, currency, the nominal value of debt financing instruments, issue price, size of issuance, interest rate or its determination mechanism, issuance targets, markets for issuance, timing of issuance, term of issuance, issuance in instalments and number of tranches (if applicable), sale-back clause and redemption clause (if applicable), option for raising the coupon rate (if applicable), rating arrangement, guarantees (if applicable), principal and interest

LETTER FROM THE BOARD

repayment period, conversion price, use of proceeds, specific placing arrangement, underwriting arrangement, debt repayment guarantee and all matters in relation to the proposed issuance of debt financing instruments.

- (2) to carry out all necessary and ancillary actions and procedures in relation to the issuance of debt financing instruments, including but not limited to, engaging intermediary institutions, applying for and handling all approval, registration and filing procedures with the relevant government departments and/or regulatory authorities in connection with the issuance of debt financing instruments on behalf of the Company, executing, revising and implementing all necessary legal documents relating to the issuance of debt financing instruments, selecting trustee(s) for the issuance of debt financing instruments, formulating the rules for meetings of the holders of bonds, handling any information disclosure matters related to debt financing instruments in accordance with the applicable laws, regulations and requirements from regulatory authorities, and handling other matters in connection with the issuance and trading of debt financing instruments.
 - (3) in the event of changes in regulatory policies or market conditions, except for the matters which must be voted on at the general meeting of the Company in accordance with relevant laws, regulations and the Articles of Association, subject to the scope of the authorization by the Shareholders at the general meeting, to adjust relevant matters such as the specific plan for issuing debt financing instruments in accordance with the opinion of the regulatory authorities or in response to changes in market conditions, or to determine whether or not to continue the work for such issuance in accordance with actual conditions.
 - (4) to determine and handle all relevant matters in connection with the listing of debt financing instruments to be issued on the Inter-bank Bond Market, the Shanghai Stock Exchange, the Hong Kong Stock Exchange or other domestic or foreign exchanges based on market conditions.
 - (5) to handle any other specific matters related to the issuance of debt financing instruments and execute all relevant or necessary documents.
2. To agree that at the time of the approval and authorization of the above matters by the Shareholders at the general meeting, the Board of Directors be further authorized to delegate the Chairman and his authorized person(s) to implement the issuance of debt financing instruments in accordance with the Company's needs and other market conditions.

LETTER FROM THE BOARD

3. To authorize the Chairman and his authorized person(s) to approve, execute and publish relevant documents, announcements and circulars and make relevant information disclosure in accordance with the applicable rules and regulations in the place where the Shares are listed.

III. The Validity Period of Authorization for Issuance of Debt Financing Instruments

The validity period of authorization for issuance of debt financing instruments shall be effective from the date of approval at the 2021 AGM until the earliest of: (1) the conclusion of the 2022 annual general meeting of the Company; and (2) the revocation or variation of the general mandate by the Shareholders in general meeting.

If the Board of Directors or the Chairman and his authorized person(s) have resolved to issue the debt financing instruments within the validity period of the authorization and the Company has also obtained the approval, permission or registration (if applicable) for such issuance from the regulatory authorities within the validity period of the authorization, the Board of Directors or the Chairman and his authorized person(s) of the Company may complete the issuance of debt financing instruments within the validity period as confirmed by such approval, permission or registration.

If this resolution is approved at the general meeting, the matters relating to the issue of overseas bonds that the Board of Directors decides and conducts shall be carried out in accordance with the authorization of the resolution within the validity period of the aforementioned authorization to issue debt financing instruments.

The Board of Directors will only exercise the powers under the abovementioned mandate pursuant to the PRC Company Law, the Hong Kong Listing Rules and the Articles of Association, and if all necessary approvals (if needed) from relevant governmental authorities are obtained.

In the event that the Company proceeds with any issuance of H Shares or securities convertible into H Shares, the Company will comply with the applicable requirements under the Hong Kong Listing Rules and PRC laws and regulations.

(14) Grant of the general mandate to issue additional A Shares and/or H Shares

A special resolution will be proposed at the AGM to consider and approve the grant of the general mandate to issue A Shares and/or H Shares of the Company.

In order to seize market opportunities and ensure flexibility to issue new Shares, it is proposed at the AGM to approve the grant to the Board of Directors of an unconditional general mandate to authorize the Board of Directors to, subject to market conditions and the needs of the Company, separately or concurrently issue, allot and deal with A Shares and/or H Shares or securities convertible into such shares, options, warrants or similar rights to subscribe for any A Shares and/or H Shares in the Company (“**Similar Rights**”) not exceeding each of 20% of the issued A Shares or overseas-listed foreign shares (H Shares) in issue as at the date of

LETTER FROM THE BOARD

passing the resolutions at the AGM, and to approve and execute all necessary documents, submit all necessary application procedures to the relevant authorities and take other necessary actions for the completion of the above matters:

I. Authorization matters of additional issuance of A Shares and/or H Shares or Similar Rights

1. It is proposed at the AGM to approve the grant of an unconditional general mandate to the Board of Directors (and the Board to authorize the Chairman and his authorized person(s)) (unless the delegation of authority is stipulated otherwise by relevant laws and regulations) to, with full discretion, separately or concurrently allot, issue and deal with A Shares and/or H Shares or Similar Rights in accordance with the needs of the Company from time to time and market conditions, and determine the terms and conditions for allotting, issuing and dealing with the new Shares or Similar Rights, including but not limited to:
 - (1) subject to market conditions and the needs of the Company, to issue, allot and deal with additional Shares of A Shares and/or H Shares, and to make or grant offer proposals, agreements or options in respect of such Shares.
 - (2) the number of A Shares and/or H Shares (excluding the shares issued by way of capitalization of capital reserve fund) to be allotted or agreed conditionally or unconditionally to be allotted, issued and dealt with (whether pursuant to an option or otherwise) as approved by the Board of Directors shall not exceed each of 20% of the A Shares and/or H Shares in issue as at the date of passing this resolution at the AGM.
 - (3) to formulate and implement the specific issue plan, including but not limited to the type, pricing method and/or issue price (including price range), issue size, allottees of the new Shares to be issued and the use of proceeds, the timing and the period of issue and determine whether to place to existing Shareholders.
 - (4) to engage intermediaries for matters related to the issuance under the general mandate; to approve and execute all relevant acts, deeds, documents and other related matters necessary, appropriate, desirable and relevant for the issuance; to review, approve and execute on behalf of the Company the agreements related to the issuance, including but not limited to placing and underwriting agreements and intermediaries engagement agreements.
 - (5) to review, approve and execute on behalf of the Company legal documents related to the issuance submitted to relevant regulatory authorities. To perform relevant approval procedures pursuant to the requirements of regulatory authorities and the place where the Company is listed, and complete all necessary filing, registration and record procedures in relevant government departments in Hong Kong and/or any other regions and jurisdictions (if applicable).

LETTER FROM THE BOARD

- (6) to make amendments to the relevant agreements and legal documents in respect of items (4) and (5) above in accordance with requirements of the regulatory authorities where the Company is listed.
 - (7) to approve the Company to increase its registered capital upon the issuance of new Shares and make amendments to the Articles of Association in respect of the total amount of registered capital, shareholding structure and other relevant contents and to authorize the operation management of the Company to carry out relevant procedures in accordance with domestic and overseas requirements.
2. To agree that upon obtaining the approval and authorization granted by the Shareholders at the AGM for the above matters, the Chairman and his authorized person(s) be further authorized by the Board of Directors to implement matters for the issuance of additional A Shares and/or H Shares or Similar Rights according to the Company's needs and other market conditions.
 3. To authorize the Chairman and his authorized person(s) to approve, sign and publish relevant documents, announcements and circulars and make relevant information disclosures in accordance with applicable regulatory rules at places where the Company are listed.

II. Authorization period of issuance of additional A Shares and/or H Shares or Similar Rights of the Company

Authorization matters of issuance of additional A Shares and/or H Shares or Similar Rights of the Company commence from the date of approval at the 2021 AGM to the earliest date among the following three: (1) the expiry of 12 months after the date of approval at the 2021 AGM; (2) the date of conclusion of the 2022 annual general meeting; or (3) the date of the general mandate being revoked or modified by Shareholders through resolution at any general meeting.

If the Company commences the allotment and issuance of new Shares or Similar Rights based on the limit under the general mandate of the previous year, but fails to complete the issuance before the expiration of such general mandate, it may continue to implement the allotment and issuance based on the limit under the general mandate of the current year without exceeding such limit.

Subject to all necessary approvals (if any) of relevant government authorities, the power under the abovementioned general mandate shall only be exercised by the Board of Directors in accordance with the PRC Company Law, the Hong Kong Listing Rules and the Articles of Association.

Under the Hong Kong Listing Rules, the proposed grant of general mandate to issue A Shares and/or H Shares is subject to the approval of the Shareholders by special resolution in general meeting.

LETTER FROM THE BOARD

III. AGM

The AGM will be held at 15th Floor, Building 7, No. 6, Lane 100, Pingjiaqiao Road, Pudong New Area, Shanghai, the PRC at 2:00 p.m. on Wednesday, 29 June 2022. The Notice of AGM is set out on pages 41 to 49 of this circular and published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and of the Company (www.junshipharma.com).

The corresponding form of proxy for use at the AGM is published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and of the Company (www.junshipharma.com).

The Notice of the AGM has also been separately published on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn/>).

IV. CLOSURE OF REGISTER OF MEMBERS OF H SHARES

The register of members of H Shares will be closed from Tuesday, 21 June 2022 to Wednesday, 29 June 2022, both days inclusive, during which period no transfer of H Shares will be registered, in order to determine the entitlements of the Shareholders to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, holders of H Shares whose transfer documents have not been registered are required to deposit all properly completed share transfer forms together with the relevant share certificates to the Company's H share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H shares) for registration before 4:30 p.m. on Monday, 20 June 2022.

V. PROXY FORMS

A Shareholder entitled to attend and vote at the meeting may appoint one or more persons as his/her/its proxy(ies) to attend and vote on his/her/its behalf. A proxy need not be a shareholder of the Company but must attend the meeting in person to represent the member. Shareholders who intend to attend the meeting by proxy should complete the proxy form.

For holders of H Shares, the proxy form for the AGM should be returned to the Company's H Share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, in person or by post as soon as possible and no later than 24 hours before the time fixed for holding the meeting (i.e. not later than Tuesday, 28 June 2022 at 2:00 p.m. (Hong Kong time)) or any adjournment thereof. Completion and return of the proxy form(s) will not preclude you from attending the meeting and any adjournment thereof and voting in person. In such event, the form of proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

VI. VOTING BY POLL

According to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the chairman of the AGM will demand a poll for all resolutions to be proposed at the AGM in accordance with Article 87 of the Articles of Association. Poll results will be announced by the Company in the manner prescribed under Rule 13.39(5) of the Hong Kong Listing Rules after the AGM.

To the best of the Directors' knowledge, information and belief, save as disclosed in this circular, none of the Shareholders are required to abstain from voting at the AGM.

VII. RECOMMENDATIONS

The Board also considers that all resolutions set out in the Notice of AGM are fair and reasonable and in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends that the Shareholders to vote in favour of the resolutions set out in the Notice of AGM.

VIII. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

IX. FURTHER INFORMATION

Your attention is drawn to the appendices to this circular.

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

In 2021, the Board of Directors duly performed the obligations granted by the PRC Company Law, the STAR Market Listing Rules, the Hong Kong Listing Rules and other relevant laws and regulations, as well as the Articles of Association and other relevant requirements, strictly executed the resolutions of the general meeting, actively promoted the implementation of the resolutions of Board of Directors, and constantly standardized the corporate governance. The report on the works of the Board of Directors for 2021 is as follows.

I. OVERALL OPERATIONS OF THE COMPANY IN 2021

In 2021, the COVID-19 pandemic brought challenges to the Company's overall operations to a certain extent. In the face of the pressure of the pandemic, the Company quickly took multiple pandemic prevention measures to ensure the normal operation of various departments, striving to reduce the adverse impact of the pandemic on the production and business operations of the Company. During the Reporting Period, the Company achieved an operating income of RMB4.025 billion, representing a year-on-year increase of 152.36% compared with 2020. With the gradually emerging "income generation" capability, the further expanded R&D pipelines and robust research results, the Company continued to maintain its leading position in the industry.

The Company insists on innovation as the driving force for growth, and regards independent R&D capabilities as the foundation of our business. For R&D, the Company continued to increase investment in R&D during the Reporting Period, with R&D expenses reaching RMB2.069 billion, representing a year-on-year increase of 16.35%, which effectively promoted the progress of the Company's innovative drug projects. The Company's product pipelines cover five major therapeutic areas and other types of drugs. In particular, three assets (toripalimab, etesevimab and adalimumab) are in the commercialization stage, 23 assets under are undergoing clinical trials (in particular, ongericimab, VV116, bevacizumab and PARP inhibitor are undergoing Phase III clinical trials), and over 25 drug candidates are at the pre-clinical drug development stage. Over 30 clinical studies covering more than 15 indications in respect of toripalimab, the core product of the Company, have been conducted in China, the United States and other countries. In addition, four indications have received marketing approval from the National Medical Products Administration ("NMPA") (of which three have been included in the National Reimbursement Drug List ("NRDL")), the Biologics License Application (BLA) for two indications have been accepted by the U.S. Food and Drug Administration ("FDA") and granted priority review designation, and the supplemental New Drug Application (sNDA) for two new indications have been accepted by the NMPA.

II. THE WORK OF THE BOARD OF DIRECTORS IN 2021

(I) Basic information of the Board of Directors

The second session of the Board of Directors comprised 15 Directors, including five Independent Non-executive Directors. Due to the expiration of the term of the second session of the Board of Directors, the Company has completed the re-election of the Board of Directors at the 2020 annual general meeting, 2021 first class meeting of A Shareholders and 2021 first class meeting of H Shareholders held on 29 June 2021. The third session of the Board of Directors of the Company currently comprises 14 Directors, including five Independent Non-executive Directors. The number and composition of the Board of Directors meet the requirements of relevant laws and regulations, and the members of the Board of Directors possess the necessary knowledge, skills and qualifications to perform their duties. During the Reporting Period, all Directors exercised their functions and powers in strict accordance with the Articles of Association and the Rules of Procedure of the Board of Directors of the Company* (《上海君實生物醫藥科技股份有限公司董事會議事規則》) and performed their duties diligently, ensuring that the decision-making of the Board of Directors is scientific and efficient, and the procedures are in compliance with the law.

(II) Convening of Board Meetings

In 2021, the Board of Directors conscientiously performed its duties and held 10 Board meetings to consider and approve all proposals. The procedures for convening, holding and voting of the meetings were in compliance with the requirements of relevant laws and regulations, and the resolutions made at the meetings were legal and valid. The details of the meetings are as follows:

No.	Session of meeting	Convening date	Resolution(s) of the meeting
1	The thirty-second meeting of the second session of the Board of Directors	1 February 2021	A resolution was considered and approved, and no resolution was vetoed.
2	The thirty-third meeting of the second session of the Board of Directors	5 February 2021	A resolution was considered and approved, and no resolution was vetoed.
3	The thirty-fourth meeting of the second session of the Board of Directors	30 March 2021	A total of 22 resolutions were considered and approved, and no resolution was vetoed.
4	The thirty-fifth meeting of the second session of the Board of Directors	29 April 2021	A total of two resolutions were considered and approved, and no resolution was vetoed.

No.	Session of meeting	Convening date	Resolution(s) of the meeting
5	The first meeting of the third session of the Board of Directors	29 June 2021	A total of three resolutions were considered and approved, and no resolution was vetoed.
6	The second meeting of the third session of the Board of Directors	30 August 2021	A total of three resolutions were considered and approved, and no resolution was vetoed.
7	The third meeting of the third session of the Board of Directors	29 October 2021	A resolution was considered and approved, and no resolution was vetoed.
8	The fourth meeting of the third session of the Board of Directors	2 November 2021	A total of two resolutions were considered and approved, and no resolution was vetoed.
9	The fifth meeting of the third session of the Board of Directors	15 November 2021	A total of eight resolutions were considered and approved, and no resolution was vetoed.
10	The sixth meeting of the third session of the Board of Directors	16 December 2021	A total of four resolutions were considered and approved, and no resolution was vetoed.

(III) Performance of the special committees under the Board of Directors

The Board of Directors has set up four special committees, including the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee and the Strategic Committee. In 2021, the Audit Committee held five meetings, the Nomination Committee held three meetings, the Remuneration and Appraisal Committee held two meetings, and the Strategic Committee held a meeting to review the Company's financial situation, personnel, remuneration, strategic development and other matters. The establishment and operations of the special committees have effectively improved the operation efficiency, the scientificity of decision-making and the effectiveness of supervision of the Board of Directors, and promoted the improvement of the corporate governance structure.

(IV) Implementation of the resolutions of the general meetings by the Board of Directors

In 2021, the Company held a total of four general meetings, including an annual general meeting, an extraordinary general meeting, a class meeting of A Shareholders and a class meeting of H Shareholders, all of which were convened by the Board of Directors. The procedures for convening, holding and voting of the meetings were in compliance with the requirements of relevant laws and regulations, and the resolutions made at the meetings were legal and valid. During the Reporting Period, the Board of Directors strictly followed the resolutions and authorizations of the general meetings, conscientiously implemented the resolutions passed by Shareholders at the general meetings, safeguarded the interests of all Shareholders, and ensured that Shareholders could exercise their powers in accordance with the laws, advancing the long-term, stable and sustainable development of the Company.

(V) Performance of the Independent Non-executive Directors

In 2021, the Independent Non-executive Directors earnestly performed their duties, actively attended relevant meetings, carefully reviewed various resolutions at the Board meetings and expressed independent opinions on major matters in accordance with the requirements of the PRC Company Law, the PRC Securities Law, the STAR Market Listing Rules, the Hong Kong Listing Rules, the Articles of Association, the Work System for Independent Non-Executive Directors of the Company* (《上海君實生物醫藥科技股份有限公司獨立非執行董事工作制度》) and other laws, regulations, regulatory documents and corporate policies, safeguarding the overall interests of the Company and the legitimate rights and interests of all Shareholders. For details, please refer to the Work Report of the Independent Non-executive Directors for 2021.

(VI) Information disclosure and investor relations management

The Company attaches great importance to information disclosure, strictly abides by the requirements the STAR Market Listing Rules, the Hong Kong Listing Rules, the Administrative Measures for Information Disclosure of Listed Companies* (《上市公司信息披露管理辦法》), the Articles of Association and other laws, regulations, regulatory documents and corporate policies, performs information disclosure obligations in accordance with the laws, follows the principles of fairness, impartiality and openness, and ensures information disclosure in a true, timely, accurate and complete manner, protecting the legitimate rights and interests of all investors.

In 2021, the Company actively engaged the investors. The Company maintained smooth communication with different types of investors through different communication channels such as the results briefing sessions, the E-interactive platform of Shanghai Stock Exchange, the Company's investor hotline, analyst meetings, research on specific topics, roadshows, etc., which ensured timely and effective communication between the Company and investors, and facilitated investors and the public to have a correct understanding of the operations and business progress of the Company.

III. THE WORK PLAN OF THE BOARD OF DIRECTORS IN 2022

In 2021, with the joint efforts of the Board of Directors, management and all employees, the Company has achieved certain achievements in enhancing the operating performance and improving its governance structure. In 2022, the Board of Directors will continue to strengthen its own construction, give full play to the important role of the Board of Directors in corporate governance and strategy implementation, push forward the effective implementation of the Company's strategic planning, maintain a long-term, stable and sound interactive relationship between the Company and investors, further improve the standardization of governance, optimize the corporate governance structure, strengthen the construction of the internal control system, and continuously promote the sustainable and healthy development of the Company.

Shanghai Junshi Biosciences Co., Ltd.
Board of Directors
31 March 2022

In 2021, the Board of Supervisors strictly complied with the PRC Company Law, the PRC Securities Law, the STAR Market Listing Rules, the Hong Kong Listing Rules and other relevant laws and regulations, as well as the Articles of Association, the Rules of Procedures of the Board of Supervisors of Shanghai Junshi Biosciences Co., Ltd.* (《上海君實生物醫藥科技股份有限公司監事會議事規則》) and other relevant requirements. Taking the protection of the legal rights and interests of the Shareholders as a starting point, the Board of Supervisors diligently fulfilled its supervisory power and responsibilities based on the Company's current business model, further optimized corporate governance, and protected the legal rights and interests of the Company and its Shareholders, guaranteeing the healthy and sustainable development of the Company. The report of the Board of Supervisors for 2021 is as follows:

I. MEETINGS OF THE BOARD OF SUPERVISORS

In 2021, the Board of Supervisors convened a total of seven meetings, and all Supervisors attended such meetings in person. The details are as follows:

1. The twenty-sixth meeting of the second session of the Board of Supervisors convened on 30 March 2021 considered and approved the “Resolution on the 2020 Report of the Board of Supervisors”, the “Resolution on the 2020 Annual Report and Its Summary”, the “Resolution on the 2020 Financial Accounts Report”, the “Resolution on the 2020 Profit Distribution Plan”, the “Resolution on the 2020 Evaluation Report on Internal Control”, the “Resolution on the Re-election and Election of Non-employee Representative Supervisors of the Third Session of the Board of Supervisors”, the “Resolution on the Remuneration of Supervisors for 2021”, the “Resolution on the Special Report on the Deposit and Actual Use of Proceeds in 2020”, the “Resolution on the Temporary Replenishment of Liquidity by Using Part Of The Idle Proceeds”, the “Resolution on the Amendments to the Rules of Procedures of the Board of Supervisors” and the “Resolution on the 2020 Social Responsibility Report”.
2. The twenty-seventh meeting of the second session of the Board of Supervisors convened on 29 April 2021 considered and approved the “Resolution on the 2021 First Quarterly Report of the Company”.
3. The first meeting of the third session of the Board of Supervisors convened on 29 June 2021 considered and approved the “Resolution on the Election of the Chairman of the Third Session of the Board of Supervisors of the Company”.
4. The second meeting of the third session of the Board of Supervisors convened on 30 August 2021 considered and approved the “Resolution on the 2021 Interim Report of the Company and Its Summary”, the “Resolution on the Special Report on the Deposit and Actual Use of the Proceeds in the first half of 2021” and the “Resolution on Cash Management by Using Temporarily Idle Proceeds”.

5. The third meeting of the third session of the Board of Supervisors convened on 29 October 2021 considered and approved the “Resolution on the 2021 Third Quarterly Report of the Company”.
6. The fourth meeting of the third session of the Board of Supervisors convened on 15 November 2021 considered and approved the “Resolution on the Permanent Replenishment of Liquidity by Using Part Of The Surplus Proceeds”, the “Resolution on the Grant of a Reserved Portion of Restricted Shares to Participants”, the “Resolution on the First Grant of Part Of The First Attribution Tranche Fulfilling Vesting Conditions under the 2020 Restricted Share Incentive Scheme of the Company” and the “Resolution on the Nullification of the Restricted Shares Granted but yet to be attributed under the 2020 Restricted Share Incentive Scheme”.
7. The fifth meeting of the third session of the Board of Supervisors convened on 16 December 2021 considered and approved the “Resolution on Fulfillment of Exercise Conditions for the Third Exercise Period under the 2018 Share Option Incentive Scheme”.

II. OPINION OF THE BOARD OF SUPERVISORS ON RELATED MATTERS OF THE COMPANY

During the Reporting Period, the Board of Supervisors continued to perform its duties with diligence and in strict compliance with relevant laws and regulations. It regularly inspected the Company’s production and operation and the implementation of internal control policies, reviewed the financial reports of the Company, supervised the performance of duties by the Board and all senior management of the Company, and put forward opinions on improvement based on objectivity and practicality, fully exercising the supervisory and regulatory role of the Board of Supervisors. Upon review, the Board of Supervisors formed the following opinions on related matters of the Company:

(I) Compliant Operation of the Company

During the Reporting Period, the Board of Supervisors supervised and inspected the procedures for convening meetings of the Board and the Shareholders and resolutions at such meetings, the Board’s execution of resolutions made at general meetings, the performance of duties by senior management of the Company, the implementation of various management policies of the Company, and the Company’s production and operational conditions during the year. The Board of Supervisors is of the opinion that the relevant convening procedures of the Company’s general meetings and Board meetings were legal and valid, and the resolutions complied with laws, regulations and the requirements of the Articles of Association. The Board operated in a standardized manner and the decision-making procedures were scientific and reasonable. The Company’s internal governance was well-structured and a sound internal control mechanism was established. Directors and senior management of the Company performed their duties with integrity and diligence according to national laws, regulations and the requirements of the Articles of Association, and strictly executed the various resolutions

and authorizations made at the general meetings. The Board of Supervisors did not find any act that was illegal or non-compliant with laws, regulations or the Articles of Association or harmed the interests of the Company or its Shareholders.

The Board of Supervisors attended the general meetings according to the relevant requirements, reviewed and supervised the resolutions of the general meetings, and considers that the Board has effectively executed the resolutions of the general meetings.

(II) Financial Position of the Company

The Board of Supervisors carefully reviewed resolutions regarding the Company's regular financial reports and financial policies for the year 2021, and issued written review opinions. It is of the view that the preparation and review procedures of regular reports of the Company complied with the PRC Company Law, the PRC Securities Law, the Articles of Association, other relevant laws and regulations, and the requirements of the rules and internal control policies of the Company, and that the contents of the report truthfully, accurately and completely reflected the Company's financial position and operational results. In 2021, the Company's financial position was sound with year-on-year increase in operating income and standardized financial management.

The conclusion of the audit report, "Standard Unqualified Audit Opinion", issued by RSM China (Special General Partnership) (容誠會計師事務所(特殊普通合伙)) and Deloitte Touche Tohmatsu was true, fair and in line with the actual condition of the Company.

(III) Related Party Transactions of the Company

During the Reporting Period, the Board of Supervisors reviewed the related party transactions of the Company for the year. It is of the view that the related party transactions of the Company were conducted on arm's length basis, the pricing principles were in accordance with common business practices and requirements of relevant policies, the transactions were fair and reasonable, the decision-making procedures were standardized, and there was no harm to the interests of the Company or its Shareholders, especially interests of minority Shareholders.

During the Reporting Period, the Company's controlling Shareholder and related parties did not appropriate the funds of the Company for non-production and operation purposes. The external guarantees of the Company for the year were all guarantees provided to its wholly-owned subsidiaries, and the approval procedures thereof were performed in accordance with relevant regulations. There was no provision of guarantee in violation of regulations, or situation that resulted in the loss of the Company's assets.

(IV) Opinions on Internal Control System and Annual Self-evaluation on Internal Control

During the Reporting Period, the Board of Supervisors is of the opinion that the Company established an internal control system for all stages of production and operation according to relevant laws and the requirements of regulatory documents, such as Guideline No. 1 for the Application of Self-regulatory Rules for Companies Listed on the STAR Market of the Shanghai Stock Exchange – Standardized Operation* (《上海證券交易所科創板上市公司自律監管指引第1號–規範運作》), and the actual business needs of the Company. The internal control system continued to be optimized and each system was implemented strictly, thereby effectively ensuring the normal and orderly production and operation of the Company.

III. WORK ARRANGEMENT OF THE BOARD OF SUPERVISORS FOR 2022

The work plan of the Board of Supervisors for 2022 mainly includes the following aspects: supervising the Company's operation in compliance with laws and regulations and pushing forward the construction and effective operation of the internal control system; inspecting the Company's financial position, supervising the Company's financial operation, supervising the performance of duties of Directors and senior management personnel, and preventing acts that may harm the Company's interests; strengthening the supervision of the Company's related party transactions and other major matters and paying attention to information disclosure.

The Board of Supervisors will continue to strictly abide by laws, regulations and the requirements of the Articles of Association, faithfully and diligently perform its supervisory duties and continue to improve the Company's risk prevention and control, with an aim to provide solid protection for the Company's healthy and sustainable development and effectively safeguard the interests of the Company and its Shareholders.

Shanghai Junshi Biosciences Co., Ltd.*
Board of Supervisors
31 March 2022

The 2021 Financial Accounts Report and the 2021 financial statements of the Company have been prepared by the Company based on the operation and financial position for the year 2021, and have been audited by RSM China (Special General Partnership) (容誠會計師事務所 (特殊普通合夥)) which issued an audit report with a standard unqualified opinion (Rong Cheng Shen Zi [2022]230Z0387). The major financial data reflected in the consolidated accounting statements is as follows:

I. FINANCIAL POSITION

1. Asset structure

Unit: RMB'0,000

Item	Balance at the end of 2021		Balance at the end of 2020	
		Percentage		Percentage
Total assets	1,103,491	100.0%	799,741	100.0%
Current assets	584,489	53.0%	469,872	58.8%
Non-current assets	519,002	47.0%	329,869	41.2%

(1) Current assets increased by RMB1,146.17 million, representing an increase of 24.4% as compared to that of the previous year. In particular:

- 1) Cash and bank balances amounted to RMB3,506.64 million, which increased by RMB121.64 million as compared with the same period of the previous year, mainly due to the cash inflow from the proceeds of the placing of new H Shares completed by the Company in 2021 and the capital increase by Shanghai JunTop Biosciences Co., Ltd.* (上海君拓生物醫藥科技有限公司) (“**JunTop Biosciences**”), a controlled subsidiary of the Company, to external investors;
- 2) Accounts receivable increased by RMB702.80 million as compared with the same period of the previous year, mainly due to the significant increase in technology licensing revenue and royalties receivable by the Company;
- 3) Inventories increased by RMB141.18 million as compared with the same period of the previous year, mainly due to reserves of the Company for commercialized mass production of toripalimab and the raw materials required for trial production of Lingang industrialization project.

- (2) Non-current assets increased by RMB1,891.33 million, representing an increase of 57.3% as compared to that of the previous year. In particular:
- 1) Long-term equity investment increased by RMB391.62 million as compared with the same period of the previous year, mainly due to new investments in joint ventures and associates during the period: Shanghai Junpai Yingshi Bio Pharmaceutical Co., Ltd.* (上海君派英實藥業有限公司), Shanghai Junshi Xihai Biotechnology Co., Ltd.* (上海君實西海生物科技股份有限公司), Junshi Runjia (Shanghai) Pharmaceutical Technology Co., Ltd.* (君實潤佳(上海)醫藥科技有限公司), Suzhou Kebo Ruijun Biosciences Co., Ltd.* (蘇州科博瑞君生物醫藥科技有限公司), Suzhou Junjing Biomedical Technology Co., Ltd.* (蘇州君境生物醫藥科技有限公司), and undertook capital increase in Anwita Biosciences, Inc;
 - 2) Investment in other equity instruments increased by RMB253.58 million as compared with the same period of the previous year due to the new holding of ordinary shares of Coherus BioSciences, Inc. (“Coherus”) by the Company during the year. Since the Company does not participate in major decisions related to the operations of Coherus, does not have significant influence over Coherus, and plans to hold Coherus for a long period of time and not for trading purposes, the Company designated the investment as a financial asset at fair value through other comprehensive income;
 - 3) Other non-current financial assets increased by RMB416.81 million as compared with the same period of the previous year, mainly due to new external investment during the Reporting Period and the impact of changes in fair value of investment projects;
 - 4) Construction in progress increased by RMB386.38 million as compared with the same period of the previous year, mainly due to the rapid advancement of the industrialization project of innovative therapeutic monoclonal antibodies;
 - 5) Other non-current assets increased by RMB224.61 million as compared with the same period of the previous year, mainly due to the increase in prepayment for equipment and properties as well as security deposit.

2. Debt structure

Unit: RMB'0,000

Item	Balance at the end of 2021		Balance at the end of 2020	
	2021	Percentage	2020	Percentage
Total liabilities	271,854	100.0%	216,960	100.0%
Current liabilities	200,145	73.6%	147,246	67.9%
Non-current liabilities	71,708	26.4%	69,714	32.1%

In 2021, total liabilities amounted to RMB2,718.54 million. Gearing ratio was 24.6%, representing a decrease of 2.5 percentage points as compared to 27.1 percentage points of the previous year.

- (1) Current liabilities increased by RMB528.99 million as compared to that of the previous year. In particular:
- 1) Accounts payable increased by RMB787.01 million or by 98.7% as compared with the same period of the previous year, mainly due to the substantial increase in technical service fees payable;
 - 2) Taxes payable increased by RMB56.46 million as compared with the same period of the previous year, mainly due to the increase in withholding income tax payable for overseas revenue;
 - 3) Other payables decreased by RMB98.71 million as compared with the same period of the previous year, mainly due to the significant decrease in accrued daily operation expenses at the end of the year by 32.91 million as the Company's management efficiency improves. In addition, there was no investment payable at the end of 2021 (31 December 2020: RMB68.2 million);
 - 4) Non-current liabilities due within one year decreased by RMB211.26 million as compared with the same period of the previous year, mainly due to the repayment of long-term borrowings.
- (2) Non-current liabilities increased by RMB19.94 million as compared with the same period of the previous year, which was primarily due to increase in lease liabilities arising from new leases of office venues during the period.

3. Shareholders' equity (excluding minority interests)

Unit: RMB'0,000

Item	Balance at the end of 2021	Balance at the end of 2020	Year-on- year change
Equity attributable to shareholders of the parent company	794,510	582,781	36.3%
Share capital	91,076	87,250	4.4%
Capital reserve	1,142,271	863,238	32.3%
Other comprehensive income	21	(939)	(102.2)%
Retained earning	(438,859)	(366,768)	19.7%

At the end of 2021, total equity attributable to shareholders of the parent company amounted to RMB7,945.10 million, representing an increase of 36.3% as compared to that of the previous year. In particular:

- 1) Share capital was RMB910.76 million, representing an increase of RMB38.26 million as compared with the same period of the previous year, mainly due to the increase in share capital by RMB36.55 million arising from the issue of new H Shares by the Company on the Hong Kong Stock Exchange on 23 June 2021; and increase in share capital by RMB1.71 million arising from the exercise of share incentives for the second exercise period of the 2018 share incentive scheme;
- 2) Capital reserve was RMB11,422.71 million, representing an increase of RMB2,790.33 million as compared with the same period of the previous year, mainly due to the increase in capital reserve by RMB2,067.40 million arising from the issue of new H shares by the Company on the Hong Kong Stock Exchange on 23 June 2021.

II. OPERATING RESULTS:**1. Operating income and cost**

Unit: RMB'0,000

Item	2021	2020	Year-on- year change
Operating income	402,484	159,490	152.4%
Operating cost	124,454	37,253	234.1%
Business taxes and surcharges	707	772	(8.5)%

- 1) Operating income in 2021 increased by 152.4% as compared with the same period of the previous year, mainly due to the significant increase in technology licensing revenue, increase in royalties, and sales revenue from the commercialization of toripalimab injection (product name: TUOYI[®]) in the domestic market during the year;
- 2) Operating costs during the period increased by 234.1% as compared with the same period of the previous year, mainly due to the increase in costs corresponding to technology licensing revenue and royalties;
- 3) Consolidated gross profit margin for the period was 69.1%, representing a decrease of 7.6 percentage points as compared with the same period of the previous year, mainly due to the significant increase in the proportion of technology licensing income, with a gross profit margin of 50%, in the total revenue has increased.

2. Expenses for the period

Unit: RMB'0,000

Item	2021	2020	Year-on-year change
Selling expenses	73,456	68,797	6.8%
Administrative expenses	64,199	43,980	46.0%
R&D expenses	206,874	177,802	16.4%
Finance cost	3,137	2,119	48.0%

In 2021, the total expenses for the period was RMB3,476.66 million, representing an increase of RMB549.68 million or 18.8% as compared with the same period of the previous year. In particular:

- 1) Selling expenses amounted to RMB734.56 million, representing an increase of RMB46.59 million as compared with the same period of the previous year, basically remaining stable;
- 2) Administrative expenses amounted to RMB641.99 million, representing an increase of RMB202.19 million as compared with the same period of the previous year, mainly due to the increase in daily operating expenses due to the expansion of the Company's operation scale and organizational structure;

- 3) R&D expenses amounted to RMB2,068.74 million, representing an increase of RMB290.72 million as compared with the same period of the previous year, mainly due to i) increase in R&D expenses arising from continuous in-depth R&D of the Company's independent R&D pipelines and the rapid advancement in project progress; ii) expenditure on investing in various cooperative R&D projects to enrich and reserve the R&D pipelines of the Company; and iii) increase in staff costs arising from the expansion of R&D team, rise in remuneration level and implementation of the Restricted A Shares Incentive Scheme;
- 4) Finance cost amounted to RMB31.37 million, representing an increase of RMB10.18 million as compared with the same period of the previous year, mainly due to the impact of foreign exchange losses arising from the depreciation of the U.S. dollar.

3. Profitability

Unit: RMB'0,000

Item	2021	2020	Year-on-year change
Operating profit	(55,827)	(165,608)	N/A
Total profit	(59,500)	(167,243)	N/A
Net profit attributable to shareholders of the parent company	(72,091)	(166,861)	N/A

During the Reporting Period, the losses from operating profit, total profit and net profit attributable to shareholders of the parent company decreased by RMB1,097.81 million, RMB1,077.43 million and RMB947.70 million year-on-year, respectively, mainly due to the substantial increase in revenue from technology licenses and the addition of royalties in 2021.

III. CASH FLOW

1. Cash flow from operating activities

Net cash outflow from operating activities of the Company in 2021 amounted to RMB(605.05) million, representing a decrease of RMB851.33 million as compared to net outflow of the previous year, mainly attributable to the decrease in net cash outflow from receipt of technology licensing fees and royalties.

2. Cash flow from investing activities

Net cash outflow from investing activities in 2021 amounted to RMB(1,917.80) million, mainly due to the cash outflow as a result of the investment in the industrialization construction project and equity investment for strategic cooperation.

3. Cash flow from financing activities

Net cash flow from financing activities in 2021 amounted to RMB2,665.69 million, mainly being the funds raised from the completion of the issuance of new H Shares and the cash inflow from the increase in registered capital of JunTop Biosciences from external investors during the Reporting Period.

Shanghai Junshi Biosciences Co., Ltd.*

Board of Directors

31 March 2022

Details of the resolution in relation to the addition of the estimated external guarantee quota of the Company for 2022 are as follows:

- Name of the guaranteed party:

Junshi Biotechnology Co., Ltd.* (“**Junshi Biotechnology**”), Suzhou Junmeng Biosciences Co., Ltd.* (“**Suzhou Junmeng**”), Suzhou Junao Precision Medicine Co., Ltd.* (“**Suzhou Junao**”) and Suzhou Junshi Biotechnology Co., Ltd.* (“**Suzhou Junshi Biotechnology**”), all being wholly-owned subsidiaries of the Company;

- Amount of the guarantee:

In 2022, the Company proposes to add an estimated external guarantee quota by an amount not exceeding RMB4.2 billion. As of the date of this circular, the total amount of external guarantee provided by Company is RMB1.5 billion, of which the actual balance of guarantee for its wholly-owned subsidiary, Junshi Biotechnology, was RMB500 million, and the unused quota within the approved guarantee quota was RMB1 billion.

- No counter-guarantee has been provided for this guarantee.
- This matter shall be submitted to the Company’s 2021 AGM for consideration.

I. OVERVIEW OF THE GUARANTEE

(1) Overview of the situation

In order to meet the capital needs of the Company and its subsidiaries for production, operation and business development, taking into account the Company’s 2022 development plan, the Company intends to provide external guarantee for its wholly-owned subsidiaries, Junshi Biotechnology, Suzhou Junmeng, Suzhou Junao, and Suzhou Junshi Biotechnology, when they apply for credit or when needed in their daily operations, and the total guaranteed amount shall not exceed RMB4.2 billion in 2022. The amount, period, fee rate and other details of the guarantee shall be determined by the Company, Junshi Biotechnology, Suzhou Junmeng, Suzhou Junao, Suzhou Junshi Biotechnology, and financial institutions such as the lending bank within the aforementioned quota through negotiation. For matters relating to the guarantee, the signed guarantee documents shall prevail. The use of banking credit under the guarantee, and/or the projects involved should be in line with the Company’s approved business plan, and carried out and approved in accordance with the provisions of the Articles of Association.

The Board of Directors has proposed to the Shareholders at the general meeting to authorize the Chairman and persons authorized by the Chairman to handle, within the scope of the aforementioned guarantee quota, the specific matters for providing the guarantee within 12 months upon the approval of the Shareholders at the AGM according to the needs of the Company’s actual operating conditions.

(2) Review and approval procedures

At the eighth meeting of the third session of the Board of Directors held on 31 March 2022, the Company considered and approved the “Resolution on Addition of Estimated External Guarantee Quota for 2022”. The Independent Non-executive Directors have provided express independent opinion of consent on this matter, and this resolution shall be submitted to the 2021 AGM for consideration.

II. GENERAL INFORMATION OF THE GUARANTEED PARTIES**(1) Junshi Biotechnology Co., Ltd.**

Date of establishment: 29 June 2016

Place of registration: No. 1069 Xinyang Road, Lingang New Area, China (Shanghai) Pilot Free Trade Zone

Legal representative: Feng Hui

Scope of business: Engaging in technical services, technical consulting, technology development, and technology transfer in the fields of biotechnology and biopharmaceutical technology, as well as the import and export of goods and technologies. (Except for items that require approval in accordance with the law, business activities are carried out independently with business licenses in accordance with the law). Licensed items: pharmaceutical production; pharmaceutical sub-contracted production; pharmaceutical wholesale; pharmaceutical import and export; pharmaceutical retail. Projects that are subject to approval according to the law may only be carried out upon approval by relevant departments. The specific business projects are subject to the approval documents or licenses of the relevant departments.

Relationship with the Company: A wholly-owned subsidiary of the Company, the Company holds 100% of its shares.

Key financial data: At the end of 2021, Junshi Biotechnology had total assets of RMB2,744,898,000, total liabilities of RMB2,017,885,400, and net assets of RMB727,012,600. In 2021, Junshi Biotechnology recorded annual operating revenue of RMB68,753,400 and net loss of RMB260,207,900. After deducting non-recurring gains and losses, its net loss was RMB261,956,800. The above financial data for 2021 has been audited by RSM China (Special General Partnership).

Junshi Biotechnology is legally existing in accordance with the law, is not a dishonest person subject to enforcement, and has good capacity for the performance of contracts.

(2) Suzhou Junmeng Biosciences Co., Ltd.

Date of establishment: 12 October 2013

Place of registration: East of Changan Road, Wujiang Economic and Technological Development Zone (in Wujiang Science and Technology Innovation Park)

Legal representative: Feng Hui

Scope of business: Research and development of biopharmaceuticals and provide related technical consultation, technology transfer, and technical services; import and export business involving self-operation and agency of various commodities and technologies (except for commodities and technologies that are restricted by the state or prohibited from import and export). Projects that are subject to approval according to law may only be carried out upon approval by relevant departments.

Relationship with the Company: A wholly-owned subsidiary of the Company, the Company holds 100% of its shares.

Key financial data: At the end of 2021, Suzhou Junmeng had total assets of RMB680,433,000, total liabilities of RMB172,114,000, and net assets of RMB508,319,000. In 2021, Suzhou Junmeng recorded annual operating revenue of RMB428,410,900 and net profit of RMB6,302,700. After deducting non-recurring gains and losses, its net profit was RMB3,528,400. The above financial data for 2021 has been audited by RSM China (Special General Partnership).

Suzhou Junmeng is legally existing in accordance with the law, is not a dishonest person subject to enforcement, and has good capacity for the performance of contracts.

(3) Suzhou Junao Precision Medicine Co., Ltd.

Date of establishment: 10 January 2018

Place of registration: Unit 17-B501, Creative Industry Park, No. 328 Xinghu Street, Suzhou Industrial Park, Suzhou Area, China (Jiangsu) Pilot Free Trade Zone

Legal representative: Xiong Jun

Scope of business: Precision medicine technology research, technology transfer, technical services; medical project investment. Projects that are subject to approval according to law may only be carried out upon approval by relevant departments.

Relationship with the Company: A wholly-owned subsidiary of the Company, the Company indirectly holds 100% of its shares.

Key financial data: At the end of 2021, Suzhou Junao had total assets of RMB46,245,000, total liabilities of RMB1,195,900, and net assets of RMB45,049,000. In 2021, Suzhou Junao recorded annual operating revenue of nil and net loss of RMB1,250,500. After deducting non-recurring gains and losses, its net loss was RMB1,281,200. The above financial data for 2021 has been audited by RSM China (Special General Partnership).

Suzhou Junao is legally existing in accordance with the law, is not a dishonest person subject to enforcement, and has good capacity for the performance of contracts.

(4) Suzhou Junshi Biotechnology Co., Ltd.

Date of establishment: 19 June 2018

Place of registration: No.8 Weizheng Road, Suzhou Industrial Park

Legal representative: Xiong Jun

Scope of business: Engaging in technical services, technical consulting, technology development, and technology transfer in the fields of biotechnology and biopharmaceutical technology. Projects that are subject to approval according to law may only be carried out upon approval by relevant departments.

Relationship with the Company: A wholly-owned subsidiary of the Company, the Company indirectly holds 100% of its shares.

Key financial data: At the end of 2021, Suzhou Junshi Biotechnology had total assets of RMB104,463,800, liabilities of RMB32,559,200, and net assets of RMB71,904,600. In 2021, Suzhou Junshi Biotechnology recorded annual operating revenue of nil and net loss of RMB1,104,200. After deducting non-recurring gains and losses, its net loss was RMB1,027,400. The above financial data for 2021 has been audited by RSM China (Special General Partnership).

Suzhou Junshi Biotechnology is legally existing in accordance with the law, is not a dishonest person subject to enforcement, and has good capacity for the performance of contracts.

III. MAIN CONTENT OF THE GUARANTEE AGREEMENT

To date, except for the existing external guarantees with Junshi Biotechnology as the guaranteed party, the Company has not yet signed any relevant agreements with regard to new guarantees for 2022, and the above planned total amount of new guarantee shall be no more than the estimated guarantee quota that the Company intends to provide, and it will take effect after being submitted to the Company's general meeting for review and approval. When business actually occurs, the amount, period, fee rate and other details of the guarantee shall be determined by the Company, Junshi Biotechnology, Suzhou Junmeng, Suzhou Junao, Suzhou Junshi Biotechnology, and financial institutions such as the lending bank within the aforementioned quota through negotiation. For matters relating to the guarantee, the signed guarantee documents shall prevail.

IV. REASONS FOR AND NECESSITY OF THE GUARANTEE

Junshi Biotechnology, Suzhou Junmeng, Suzhou Junao and Suzhou Junshi Biotechnology, all being wholly-owned subsidiaries of the Company, have good prospects for business development. The present external guarantee to be provided by the Company is for the purpose of ensuring normal production and operation of its subsidiaries and the needs of the rapid development of project construction, as well as for the purpose of applying for credit by its subsidiaries and for their daily operation needs. The Company and relevant subsidiaries are operating in good condition, and the guarantee risks are controllable. There are no such circumstances that are detrimental to the interests of the Company and other Shareholders, especially minority Shareholders.

V. OPINION OF THE BOARD OF DIRECTORS

At the eighth meeting of the third session of the Board of Directors held on 31 March 2022, the Company considered and approved the "Resolution on Addition of Estimated External Guarantee Quota for 2022". The Board of Directors is of the view that the Company's addition of estimated external guarantee quota for 2022 has been determined after taking into comprehensive consideration of the business development needs of the Company and its subsidiaries, thus it is in line with the actual operating conditions and overall development strategy of the Company. The guaranteed party is a wholly-owned subsidiary of the Company, with good assets and credit, and the guarantee risks are controllable. The guarantee matters are in the interests of the Company and all Shareholders.

The Independent Non-executive Directors are of the view that the Company's addition of estimated external guarantee quota for 2022 was a reasonable estimate derived from the consideration of meeting the business needs of its wholly-owned subsidiaries to apply for credit and their daily operation needs, so as to ensure the orderly development of the Company's production and operation activities. The guaranteed subject within the quota listed are wholly-owned subsidiaries of the Company, which are in compliance with relevant laws and regulations and the relevant provisions of the Articles of Association and the Management

Policies for External Guarantee* (《對外擔保管理制度》) of the Company. The review procedures are legal and valid, and the guarantee risks are controllable. It is in line with the interests of the Company, and there is no such circumstance that was harmful to the Company or other Shareholders, especially the interests of minority Shareholders. Therefore, the Independent Non-executive Directors provided consent to the Company's addition of estimated external guarantee quota for 2022.

VI. CUMULATIVE AMOUNT OF EXTERNAL GUARANTEES AND AMOUNT OF OVERDUE GUARANTEES

As of the date of this circular, the Company's total external guarantee amounted to RMB1.5 billion (representing the sum of the unused limit within the approved guarantee quota and the actual balance of the guarantee, excluding the guarantee quota to be approved), accounting for 18.88% and 13.59% of the latest audited net assets and total assets of the Company, respectively, of which, the actual balance of guarantee for its wholly-owned subsidiary, Junshi Biotechnology, was RMB500 million, accounting for 6.29% and 4.53% of the latest audited net assets and total assets of the Company, respectively, and the unused approved guarantee quota was RMB1 billion. As at the date of this circular, the Company does not have overdue guarantees.

Note: Financial figures set out in the above resolution is prepared in accordance with PRC GAAP.

NOTICE OF 2021 AGM

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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)

NOTICE OF THE 2021 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2021 annual general meeting (the “AGM”) of Shanghai Junshi Biosciences Co., Ltd.* (the “Company”) will be held at 15th Floor, Building 7, No. 6, Lane 100, Pingjiaqiao Road, Pudong New Area, Shanghai, the People’s Republic of China on Wednesday, 29 June 2022 at 2:00 p.m., for the following purposes:

ORDINARY RESOLUTIONS⁽⁹⁾

1. The proposal in relation to the 2021 Report of the Board of Directors
2. The proposal in relation to the 2021 Report of the Board of Supervisors
3. The proposal in relation to the 2021 Annual Report and its summary
4. The proposal in relation to the 2021 Financial Accounts Report
5. The proposal in relation to the 2021 Profit Distribution Plan
6. The proposal in relation to the application to bank(s) for credit lines for 2022
7. The proposal in relation to the remuneration of Directors for 2022
8. The proposal in relation to the remuneration of Supervisors for 2022
9. The proposal in relation to the appointment of the PRC and overseas auditors for 2022
10. The proposal in relation to the purchase of liability insurance for the Company, its Directors, Supervisors, and senior management
11. The proposal in relation to the appointment of executive Director⁽¹⁰⁾

NOTICE OF 2021 AGM

SPECIAL RESOLUTIONS⁽⁹⁾

12. The proposal in relation to the addition of estimated external guarantee quota for 2022
13. The proposal in relation to the grant of the general mandate to issue domestic and/or overseas debt financing instruments

In order to meet the needs of the Company's business development, reduce financing costs and seize market opportunities in a timely manner, in accordance with the PRC Company Law, the Hong Kong Listing Rules, and other relevant laws and regulation, as well as the Articles of Association and other relevant requirements, the Board of Directors intends to propose to the Shareholders at the general meeting to generally and unconditionally authorize the Board of Directors (and for the Board of Directors to sub-delegate the Chairman and his authorized person(s)) to determine and implement specific matters regarding the issuance of debt financing instruments within the quota as approved by the Shareholders at the general meeting:

I. Principal terms for issuance of the debt financing instruments

1. Categories of the debt financing instruments: The relevant debt financing instruments include, but are not limited to, short-term debentures, super short-term debentures, medium term notes, private placement debt financing instruments, enterprise bonds, corporate bonds, H Share convertible bonds, offshore RMB bonds and foreign currency bonds, perpetual bonds and other domestic and overseas debt financing instruments denominated in RMB or foreign currency permitted by the competent regulatory authority.
2. Size of issuance: The size of issuance of domestic and overseas debt financing instruments totaling not more than RMB2,500 million (or an equivalent amount in foreign currency) (calculated based on the aggregate balance outstanding upon the issuance and, in the case of an instrument denominated in a foreign currency, based on the median rate of the exchange rates published by the People's Bank of China on the date of the issuance) is authorized to be issued either one-off or in tranches within the validity period of such authorization.
3. Currency of issuance: The currency of issuance of debt financing instruments may be RMB or foreign currency based on the review and approval results of the issuance of debt financing instruments and the domestic and overseas market conditions of debt financing instruments at the time of such issuance.

NOTICE OF 2021 AGM

4. Term and interest rate: The maximum term shall be no more than 10 years, with a single term or hybrid type of multiple terms. Domestic debt financing instruments with an indefinite term will not be subject to the above time limit. The specific term, the size of issuance of each term and type of debt financing instruments and their interest rates shall be determined by the Board of Directors or the Chairman and his authorized person(s) in accordance with the relevant regulations and the prevailing market conditions.
5. Issuer: The Company or its domestic or overseas wholly-owned subsidiary, or special-purpose vehicle established by the Company. If a domestic or overseas wholly-owned subsidiary or special-purpose vehicle is the issuer of debt financing instruments, the Company shall provide guarantees (including those provided by the issuer of debt financing instruments itself and/or by the Company) within the quota for issuance of its debt financing instruments, enter into a keep-well agreement or adopt a third-party credit enhancement method for such issuance.
6. Issuance price: The specific issuance price shall be determined by the Board of Directors or the Chairman and his authorized person(s) in accordance with relevant regulations and market conditions.
7. Use of proceeds: It is expected that, after deducting the issuance expenses, the proceeds raised from the issuance of debt financing instruments are to be used for purposes including meeting the needs of daily operations, repaying loans, replenishing working capital and/or investment, acquisition. The specific use of proceeds shall be determined by the Board of Directors or the Chairman and his authorized person(s) in accordance with the capital needs of the Company from time to time.
8. Method of issuance: It shall be determined based on the approval process of debt financing instruments, and the domestic and overseas market conditions of debt financing instruments at the time of such issuance.
9. The debt financing instruments to be issued are proposed to be listed on the Inter-bank Bond Market, the Shanghai Stock Exchange, the Hong Kong Stock Exchange, or other domestic or foreign exchanges.

NOTICE OF 2021 AGM

II. Authorization for issuance of debt financing instruments

1. It is proposed that the Shareholders at the general meeting to generally and unconditionally authorize the Board of Directors (and for the Board of Directors to sub-delegate the Chairman and his authorized person(s)) to determine in their absolute discretion, and deal with all matters in respect of the issuance of debt financing instruments in accordance with the Company's needs from time to time as well as the market conditions, including but not limited to:
 - (1) to determine and implement the specific proposal of the issuance of debt financing instruments, including but not limited to the establishment and determination of the appropriate issuer, the type of the debt financing instruments to be issued, the method of issuance, currency, the nominal value of debt financing instruments, issue price, size of issuance, interest rate or its determination mechanism, issuance targets, markets for issuance, timing of issuance, term of issuance, issuance in instalments and number of tranches (if applicable), sale-back clause and redemption clause (if applicable), option for raising the coupon rate (if applicable), rating arrangement, guarantees (if applicable), principal and interest repayment period, conversion price, use of proceeds, specific placing arrangement, underwriting arrangement, debt repayment guarantee and all matters in relation to the proposed issuance of debt financing instruments.
 - (2) to carry out all necessary and ancillary actions and procedures in relation to the issuance of debt financing instruments, including but not limited to, engaging intermediary institutions, applying for and handling all approval, registration and filing procedures with the relevant government departments and/or regulatory authorities in connection with the issuance of debt financing instruments on behalf of the Company, executing, revising and implementing all necessary legal documents relating to the issuance of debt financing instruments, selecting trustee(s) for the issuance of debt financing instruments, formulating the rules for meetings of the holders of bonds, handling any information disclosure matters related to debt financing instruments in accordance with the applicable laws, regulations and requirements from regulatory authorities, and handling other matters in connection with the issuance and trading of debt financing instruments.
 - (3) in the event of changes in regulatory policies or market conditions, except for the matters which must be voted on at the general meeting of the Company in accordance with relevant laws, regulations and the Articles of Association, subject to the scope of the authorization

NOTICE OF 2021 AGM

by the Shareholders at the general meeting, to adjust relevant matters such as the specific plan for issuing debt financing instruments in accordance with the opinion of the regulatory authorities or in response to changes in market conditions, or to determine whether or not to continue the work for such issuance in accordance with actual conditions.

- (4) to determine and handle all relevant matters in connection with the listing of debt financing instruments to be issued on the Inter-bank Bond Market, the Shanghai Stock Exchange, the Hong Kong Stock Exchange or other domestic or foreign exchanges based on market conditions.
 - (5) to handle any other specific matters related to the issuance of debt financing instruments and execute all relevant or necessary documents.
2. To agree that at the time of the approval and authorization of the above matters by the Shareholders at the general meeting, the Board of Directors be further authorized to delegate the Chairman and his authorized person(s) to implement the issuance of debt financing instruments in accordance with the Company's needs and other market conditions.
 3. To authorize the Chairman and his authorized person(s) to approve, execute and publish relevant documents, announcements and circulars and make relevant information disclosure in accordance with the applicable rules and regulations in the place where the Shares are listed.

III. The validity period of authorization for issuance of debt financing instruments

The validity period of authorization for issuance of debt financing instruments shall be effective from the date of approval at the 2021 AGM until the earliest of: (1) the conclusion of the 2022 annual general meeting of the Company; and (2) the revocation or variation of the general mandate by the Shareholders in general meeting.

If the Board of Directors or the Chairman and his authorized person(s) have resolved to issue the debt financing instruments within the validity period of the authorization and the Company has also obtained the approval, permission or registration (if applicable) for such issuance from the regulatory authorities within the validity period of the authorization, the Board of Directors or the Chairman and his authorized person(s) of the Company may complete the issuance of debt financing instruments within the validity period as confirmed by such approval, permission or registration.

NOTICE OF 2021 AGM

If this resolution is approved at the general meeting, the matters relating to the issue of overseas bonds that the Board of Directors decides and conducts shall be carried out in accordance with the authorization of the resolution within the validity period of the aforementioned authorization to issue debt financing instruments.

The Board of Directors will only exercise the powers under the abovementioned mandate pursuant to the PRC Company Law, the Hong Kong Listing Rules and the Articles of Association, and if all necessary approvals (if needed) from relevant governmental authorities are obtained.

14. The proposal in relation to the grant of the general mandate to issue additional A Shares and/or H Shares

In order to seize market opportunities and ensure flexibility to issue new Shares, it is proposed at the AGM to approve the grant to the Board of Directors of an unconditional general mandate to authorize the Board of Directors to, subject to market conditions and the needs of the Company, separately or concurrently issue, allot and deal with A Shares and/or H Shares or securities convertible into such shares, options, warrants or similar rights to subscribe for any A Shares and/or H Shares in the Company (“**Similar Rights**”) not exceeding each of 20% of the issued A Shares or overseas-listed foreign shares (H Shares) in issue as at the date of passing the resolutions at the AGM, and to approve and execute all necessary documents, submit all necessary application procedures to the relevant authorities and take other necessary actions for the completion of the above matters:

I. Authorization matters of additional issuance of A Shares and/or H Shares or Similar Rights

1. It is proposed at the AGM to approve the grant of an unconditional general mandate to the Board of Directors (and the Board to authorize the Chairman and his authorized person(s)) (unless the delegation of authority is stipulated otherwise by relevant laws and regulations) to, with full discretion, separately or concurrently allot, issue and deal with A Shares and/or H Shares or Similar Rights in accordance with the needs of the Company from time to time and market conditions, and determine the terms and conditions for allotting, issuing and dealing with the new Shares or Similar Rights, including but not limited to:
 - (1) subject to market conditions and the needs of the Company, to issue, allot and deal with additional Shares of A Shares and/or H Shares, and to make or grant offer proposals, agreements or options in respect of such Shares.

NOTICE OF 2021 AGM

- (2) the number of A Shares and/or H Shares (excluding the shares issued by way of capitalization of capital reserve fund) to be allotted or agreed conditionally or unconditionally to be allotted, issued and dealt with (whether pursuant to an option or otherwise) as approved by the Board of Directors shall not exceed each of 20% of the A Shares and/or H Shares in issue as at the date of passing this resolution at the AGM.
 - (3) to formulate and implement the specific issue plan, including but not limited to the type, pricing method and/or issue price (including price range), issue size, allottees of the new Shares to be issued and the use of proceeds, the timing and the period of issue and determine whether to place to existing Shareholders.
 - (4) to engage intermediaries for matters related to the issuance under the general mandate; to approve and execute all relevant acts, deeds, documents and other related matters necessary, appropriate, desirable and relevant for the issuance; to review, approve and execute on behalf of the Company the agreements related to the issuance, including but not limited to placing and underwriting agreements and intermediaries engagement agreements.
 - (5) to review, approve and execute on behalf of the Company legal documents related to the issuance submitted to relevant regulatory authorities. To perform relevant approval procedures pursuant to the requirements of regulatory authorities and the place where the Company is listed, and complete all necessary filing, registration and record procedures in relevant government departments in Hong Kong and/or any other regions and jurisdictions (if applicable).
 - (6) to make amendments to the relevant agreements and legal documents in respect of items (4) and (5) above in accordance with requirements of the regulatory authorities where the Company is listed.
 - (7) to approve the Company to increase its registered capital upon the issuance of new Shares and make amendments to the Articles of Association in respect of the total amount of registered capital, shareholding structure and other relevant contents and to authorize the operation management of the Company to carry out relevant procedures in accordance with domestic and overseas requirements.
2. To agree that upon obtaining the approval and authorization granted by the Shareholders at the AGM for the above matters, the Chairman and his authorized person(s) be further authorized by the Board of Directors to implement matters for the issuance of additional A Shares and/or H Shares or Similar Rights according to the Company's needs and other market conditions.

NOTICE OF 2021 AGM

3. To authorize the Chairman and his authorized person(s) to approve, sign and publish relevant documents, announcements and circulars and make relevant information disclosures in accordance with applicable regulatory rules at places where the Company are listed.

II. Authorization period of issuance of additional A Shares and/or H Shares or Similar Rights of the Company

Authorization matters of issuance of additional A Shares and/or H Shares or Similar Rights of the Company commence from the date of approval at the 2021 AGM to the earliest date among the following three: (1) the expiry of 12 months after the date of approval at the 2021 AGM; (2) the date of conclusion of the 2022 annual general meeting; or (3) the date of the general mandate being revoked or modified by Shareholders through resolution at any general meeting.

If the Company commences the allotment and issuance of new Shares or Similar Rights based on the limit under the general mandate of the previous year, but fails to complete the issuance before the expiration of such general mandate, it may continue to implement the allotment and issuance based on the limit under the general mandate of the current year without exceeding such limit.

Subject to all necessary approvals (if any) of relevant government authorities, the power under the abovementioned general mandate shall only be exercised by the Board of Directors in accordance with the PRC Company Law, the Hong Kong Listing Rules and the Articles of Association.

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

Shanghai, PRC, 8 June 2022

NOTICE OF 2021 AGM

Notes:

1. Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”), any vote of shareholders at a general meeting will be taken by poll. As such, each of the resolutions set out in the notice of AGM will be voted by poll. Results of the poll will be published on the Company’s website at www.junshipharma.com and the Stock Exchange’s website at www.hkexnews.hk after the AGM in accordance with the Listing Rules.
2. The register of members of H shares of the Company will be closed from Tuesday, 21 June 2022 to Wednesday, 29 June 2022, both days inclusive, during which period no transfer of H shares of the Company will be registered, in order to determine the entitlements of the shareholders of the Company to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfers of H shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s H share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong (for holders of H shares) before 4:30 p.m. on Monday, 20 June 2022, being the last share registration date.
3. A shareholder entitled to attend and vote at the meeting may appoint one or more persons as his/her proxy(ies) to attend and vote on his/her behalf. A proxy need not be a shareholder of the Company but must attend the meeting in person to represent the member.
4. The instrument appointing a proxy must be in writing and signed by the appointing shareholder or his duly authorized attorney in writing. Where the appointing shareholder is a legal entity, such instrument must be either under its common seal or duly signed by its legal representative, director(s) or duly authorized attorney(s).
5. Shareholders who intend to attend the meeting by proxy should complete the proxy form. For holders of H shares, the proxy form should be returned to the Company’s H Share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, in person or by post as soon as possible not less than 24 hours before the time fixed for holding the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending the meeting and any adjournment thereof and voting in person. In such event, the form of proxy shall be deemed to be revoked.
6. The AGM is expected to last for less than half a day. Shareholders (in person or by proxy) who attend the AGM should bear their own transportation and accommodation expenses. Shareholders or their proxies attending the AGM shall present their identification documents.
7. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders be present at the meeting, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
8. Unless otherwise stated, capitalized terms used herein shall have the same meanings as that defined in the circular of the Company dated 8 June 2022 (“**Circular**”). References to times and dates in this notice are to Hong Kong local times and dates.
9. Further details of the resolutions have been included in the Circular to be despatched to shareholders by the Company.
10. Further details of the resolution are set out in the Circular in relation to the proposed appointment of Dr. Zou Jianjun as an executive director of the Company.
11. This notice of AGM is despatched to the holders of H shares only. The notice of AGM to the holders of A Shares is separately published on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn/>).

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

* *For identification purpose only.*