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*The offering of securities referred to in this announcement is being made only by means of a prospectus in the United States. The offering will be made pursuant to a shelf registration statement on Form S-3ASR, which became automatically effective upon filing with the U.S. Securities and Exchange Commission (“**SEC**”) on April 19, 2024. A preliminary prospectus supplement related to the proposed ADS offering is being filed with the SEC. Copies of the registration statement on Form S-3ASR, the preliminary prospectus supplement and the accompanying prospectus may be obtained from: (i) Goldman Sachs & Co. LLC, Prospectus Department, 200 West Street, New York, NY, facsimile: 212-902-9316 or by emailing Prospectus-ny@ny.email.gs.com, (ii) Jefferies LLC, c/o Equity Syndicate Prospectus Department, 520 Madison Avenue, New York, NY 10022, by telephone at (877) 821-7388, or by email at Prospectus_Department@Jefferies.com and (iii) Leerink Partners LLC, c/o Syndicate Department, 53 State Street, 40th Floor, Boston, MA 02109, by telephone at (800) 808-7525, ext. 6105, or by email at syndicate@leerink.com. Any investment decision should be made on the basis of the final terms and conditions of the securities and the information contained in such prospectus supplement and not on the basis of this presentation which does not constitute or form part of an offer or solicitation of an offer to purchase any securities.*



Zai Lab Limited

再鼎醫藥有限公司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9688)

OFFERING OF AMERICAN DEPOSITARY SHARES AND ISSUANCE OF UNDERLYING SHARES UNDER GENERAL MANDATE

OFFERING OF ADS AND ISSUANCE OF UNDERLYING SHARES

Reference is made to the Company’s announcements dated November 14, 2024 in relation to the Offering.

On November 13, 2024 (U.S. Eastern time), the Company filed the Preliminary Prospectus Supplement with the SEC in relation to the Offering.

On November 14, 2024 (U.S. Eastern time), the Company and the Underwriters entered into the Underwriting Agreement in relation to the Offering, pursuant to which the Company agreed to issue and sell to the Underwriters an aggregate of 7,843,137 ADSs (representing 78,431,370 Underlying Shares with the aggregate nominal value of US\$470.59) at the Offer Price. Each ADS represents ten (10) Ordinary Shares as Underlying Shares.

The Company also granted to the Underwriters a 30-day option (the “**Option**”) to purchase up to an additional 1,176,470 ADSs to be issued in the Offering (representing 11,764,700 Underlying Shares with the aggregate nominal value of US\$70.59) at the Offer Price less the underwriting discounts and commissions.

Principal terms of the Offering and the issuance of the Underlying Shares in relation thereto under the General Mandate are set out as follows:

Underwriters

- (a) Goldman Sachs (Asia) L.L.C.;
- (b) Jefferies LLC; and
- (c) Leerink Partners LLC

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Underwriters and their ultimate beneficial owner(s) are Independent Third Parties.

Target Placees

It is expected that the ADSs will be placed to not fewer than six Placees. To the best of the knowledge, information and belief of the Directors and the Underwriters, the Placees and the ultimate beneficial owners of the Placees are or will be, as the case may be, Independent Third Parties.

ADSs and Ordinary Shares

The ADSs to be offered represent newly issued Ordinary Shares as underlying securities. Each ADS represents ten (10) Underlying Shares. The nominal value of each Ordinary Share is US\$0.000006.

The Company will offer 7,843,137 ADSs (representing 78,431,370 Underlying Shares with total nominal value of US\$470.59 in aggregate), being the Underwritten ADSs. The Company also granted to the Underwriters a 30-day option to purchase up to an additional 1,176,470 ADSs (representing 11,764,700 Underlying Shares with total nominal value of US\$70.59 in aggregate), being the Option ADSs, from the Company at the Offer Price less the underwriting discounts and commissions.

As at the date of this announcement, the Company has 996,087,670 Ordinary Shares in issue. Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Closing Date, the total number of 90,196,070 Underlying Shares (assuming the Option will be fully exercised) represents:

- (i) approximately 9.06% of the existing issued Ordinary Shares as at the date of this announcement; and
- (ii) approximately 8.30% of the issued Ordinary Shares as enlarged by the allotment and issue of the Underlying Shares.

Offer Price

The Offer Price of US\$25.50 per ADS is equivalent to approximately HK\$19.84 per Underlying Share, which represents:

- (i) a discount of approximately 4.39% to the closing price per ADS of US\$26.67 as quoted on Nasdaq on November 14, 2024 (U.S. Eastern time), being the last trading day immediately prior to the date of the Underwriting Agreement and the pricing date;
- (ii) a discount (calculated based on the ten-to-one share-to-ADS ratio) of approximately 10.64% to the closing price per Ordinary Share of HK\$22.20 as quoted on the Stock Exchange on November 14, 2024 (Hong Kong time), being the last trading day immediately prior to the date of the Underwriting Agreement and the pricing date; and
- (iii) a discount (calculated based on the ten-to-one share-to-ADS ratio) of approximately 16.89% to the average closing price per Ordinary Share of approximately HK\$23.87 as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to November 14, 2024 (Hong Kong time).

The Offer Price was determined on an arm's length basis between the Company and the Underwriters, with reference to the market condition and the prevailing market prices of the ADSs and the Ordinary Shares.

Ranking of the Underlying Shares

The Underlying Shares, when issued and fully paid, shall rank *pari passu* in all respects with the Ordinary Shares then in issue, including the right to receive all dividends and/or distributions declared, made or paid at any time after the date of issuance.

Lock-up agreements

The Company agreed, for a period ending 90 days following the date of the final prospectus supplement, not to (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act relating to, any ADSs or Ordinary Shares or securities convertible into or

exchangeable or exercisable for any ADSs or Ordinary Shares (“**Convertible Securities**”) or publicly disclose such intention (other than, for the avoidance of doubt, the ADSs to be sold in the Offering), or (ii) enter into any swap or other arrangement that transfers all or a portion of the economic consequences of the ownership of any ADSs or Ordinary Shares or any such other securities regardless of whether any of these transactions described in (i) or (ii) are to be settled by the delivery of ADSs, Ordinary Shares, or such other securities, in cash or otherwise, in each case without the prior written consent of Goldman Sachs (Asia) L.L.C. and Jefferies LLC, other than certain customary carve-outs, including, among other things, (1) the ADSs to be sold under the Offering, (2) any Ordinary Shares or ADSs issued, or options or awards granted under the Company’s equity incentive plans, (3) the issuance of Convertible Securities in connection with the hiring of new employees or (4) any Ordinary Shares or Convertible Securities in connection with any acquisition, collaboration, licensing or other joint venture or strategic transaction or any debt financing transaction involving the Company.

The Company’s executive officers and Directors have agreed, for a period of 90 days after the date of the final prospectus supplement, not to, in each case without the prior written consent of Goldman Sachs (Asia) L.L.C. and Jefferies LLC, other than customary carve-outs, (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any ADSs or Ordinary Shares or any Convertible Securities, or publicly disclose; (2) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the ADSs or Ordinary Shares or such other securities, whether any such transaction described in (1) or (2) above is to be settled by delivery of ADSs or Ordinary Shares or such other securities, in cash or otherwise, or (3) make any demand for or exercise any right with respect to the registration of any ADSs, Ordinary Shares or Convertible Securities.

General Mandate

The Underlying Shares (including those to be issued upon the full exercise of the Option) will be allotted and issued pursuant to the General Mandate. As at the date of this announcement, no Ordinary Shares or ADSs have been allotted and issued pursuant to the General Mandate. Accordingly, the issue of the Underlying Shares is not subject to further approval by the Shareholders.

Application for listing

The securities of the Company are dual-primary listed on Nasdaq and the Stock Exchange. The Company’s ADSs have been quoted on the Nasdaq system under the symbol “ZLAB” since September 2017. The Company’s Ordinary Shares have been listed on the Main Board of the Stock Exchange under the stock code “9688” since June 2022.

An application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Underlying Shares on the Stock Exchange.

Dealings in the Underlying Shares would commence on the Stock Exchange only after the holder of the relevant ADSs converts the ADSs into Ordinary Shares.

Closing

Closing for the offering of the Underwritten ADSs under the Underwriting Agreement is expected to take place on November 18, 2024 (U.S. Eastern time) or at such other time on the same or such other date, not later than the fifth business day thereafter, as shall be agreed upon by the Company and the Underwriters, whereby delivery and payment for the corresponding Underlying Shares shall be made.

Should the Option be exercised, in whole or in part, the Additional Closing Date for each such full or partial exercise of the Option will take place not later than ten business days after the date of the notice exercising the Option is given by the Underwriters to the Company, whereby delivery and payment for the corresponding Underlying Shares shall be made.

Conditions of the Underwriters' Obligations

The obligations of each Underwriter under the Underwriting Agreement to purchase the Underwritten ADSs on the Closing Date or the Option ADSs on any Additional Closing Date, as the case may be, are conditional on the fulfilment of customary conditions, including, among others, that:

- (i) no order suspending the effectiveness of the Company's registration statement shall be in effect, and no proceeding for such purpose shall be pending before or, to the knowledge of the Company, threatened by the SEC; the prospectus shall have been timely filed with the SEC under the Securities Act;
- (ii) the representations and warranties of the Company under the Underwriting Agreement and the statements of the Company and its officers made in any certificates delivered pursuant to the Underwriting Agreement shall be true and correct as of such Closing Date or Additional Closing Date;
- (iii) no material adverse change shall have occurred or existed and the effect of which in the judgment of the Underwriters makes it impracticable or inadvisable to proceed with the Closing or the Additional Closing;
- (iv) the Underwritten ADSs to be delivered on the Closing Date or the Additional Closing Date shall have been duly listed on Nasdaq; and
- (v) the approval of the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Underlying Shares to be issued pursuant to the Offering (including those which may be issued upon the exercise of Option) shall have been granted on or before the Closing Date, and such approval has not been subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld before the Closing Date or Additional Closing Date, as applicable.

Termination

The Underwriting Agreement may be terminated in the absolute discretion of the Underwriters, by notice to the Company, if after the date of the Underwriting Agreement and prior to the Closing Date or the Additional Closing Date (as the case may be):

- (i) trading generally shall have been suspended or materially limited on, or by, as the case may be, any of the New York Stock Exchange, Nasdaq or the Stock Exchange;
- (ii) trading of any securities issued or guaranteed by the Company shall have been suspended on any exchange or in any over-the-counter market,
- (iii) a general moratorium on commercial banking activities shall have been declared by federal or New York State authorities;
- (iv) there shall have occurred any outbreak or escalation of hostilities, or any change in financial markets or any calamity or crisis, either within or outside the United States, that, in the judgment of the Underwriters, is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Offered ADSs;
- (v) overseas securities offerings by the Company shall have been prohibited by the CSRC pursuant to Article 8 of the CSRC Filing Rules; or
- (vi) to the knowledge of the Underwriters, or in the reasonable judgment of the Underwriters, there shall be any material non-compliance with the CSRC Rules.

REASONS FOR THE OFFERING AND USE OF PROCEEDS

The gross proceeds of the Offering is expected to be in the range of US\$199,999,993.50 (equivalent to approximately HK\$1,555,999,949) (assuming that the Option will not be exercised) to US\$229,999,978.00 (equivalent to approximately HK\$1,789,399,828.84) (assuming that the Option will be fully exercised). The net proceeds of the Offering, after deduction of the underwriting fee and other expenses relating to the Offering, are expected to be in the range of US\$187,827,781 (equivalent to approximately HK\$1,461,300,136.18) (assuming that the Option will not be exercised) to US\$216,177,766 (equivalent to approximately HK\$1,681,863,019.48) (assuming that the Option will be fully exercised).

The Company intends to apply the net proceeds of this Offering for general corporate purposes.

The net Offer Price, after deduction of the underwriting commissions and fees and the estimated offering expenses payable by the Company, is estimated to be (a) approximately US\$23.95 per ADS (equivalent to approximately HK\$18.63 per Underlying Share) (assuming that the Option will not be exercised); and (b) approximately US\$23.97 per ADS (equivalent to approximately HK\$18.65 per Underlying Share) (assuming that the Option will be fully exercised).

As mentioned in the Company’s quarterly report for quarterly period ended September 30, 2024, the Company may consider additional funding sources to bring to fruition its strategic objectives. The Company considers that the Offering will provide additional capital for the Group’s business and operations, broaden the Company’s shareholder base and capital base and enhance further liquidity of the securities of the Company.

The Board is of the view that the terms of the Underwriting Agreement and the Offering (including the Offer Price) are on normal commercial terms, fair and reasonable and the Offering is in the interests of the Company and the Shareholders as a whole, and that the Underwriting Agreement was entered into upon normal commercial terms following arm’s length negotiations between the Company and the Underwriters.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company had not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

SHARE STRUCTURE

Based on the number of outstanding ADSs and Ordinary Shares as at 31 October 2024, the share structure of the Company before and immediately upon the completion of the Offering will be as follows:

	As at 31 October 2024	Immediately upon completion of the Offering (assuming the Option is not exercised)	Immediately upon completion of the Offering (assuming the Option is exercised in full)
Number of ADSs	76,297,949	84,141,086	85,317,556
Number of Ordinary Shares	996,087,670	1,074,519,040	1,086,283,740

Note: The above number of ADSs and Ordinary Shares as at 31 October 2024 has not reflected the ordinary shares issuable upon the exercise of outstanding options, or upon vesting of non-vested restricted shares, under the Company’s past equity incentive plans and 2024 equity incentive plans (the “2024 Plan”), or the Ordinary Shares reserved for future issuance under the 2024 Plan.

The Company will make further announcement(s) in respect of the Offering as and when appropriate in accordance with the requirements of the Listing Rules.

The Underwriting Agreement may be terminated pursuant to the termination provisions contained therein. In addition, completion of the Offering is subject to fulfilment of the conditions thereunder. The Offering may or may not proceed to completion. Shareholders and potential investors are advised to exercise caution when dealing in the Shares or other securities of the Company.

FORWARD-LOOKING STATEMENTS

This announcement contains forward-looking statements about future expectations, plans, and prospects for the Company, including, without limitation, statements relating to the Company's ability to successfully complete the offering on the timeline and with the terms and conditions satisfactory to us, the anticipated use of proceeds therefrom, the possible adverse impact on the market price of the ADSs and Ordinary Shares due to the dilutive effect of the securities to be sold in the offering, capital market risks, and the impact of general economic or industry conditions. All statements, other than statements of historical fact, included in this announcement are forward-looking statements and can be identified by containing words such as "aim," "anticipate," "believe," "could," "estimate," "expect," "forecast," "goal," "intend," "may," "plan," "possible," "potential," "will," "would," and other similar expressions. Such statements constitute forward-looking statements within the meaning of U.S. federal securities laws. Forward-looking statements are not guarantees or assurances of future performance. There can be no assurance that the Company will be able to complete the public offering on the anticipated terms, or at all. Forward-looking statements are based on the Company's expectations and assumptions as of the date of this announcement and are subject to inherent uncertainties, risks, and changes in circumstances that may differ materially from those contemplated by the forward-looking statements. The Company may not actually achieve the plans, carry out the intentions, or meet the expectations or projections disclosed in the Company's forward-looking statements, and you should not place undue reliance on these forward-looking statements. Actual results may differ materially from those indicated by forward-looking statements as a result of various important factors, including but not limited to (1) the Company's ability to successfully commercialize and generate revenue from the Company's approved products, (2) the Company's ability to obtain funding for the Company's operations and business initiatives, (3) the results of the Company's clinical and pre-clinical development of the Company's product candidates, (4) the content and timing of decisions made by the relevant regulatory authorities regarding regulatory approvals of the Company's product candidates, (5) risks related to doing business in China, and (6) other factors identified in the Company's most recent annual and quarterly reports and in other reports the Company has filed with the SEC, including the registration statement and prospectus supplement related to the offering, which are available at www.sec.gov. The Company anticipates that subsequent events and developments will cause the Company's expectations and assumptions to change, and the Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required by law. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of this announcement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Additional Closing”	additional closing under the Underwriting Agreement
“Additional Closing Date”	the date when the Additional Closing takes place
“ADS(s)”	American depositary share(s), each ADS represents ten Ordinary Shares
“Board”	the board of Directors from time to time
“Closing”	closing under the Underwriting Agreement
“Closing Date”	the date when the Closing takes place
“Company”	Zai Lab Limited, a company incorporated in the Cayman Islands with limited liability and listed on the Main Board of the Stock Exchange (Stock Code: 9688) and Nasdaq (Trading Symbol: ZLAB)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“CSRC”	China Securities Regulatory Commission
“CSRC Filing Rules”	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券及上市管理試行辦法) and supporting guidelines issued by the CSRC (effective from 31 March 2023), as amended, supplemented or otherwise modified from time to time
“CSRC Rules”	collectively, (i) the CSRC Filing Rules, and (ii) the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定) issued by the CSRC, Ministry of Finance of the PRC, National Administration of State Secrets Protection of the PRC, and National Archives Administration of the PRC (effective from 31 March 2023), as amended, supplemented or otherwise modified from time to time)
“Director(s)”	member(s) of the Board

“General Mandate”	the general mandate granted by the Shareholders to the Directors to allot, issue and deal with not more than 198,417,486 new Ordinary Shares, representing 20% of the issued share capital of the Company as at the date of the annual general meeting of the Company held on June 18, 2024
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which, as far as the Directors are aware after having made all reasonable enquiries, is/are not a connected person(s) of the Company within the meaning of the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nasdaq”	Nasdaq Global Market
“Offer Price”	US\$25.50 per ADS, the price at which the ADSs are offered
“Offered ADSs”	the Underwritten ADSs and the Option ADSs
“Offering”	the offering of ADSs in the United States by the Company
“Option ADSs”	up to an additional 1,176,470 ADSs (representing 11,764,700 Underlying Shares)
“Ordinary Share(s)”	ordinary shares of US\$0.000006 each in the issued share capital of the Company
“Placee”	any professional, institutional or other investor whom the Underwriters have selected and procured to subscribe for any of the ADSs pursuant to the Underwriting Agreement
“PRC”	the People’s Republic of China
“Preliminary Prospectus Supplement”	the preliminary prospectus supplement filed by the Company with the SEC on November 13, 2024 (U.S. Eastern time)
“SEC”	U.S. Securities and Exchange Commission
“Securities Act”	the U.S. Securities Act of 1933, as amended

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Underlying Share(s)”	new Ordinary Share(s) to be issued as the underlying securities of the ADSs
“Underwriters”	Goldman Sachs (Asia) L.L.C., Jefferies LLC and Leerink Partners LLC
“Underwriting Agreement”	the underwriting agreement dated November 14, 2024 (U.S. Eastern time) entered into between the Company and the Underwriters in relation to the Offering
“Underwritten ADSs”	7,843,137 ADSs (representing 78,431,370 Underlying Shares)
“United States”	the United States of America
“US\$”	United States dollar, the lawful currency of the United States
“%”	per cent

Unless otherwise specified, translations of US\$ into HK\$ in this announcement are based on the rates of US\$1:HK\$7.78. No representation is made that any amounts in US\$ and HK\$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.

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

Hong Kong, November 15, 2024

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

* For identification only