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JW (Cayman) Therapeutics Co. Ltd

藥明巨諾（開曼）有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2126)

GRANT OF SHARE OPTIONS AND GRANT OF RESTRICTED SHARE UNITS

This announcement is made by JW (Cayman) Therapeutics Co. Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 17.06A, 17.06B and 17.06C of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company announces that, on August 29, 2023, the Company granted to certain eligible employees of the Company (the “**Grantee(s)**”) (i) a total of 1,647,560 share options (the “**Options**”) pursuant to the terms of Post-IPO Incentivization Scheme of the Company (the “**Post-IPO Incentivization Scheme**”) adopted on October 14, 2020; and (ii) a total of 980,776 restricted share units (the “**RSUs**”) pursuant to the Post-IPO Restricted Share Unit Scheme of the Company (the “**Post-IPO Restricted Share Unit Scheme**”) adopted on October 14, 2020.

GRANT OF SHARE OPTIONS

On August 29, 2023, the Company granted to the Grantees a total of 1,647,560 Options pursuant to the terms of the Post-IPO Incentivization Scheme. Details of the Options granted are set out below:

Date of Grant:	August 29, 2023 (the “ Date of Grant ”)
Number of Options granted:	1,647,560 Options, each Option entitling the Grantee of the Option to subscribe for one share of the Company (the “ Share ”) at the exercise price mentioned below
Exercise price of Options granted:	HK\$2.46 per Share, which represents the highest of (i) the closing price of the Shares of HK\$2.46 per Share as stated in the daily quotation sheet issued by the Stock Exchange on the Date of Grant; (ii) the average closing price of the Shares of HK\$2.30 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant; and (iii) the nominal value of each Share, which is US\$0.00001.
Closing price of the Shares on the Date of Grant:	HK\$2.46 per Share
Validity period of the Options:	August 29, 2023 to August 28, 2033, both date inclusive
Vesting schedules of the Options:	There are two types of vesting schedules: (i) with 30% of total Options vesting on the second anniversary of the vesting commencement date and the remaining 30% and 40% shall vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively; and (ii) with 25% of total Options vesting on the first anniversary of the vesting commencement date and the remaining 25%, 25% and 25% shall vest on the second anniversary, third anniversary and fourth anniversary of the vesting commencement date, respectively.

Performance targets:

The vesting of the Options granted is conditional upon the Grantees having fulfilled certain performance targets and other requirements as set out in the option letters entered into between the Company and the Grantees. Such performance targets include the Grantees' individual appraisal results with respect to the relevant vesting period. The Options will only be vested if the Grantee passes his or her respective performance evaluation for the fiscal year preceding the corresponding vesting period. If the Grantee fails to achieve, the unvested Options of the corresponding vesting period shall automatically lapse.

Clawback mechanism:

The Options granted are subject to the clawback mechanism as set out in the terms of the Post-IPO Incentivization Scheme. An Option shall lapse automatically and not be exercisable (to the extent not already exercised) including:

- (a) the date on which the Grantee ceases to be an eligible participant by reason of termination of the Grantee's employment or engagement with the Company on the grounds that he/she has been guilty of serious misconduct or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which an employer would be entitled to terminate his or her employment summarily;
- (b) he/she appears either to be unable to pay or to have no reasonable prospect of being able to pay his or her debts or has become bankrupt or has made any arrangement or composition with his or her creditors generally;
- (c) the Grantee joins a company which the Board believes in its sole and reasonable opinion to be a competitor of the Company;

- (d) the date on which the Grantee (being a corporation) appears either to be unable to pay or to have no reasonable prospect of being able to pay its debts when they fall due or has become insolvent or has made any arrangement or composition with its creditors generally; and
- (e) unless the Board otherwise determines, and other than in the circumstances referred to in Sections 6.3(a) or (b) of the Post-IPO Incentivization Scheme, the date the Grantee ceases to be a participant (as determined by a Board resolution) for any other reason.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as disclosed in this announcement, none of the Options Grantees is (i) a Director, chief executive, substantial shareholder of the Company, or an associate of any of them; or (ii) a participant with options and awards granted and to be granted exceeding the 1% individual limit under Rule 17.03D of the Listing Rules; or (iii) a related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the total issued Shares of the Company. None of the Options grant will be subject to approval by the Shareholders. No financial assistance has been provided by the Group to the Options Grantees for the purchase of the Shares under the Post-IPO Incentivization Scheme.

GRANT OF RESTRICTED SHARE UNITS

The Board is pleased to announce that on August 29, 2023, the Company granted a total of 980,776 RSUs pursuant to the Post-IPO Restricted Share Unit Scheme. Details of the Grantees, the corresponding number of RSUs granted and vesting schedule are set out below:

Date of Grant: August 29, 2023

Number of RSUs granted: 980,776 RSUs

Each RSU entitling the Grantee of the RSU to receive one Share subject to vesting.

Validity period of the RSUs: August 29, 2023 to August 28, 2033

Purchase price of RSUs granted: Nil

Closing price of the Shares
on the Date of Grant: HK\$2.46 per Share

Vesting schedules of the RSUs: There are two types of vesting schedules:

- (i) with 30% of total RSUs vesting on the second anniversary of the vesting commencement date and the remaining 30% and 40% shall vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively; and
- (ii) with 25% of total RSUs vesting on the first anniversary of the vesting commencement date and the remaining 25%, 25% and 25% shall vest on the second anniversary, third anniversary and fourth anniversary of the vesting commencement date, respectively.

Performance targets: The vesting of the RSUs granted is conditional upon the Grantees having fulfilled certain performance targets and other requirements as set out in the award agreements entered into between the Company and the Grantees (the “**Award Agreements**”). Such performance targets include the Grantees’ individual appraisal results with respect to the relevant vesting period. The RSUs will only be vested if the Grantee passes his or her respective performance evaluation for the fiscal year preceding the corresponding vesting period. If the Grantee fails to achieve, the unvested RSUs of the corresponding vesting period shall automatically lapse.

Clawback mechanism: Upon the cessation of the Grantee’s status as an eligible participant, all unvested RSUs will immediately be forfeited without consideration upon cessation; and/or if the Board at its absolute discretion determines that the Grantee has committed any of the actions that constitute one or more grounds of “Cause” as stipulated in the Award Agreements, the Board may determine that any unvested RSUs will immediately be forfeited without consideration.

Upon the cessation of the Grantee's status as an eligible participant for "Cause" as stipulated in the Award Agreements, any vested but unsettled RSUs will immediately be forfeited upon cessation; and/or if the Board at its absolute discretion determines that the Grantee has committed any of the actions that constitute one or more grounds of Cause, the Board may determine that any vested but unsettled Restricted Share Units will immediately be forfeited without consideration, and the Company shall not be obligated to settle or issue any Shares underlying such vested but unsettled RSUs.

For the purpose of the Award Agreements, "Cause" shall mean any one or more of the following grounds including (a) the Grantee has been guilty of serious misconduct or has found to have materially breached the terms of employment or services during his or her employment or services (regardless of whether such employment contract or services has already been terminated), including without limitation, violation of the Company's rules and policies, or (ii) the Grantee has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his or her creditors generally, or (iii) the Grantee has been convicted of any criminal offence involving his or her integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his or her employment at law or pursuant to any applicable laws or under the Grantee's employment or service contract with the Company or the relevant subsidiary of the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as disclosed in this announcement, none of the RSU Grantees is (i) a Director, chief executive, substantial shareholder of the Company, or an associate of any of them; or (ii) a participant with options and awards granted and to be granted exceeding the 1% individual limit under Rule 17.03D of the Listing Rules; or (iii) a related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the total issued Shares of the Company. None of the RSU grant will be subject to approval by the Shareholders. No financial assistance has been provided by the Group to the RSU Grantees for the purchase of the Shares under the Post-IPO Restricted Share Unit Scheme.

The Company has appointed a trustee (the “**Trustee**”) to assist with the administration and vesting of the RSUs. A certain amount of Shares were allotted and issued to the Trustee on October 16, 2020 which are held in trust by the Trustee for the satisfaction of RSUs upon vesting (including all the RSUs granted as mentioned above). For further details of the Post-IPO Restricted Share Unit Scheme, please refer to the Company’s 2022 Annual Report published on April 26, 2023. As no new Shares will be issued by the Company as a result of the grant of RSUs as mentioned above, the grant of RSUs as mentioned above will not result in any dilution effect on the shareholdings of existing shareholders of the Company.

The number of Shares available for future grant under the mandate of the Post-IPO Incentivization Scheme and the Post-IPO Restricted Share Unit Scheme are 15,966,635 share options and 4,190,697 RSUs, respectively.

By order of the Board
JW (Cayman) Therapeutics Co. Ltd
藥明巨諾（開曼）有限公司*
Yiping James Li
Chairman

Shanghai, PRC, August 29, 2023

As at the date of this announcement, the Board comprises Dr. Yiping James Li as Chairman and executive Director, Dr. Krishnan Viswanadhan, Ms. Xing Gao, Dr. Ann Li Lee, Mr. Jinyin Wang and Dr. Cheng Liu as non-executive Directors, and Mr. Yiu Leung Andy Cheung, Mr. Kin Cheong Kelvin Ho and Dr. Debra Yu as independent non-executive Directors.

* For identification purpose only