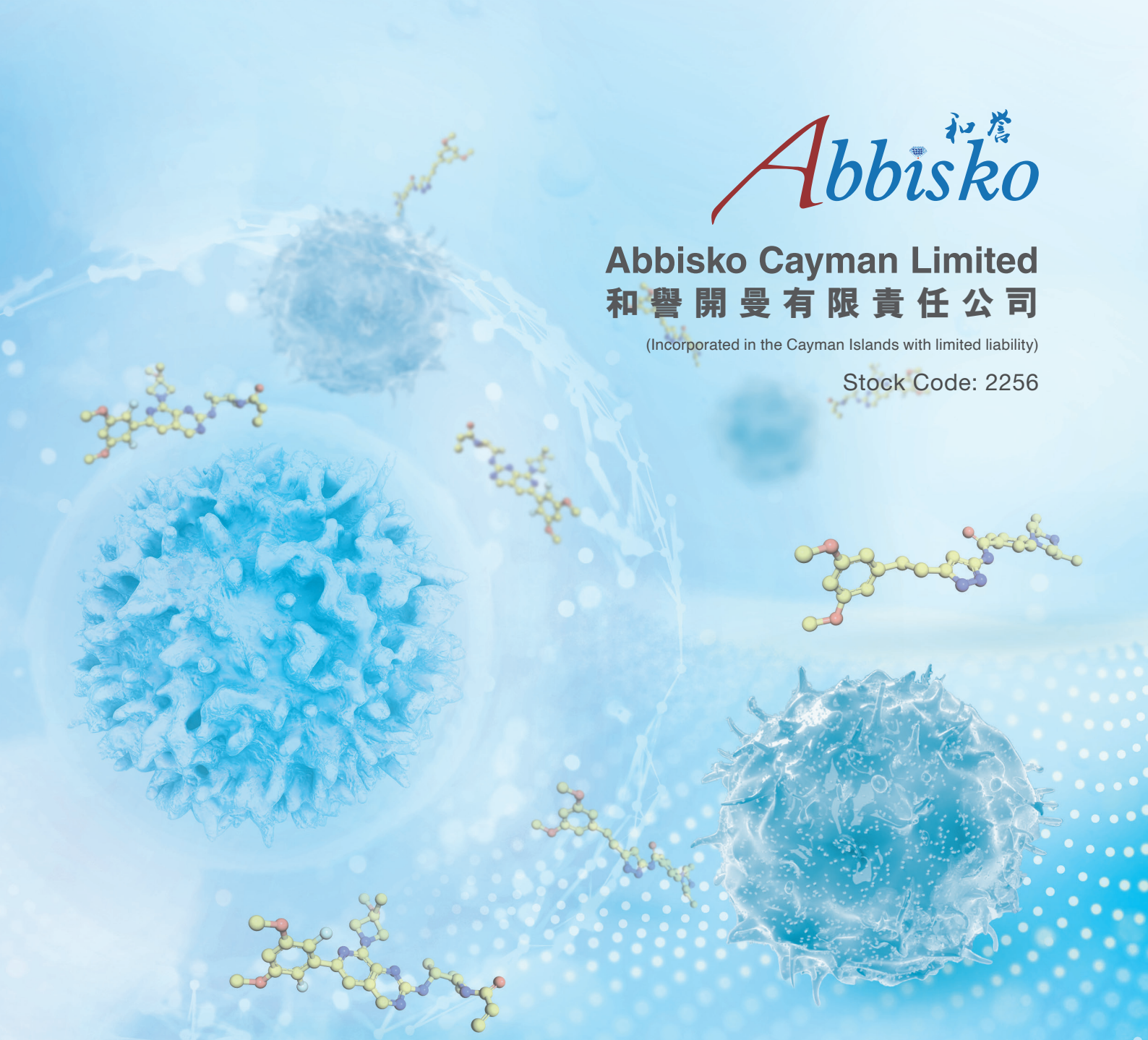


Abbisko Cayman Limited
和譽開曼有限責任公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2256

GLOBAL OFFERING

Joint Sponsors, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

Morgan Stanley J.P.Morgan

Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

CICC 中金公司

Joint Bookrunners and Joint Lead Managers
(in alphabetical order)

兴证国际 INDUSTRIAL SECURITIES INTERNATIONAL

海通國際 HAITONG

HSBC

华泰国际 HUATAI INTERNATIONAL

IMPORTANT: If you are in any doubt about any of the contents of this Prospectus, you should seek independent professional advice.

Abbisko Cayman Limited
和譽開曼有限責任公司

(Incorporated in the Cayman Islands with limited liability)

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	**:**	**140,736,000 Shares (subject to the Over-allotment Option)**
Number of Hong Kong Offer Shares	**:**	**14,076,000 Shares (subject to reallocation)**
Number of International Offer Shares	**:**	**126,660,000 Shares (subject to reallocation and the Over-allotment Option)**
Maximum Offer Price	**:**	**HK$12.46 per Offer Share, plus brokerage of 1%, SFC transaction levy of 0.0027%, and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**US$0.00001 per Share**
Stock code	**:**	**2256**

Joint Sponsors, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

Morgan Stanley J.P.Morgan

Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

CICC 中金公司

Joint Bookrunners and Joint Lead Managers

(in alphabetical order)

兴证国际 INDUSTRIAL SECURITIES INTERNATIONAL 海通國際 HAITONG HSBC 华泰国际 HUATAI INTERNATIONAL

A copy of this Prospectus, having attached thereto the documents specified in "Appendix V – Documents Delivered to the Registrar of Companies and Available for Inspection", has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility for the contents of this Prospectus or any other document referred to above.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and may not be offered, sold, pledged, or transferred within the United States, except that Offer Shares may be offered, sold or delivered to QIBs in reliance on an exemption from registration under the U.S. Securities Act provided by, and in accordance with the restrictions of, Rule 144A or another exemption from the registration requirements of the U.S. Securities Act. The Offer Shares may be offered, sold or delivered outside of the United States in offshore transactions in accordance with Regulation S.

Applicants for Hong Kong Offer Shares are required to pay, on application, the maximum Offer Price of HK$12.46 for each Hong Kong Offer Share together with a brokerage fee of 1%, a SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this Prospectus, including the risk factors set out in the section headed "Risk Factors."

The Joint Global Coordinators (for themselves and on behalf of the Underwriters), with our consent, may reduce the number of Offer Shares being offered under the Global Offering and/or the Offer Price stated in this Prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, an announcement will be published on the websites of the Stock Exchange at www.hkexnews.hk and our Company at www.abbisko.com not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. Details of the arrangement will then be announced by us as soon as practicable. For further information, see "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this Prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. See "Underwriting – Underwriting Arrangements and Expenses – The Hong Kong Public Offering – Grounds for Termination." in this Prospectus.

ATTENTION

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this Prospectus or printed copies of any application forms to the public in relation to the Hong Kong Public Offering.

This Prospectus is available at the website of the Hong Kong Stock Exchange at www.hkexnews.hk and our website at http://www.abbisko.com. If you require a printed copy of this Prospectus, you may download and print from the website addresses above.

September 30, 2021

IMPORTANT NOTICE TO INVESTORS: FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this Prospectus or printed copies of any application forms to the public in relation to the Hong Kong Public Offering.

This Prospectus is available at the website of the Hong Kong Stock Exchange at www.hkexnews.hk under the "*HKEXnews > New Listings > New Listing Information*" section, and our website at www.abbisko.com. If you require a printed copy of this Prospectus, you may download and print from the website addresses above.

To apply for the Hong Kong Offer Shares, you may:

(1) apply online through the **White Form eIPO** service at **www.eipo.com.hk**;

(2) apply through the **CCASS EIPO** service to electronically cause HKSCC Nominees to apply on your behalf, including by:

i. instructing your **broker** or **custodian** who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf; or

ii. (if you are an existing **CCASS Investor Participant**) giving **electronic application instructions** through the CCASS Internet System (**https://ip.ccass.com**) or through the CCASS Phone System by calling +852 2979 7888 (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time). HKSCC can also input **electronic application instructions** for CCASS Investor Participants through HKSCC's Customer Service Centre at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong by completing an input request.

If you have any question about the application for the Hong Kong Offer Shares, you may call the enquiry hotline of our Hong Kong Share Registrar and **White Form eIPO** Service Provider, **Computershare Hong Kong Investor Services Limited**, both at +852 2862 8690 on the following dates:

Thursday, September 30, 2021 – 9:00 a.m. to 9:00 p.m.
Friday, October 1, 2021 – 9:00 a.m. to 6:00 p.m.
Saturday, October 2, 2021 – 9:00 a.m. to 6:00 p.m.
Sunday, October 3, 2021 – 9:00 a.m. to 6:00 p.m.
Monday, October 4, 2021 – 9:00 a.m. to 9:00 p.m.
Tuesday, October 5, 2021 – 9:00 a.m. to 9:00 p.m.
Wednesday, October 6, 2021 – 9:00 a.m. to 12:00 noon

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this Prospectus are identical to the printed Prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

If you are an **intermediary**, **broker** or **agent**, please remind your customers, clients or principals, as applicable, that this Prospectus is available online at the website addresses above.

Please refer to the section headed "How to Apply for Hong Kong Offer Shares" for further details of the procedures through which you can apply for the Hong Kong Offer Shares electronically.

Your application must be for a minimum of 2,000 Hong Kong Offer Shares and in one of the numbers set out in the table. You are required to pay the amount next to the number you select.

No. of Hong Kong Offer Shares applied for	Amount payable on application	No. of Hong Kong Offer Shares applied for	Amount payable on application	No. of Hong Kong Offer Shares applied for	Amount payable on application	No. of Hong Kong Offer Shares applied for	Amount payable on application
	HK$		*HK$*		*HK$*		*HK$*
2,000	25,171.12	40,000	503,422.38	200,000	2,517,111.88	700,000	8,809,891.59
4,000	50,342.24	50,000	629,277.97	220,000	2,768,823.07	800,000	10,068,447.54
6,000	75,513.36	60,000	755,133.57	240,000	3,020,534.26	900,000	11,327,003.48
8,000	100,684.47	70,000	880,989.16	260,000	3,272,245.45	1,000,000	12,585,559.42
10,000	125,855.59	80,000	1,006,844.75	280,000	3,523,956.64	2,000,000	25,171,118.84
12,000	151,026.72	90,000	1,132,700.35	300,000	3,775,667.83	3,000,000	37,756,678.26
14,000	176,197.83	100,000	1,258,555.94	350,000	4,404,945.80	4,000,000	50,342,237.68
16,000	201,368.95	120,000	1,510,267.13	400,000	5,034,223.77	5,000,000	62,927,797.10
18,000	226,540.07	140,000	1,761,978.32	450,000	5,663,501.74	6,000,000	75,513,356.52
20,000	251,711.19	160,000	2,013,689.51	500,000	6,292,779.71	7,038,000[(1)]	88,577,167.19
30,000	377,566.78	180,000	2,265,400.70	600,000	7,551,335.65		

(1) Maximum number of Hong Kong Offer Shares you may apply for.

No application for any other number of Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

If there is any change in the following expected timetable of the Hong Kong Public Offering, we will issue an announcement in Hong Kong to be published on the Company's website at ***www.abbisko.com*** and the website of the Stock Exchange at ***www.hkexnews.hk***.

Hong Kong Public Offering commences . . . . . .9:00 a.m. on Thursday, September 30, 2021

Latest time to complete electronic applications under **White Form eIPO** service through the designated website at **www.eipo.com.hk**(2) . . . . . .11:30 a.m. on Wednesday, October 6, 2021

Application lists open(3) . . . . . .11:45 a.m. on Wednesday, October 6, 2021

Latest time to (a) lodge completing payment of **White Form eIPO** applications by effecting internet banking Transfers(s) or PPS payment transfer(s) and (b) giving **electronic application instructions** to HKSCC(4) . . . . . .12:00 noon on Wednesday, October 6, 2021

If you are instructing your **broker** or **custodian** who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf, you are advised to contact your **broker** or **custodian** for the latest time for giving such instructions which may be different from the latest time as stated above.

Application lists close(4) . . . . . .12:00 noon on Wednesday, October 6, 2021

Expected Price Determination Date(5) . . . . . .Wednesday, October 6, 2021

Announcement of the Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Public Offering to be published and on the website of the Stock Exchange at **www.hkexnews.hk** and the Company's website at **www.abbisko.com**(6) on or before . . . . . .Tuesday, October 12, 2021

The results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels, including:

- in the announcement to be posted on our website and the website of the Stock Exchange at **www.abbisko.com** and **www.hkexnews.hk.** respectively . . . . . Tuesday, October 12, 2021

- from the designated results of allocations website at **www.iporesults.com.hk** (alternatively: English **https://www.eipo.com.hk/en/Allotment**; Chinese **https://www.eipo.com.hk/zh-hk/Allotment**) with a "search by ID" function from . . . . . 8 a.m. on Tuesday, October 12, 2021 to 12:00 midnight on Monday, October 18, 2021

- from the allocation results telephone enquiry by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. from . . . . . Tuesday, October 12, 2021 to Monday, October 18, 2021 (except Thursday, October 14, 2021, Saturday, October 16, 2021 and Sunday, October 17, 2021)

Share certificates in respect of wholly or partially successful applications to be dispatched/collected or deposited into CCASS on or before[7] . . . . . Tuesday, October 12, 2021

White Form e-Refund payment instructions/refund checks in respect of wholly or partially successful applications if the final Offer Price is less than the maximum Offer Price per Offer Share initially paid on application (if applicable) or wholly or partially unsuccessful applications to be dispatched/collected on or before[8] [9] . . . . . Tuesday, October 12, 2021

Dealings in the Shares on the Stock Exchange expected to commence at . . . . . 9:00 a.m. on Wednesday, October 13, 2021

The application for the Hong Kong Offer Shares will commence on Thursday, September 30, 2021 through Wednesday, October 6, 2021. The application monies (including brokerage, SFC transaction levy and Stock Exchange trading fee) will be held by the receiving bank on behalf of the Company and the refund monies, if any, will be returned to the applicant(s) without interest on Tuesday, October 12, 2021. Investors should be aware that the dealings in Shares on the Stock Exchange are expected to commence on Wednesday, October 13, 2021.

Notes:

(1) Unless otherwise stated, all times and dates refer to Hong Kong local times and dates.

(2) You will not be permitted to submit your application under the **White Form eIPO** service through the designated website at **www.eipo.com.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

(3) If there is/are a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above and/or an announcement of "extreme conditions" caused by a super typhoon by the Government of Hong Kong in accordance with revised "Code of Practice in Times of Typhoons and Rainstorms" issued by the Hong Kong Labour Department in June 2019 in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, October 6, 2021, the application lists will not open and will close on that day. For further details, please see the section headed "How to Apply for Hong Kong Offer Shares – 10. Effect of Bad Weather on the Opening and Closing of the Application Lists" in this prospectus.

(4) Applicants who apply for Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC via CCASS should refer to the section headed "How to Apply for Hong Kong Offer Shares – 6. Applying through CCASS EIPO service" in this prospectus.

(5) The Price Determination Date is expected to be on or about Wednesday, October 6, 2021, and in any event, not later than Tuesday, October 12, 2021. If, for any reason, the Offer Price is not agreed between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and us on or before Tuesday, October 12, 2021, the Global Offering will not proceed and will lapse.

(6) None of the websites or any of the information contained on the websites forms part of this prospectus.

(7) Share certificates will only become valid at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional and the right of termination described in "Underwriting – Underwriting Arrangements and Expenses – Hong Kong Public Offering – Grounds for Termination" has not been exercised. Investors who trade Shares on the basis of publicly available allocation details prior to the receipt of Share certificates or prior to the Share certificates becoming valid certificates of title do so entirely at their own risk.

(8) e-Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and in respect of wholly or partially successful applicants in the event that the final Offer Price is less than the price payable per Offer Share on application. Part of the applicant's Hong Kong identity card number or passport number, or, if the application is made by joint applicants, part of the Hong Kong identity card number or passport number of the first-named applicant, provided by the applicant(s) may be printed on the refund check, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant's Hong Kong identity card number or passport number before encashment of the refund check. Inaccurate completion of an applicant's Hong Kong identity card number or passport number may invalidate or delay encashment of the refund check.

(9) Applicants who have applied on **White Form eIPO** for 1,000,000 or more Hong Kong Offer Shares may collect any refund checks (where applicable) and/or Share certificates in person from our Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong from 9:00 a.m. to 1:00 p.m. on Tuesday, October 12, 2021 or such other date as notified by us as the date of dispatch/collection of Share certificates/e-refund payment instructions/refund checks. Applicants being individuals who are eligible for personal collection may not authorize any other person to collect on their behalf. Individuals must produce evidence of identity acceptable to our Hong Kong Share Registrar at the time of collection.

Applicants who have applied for Hong Kong Offer Shares through **CCASS EIPO** service should refer to the section headed "How to Apply for Hong Kong Offer Shares – 14. Despatch/Collection of Share Certificates and Refund Monies – Personal Collection – (ii) if you apply through **CCASS EIPO** service" in this prospectus for details.

Applicants who have applied through the **White Form eIPO** service and paid their applications monies through single bank accounts may have refund monies (if any) dispatched to the bank account in the form of e-Refund payment instructions. Applicants who have applied through the **White Form eIPO** service and paid their application monies through multiple bank accounts may have refund monies (if any) dispatched to the address as specified in their application instructions in the form of refund checks by ordinary post at their own risk.

Share certificates and/or refund checks for applicants who have applied for less than 1,000,000 Hong Kong Offer Shares and any uncollected Share certificates and/or refund checks will be dispatched by ordinary post, at the applicants' risk, to the addresses specified in the relevant applications.

Further information is set out in the sections headed "How to Apply for Hong Kong Offer Shares – 13. Refund of Application Monies" and "How to Apply for Hong Kong Offer Shares – 14. Despatch/Collection of Share Certificates and Refund Monies".

The above expected timetable is a summary only. For further details of the structure of the Global Offering, including its conditions, and the procedures for applications for Hong Kong Offer Shares, please see the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus, respectively.

If the Global Offering does not become unconditional or is terminated in accordance with its terms, the Global Offering will not proceed. In such case, the Company will make an announcement as soon as practicable thereafter.

CONTENTS

IMPORTANT NOTICE TO INVESTORS

This Prospectus is issued by us solely in connection with the Hong Kong Public Offering and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this Prospectus pursuant to the Hong Kong Public Offering. This Prospectus may not be used for the purpose of, and does not constitute, an offer or a solicitation of an offer to subscribe for or buy, any security in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares or the distribution of this Prospectus in any jurisdiction other than Hong Kong. The distribution of this Prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this Prospectus to make your investment decision. We have not authorized anyone to provide you with information that is different from what is contained in this Prospectus. Any information or representation not made in this Prospectus must not be relied on by you as having been authorized by us, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, any of our or their respective directors, officers or representatives, or any other person or party involved in the Global Offering.

CONTENTS

This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read the entire prospectus before you decide to invest in the Offer Shares. In particular, we are a biotechnology company seeking to list on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules on the basis that we are unable to meet the requirements under Rule 8.05 (1), (2) or (3) of the Listing Rules. There are unique challenges, risks and uncertainties associated with investing in companies such as ours. In addition, we have incurred significant operating losses since our inception, and we expect to remain loss making in the near term. We had negative net cash flow from operating activities during the Track Record Period. We did not declare or pay any dividends during the Track Record Period and do not intend to pay any dividends in the near future. Your investment decision should be made in light of these considerations.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

BUSINESS OVERVIEW

We are a clinical-stage biopharmaceutical company dedicated to the discovery and development of innovative and differentiated small molecule oncology therapies. Since our inception in 2016, we have strategically designed and developed a pipeline of 14 candidates focused on oncology, including five candidates at clinical stage. Our product candidates are primarily small molecules that focus on small molecule precision oncology and small molecule immuno-oncology therapeutic areas. We have two Core Product Candidates, ABSK011 and ABSK091, and 12 other pipeline product candidates. ABSK011 developed in-house is a potent and highly selective small molecule inhibitor of fibroblast growth factor receptor 4 (FGFR4); and ABSK091, licensed from AZ, and previously known as AZD4547, is a molecularly targeted product candidate and a highly potent and selective inhibitor of FGFR subtypes 1, 2 and 3. Our Core Product Candidates are primarily being developed for hepatocellular carcinoma (HCC), urothelial cancer (UC) and gastric cancer (GC) at current stage.

WE MAY NOT BE ABLE TO SUCCESSFULLY DEVELOP AND/OR MARKET OUR CORE PRODUCT CANDIDATES, OR ANY OF OUR PIPELINE PRODUCTS.

The following chart summarizes our pipeline and the development status of each candidate as of the Latest Practicable Date.

CLINICAL STAGE CANDIDATES

Assets	Target	Indication	Mono/Combo	Discovery	IND Enabling	Phase I/Ia	Phase Ib/II	Pivotal	Rights	Partner	Jurisdictions/ Authority (v)
Small Molecule Precision Oncology											
ABSK011	FGFR4	FGF19+ HCC	Monotherapy*						Global		China, NMPA
			Combination therapy (i)								
ABSK091	pan-FGFR (iv)	FGFRalt UC	Monotherapy*				Global		Global	AstraZeneca	China, NMPA
			Combination therapy								
		FGFRalt GC	Monotherapy/ Combination therapy				Global				
		Other solid tumors	Monotherapy/ Combination therapy								
ABSK012	FGFR4 Mutant	RMS and other solid tumors	Monotherapy						Global		N/A
ABSK061	FGFR2/3	Solid tumors	Monotherapy						Global		N/A
ABSK121	pan-FGFR Mutant	Solid tumors	Monotherapy						Global		N/A
ABSK071	KRAS	Solid tumors	Monotherapy						Global		N/A
ABSK111	EGFR Exon20	NSCLC	Monotherapy						Global		N/A
ABSK131	Undisclosed	Multiple tumors	Monotherapy						Global		N/A
ABSK141	Undisclosed	Multiple tumors	Monotherapy						Global		N/A
Small Molecule Immuno-Oncology											
ABSK021	CSF-1R	TGCT and solid tumors	Monotherapy						Global		U.S., FDA China, NMPA
		Solid tumors	Combination therapy								
		cGvHD	Monotherapy								
		ALS (iii)	Monotherapy						Ex-China and Taiwan	Sperogenix (iii)	
ABSK081	CXCR4	TNBC	Combination therapy (ii)						Greater China	X4	China, NMPA
		Other solid tumors	Combination therapy								
		WHIM	Monotherapy					Global			
ABSK043	PD-L1	Multiple tumors	Monotherapy						Global		Australia, TGA
ABSK051	CD73	Multiple tumors	Monotherapy						Global		N/A
ABSK031	RORγt	Multiple tumors	Monotherapy						Global		N/A

Legend:
Development status of Abbisko
Development status of licensors

Note:

All of our product candidates are self-developed, except for ABSK091 and ABSK081.

* *Indicates our Core Product Candidates*

Abbreviations: HCC = hepatocellular carcinoma; RMS = rhabdomyosarcoma; FGFRalt = FGFR altered; UC = urothelial cancer; GC = gastric cancer; NSCLC = non-small cell lung cancer; TGCT = tenosynovial giant cell tumor; cGvHD = chronic graft- versus-host disease; ALS = amyotrophic lateral sclerosis; TNBC = triple-negative breast cancer; WHIM = warts, hypogammaglobulinemia, infections and myelokathexis

Notes:

i. In combination with anti-PD-L1 antibody atezolizumab with Roche

ii. In combination with anti-PD-1 antibody toripalimab with Junshi

iii. In July 2021, we granted Sperogenix the exclusive right to develop, manufacture and commercialize ABSK021 in mainland China, Hong Kong SAR and Macau SAR for non-oncology rare neurological diseases indications, of which ALS will be the first indication to be developed by Sperogenix.

iv. Pan-FGFR inhibitor refers to FGFR1-3 inhibitors.

v. Represent the jurisdiction(s) in which we are currently conducting clinical trials or have obtained approvals to initiate clinical trials, as well as the name of the relevant regulatory authorities.

We face fierce competition from existing products and product candidates under development in the entire oncology market, not only in the FGFR inhibitor market. In addition to approved oncology therapy options, there are a large number of competing drug candidates currently under different clinical stages. The field of cancer treatment has developed significantly in the past decade. Treatment methods such as surgery, radiotherapy and chemotherapy have been widely utilized to treat cancer. Alternative treatments such as precision oncology and immuno-oncology are generally used only if the other therapy options are not suitable or effective on patients. Among the alternative treatments available, small molecule precision oncology therapies act on specific targets on cancer cells that are associated with cancer growth. Small molecule precision oncology therapies include selective kinase inhibitors such as FGFR inhibitors, and non-selective kinase inhibitors and other types of inhibitors. Certain non-selective kinase inhibitors carry certain levels of FGFR inhibitory activities, and therefore may compete with the selective FGFR inhibitors. There are currently four non-selective kinase inhibitors approved for HCC, namely regorafenib, sorafenib, lenvatinib, cabozantinib, and no non-selective kinase inhibitors approved for UC or GC. Selective kinase inhibitors targeting FGFR may target different FGFR subtypes, such as pan-FGFR or specific FGFR subtypes (e.g. FGFR4). In addition, there are currently three pan-FGFR inhibitors approved, namely pemigatinib, erdafitinib and infigratinib, and no FGFR inhibitors targeting specific FGFR subtypes approved. In addition, there are a total of 16 pan-FGFR inhibitor drug candidates (other than ABSK091) and nine FGFR4 drug candidates (other than ABSK011) under various stages of clinical development. For small molecule immuno-oncology drugs, for CSF-1R pathway, pexidartinib was the only CSF-1R inhibitor approved by the FDA and surufatinib (an angio-immuno kinase inhibitor targeting VEGFR, FGFR1 and CSF-1R) was the only NMPA approved drug that could target CSF-1R; in addition, a total of six drug candidates (other than ABSK021) were under various stages of clinical

development globally; for CXCR4, plerixafor was the only marketed drug globally but was not approved for oncology indications, and three drug candidates, including our ABSK081 (mavorixafor), are under various stages of clinical development.

Our Core Product Candidates are FGFR4 and pan-FGFR inhibitors, respectively, which are considered to be small molecule precision oncology drug candidates. Our other product candidates are primarily small molecule precision oncology and small molecule immuno-oncology drug candidates. As a result, our drug candidates may not be used unless the conventional therapy options are not suitable or effective on patients. In addition, our small molecule precision oncology and small molecule immuno-oncology drug candidates face competition from the approved drugs and may not be selected unless the other approved drugs are not suitable or effective on patients. Furthermore, we compete with the various drug candidates under development and we may not successfully develop and/or market our products before the other drug candidates, or at all. Our Core Product Candidates are still at an early stage of development. We have completed a Phase Ia clinical trial for ABSK011 and a Phase I clinical trial for ABSK091, which have only generated limited safety and efficacy data that may not be used for a meaningful comparison against the data of the other drugs. In addition, FGFR inhibitors have been under development since at least 2014, according to the earliest post date of other clinical stage FGFR inhibitors, and only three pan-FGFR inhibitors have been approved, which implies that the development of FGFR inhibitors face significant challenges and uncertainties.

Our Company was founded with a focus on drug discovery, which we believe is the foundation of the entire drug development process. Our discovery capability is driven by an experienced team with solid drug discovery track record and our approach to identify high-quality molecules. Our three co-founders, Dr. XU Yao-Chang, Dr. YU Hongping and Dr. CHEN Zhui, collectively have made contributions to dozens of discovery programs, a number of which led to successful commercialization, such as Ameile (almonertinib), Cymbalta (duloxetine), Balversa (erdafitinib), Reyvow (lasmiditan), Fu Laimei (PEG-loxenatide), Kisqali (ribociclib), Xinfu (flumatinib) and Venclexta (venetoclax). Leveraging the experience of our R&D team, we have built an innovation-driven discovery platform with comprehensive capabilities in cancer genomics and screening, computational and medicinal chemistry, and translational and biomarker science, which enables us to discover high-quality assets with efficiency. As of the Latest Practicable Date, our R&D team had advanced the first eight discovery programs into the IND-enabling stage at about two pre-clinical candidates per year since 2017, and continues to advance all of the other drug assets and programs into the next stage. We believe our pre-clinical candidates will lay the foundation for our future success and global growth.

CLINICAL STAGE CANDIDATES

Core Product Candidates

ABSK011

ABSK011, one of our Core Product Candidates, is a potent and highly selective small molecule inhibitor of fibroblast growth factor receptor 4 (FGFR4) that we are investigating in clinical programs in China. ABSK011 is being developed for the treatment of advanced hepatocellular carcinoma (HCC) with hyper-activation of FGF19/FGFR4 signaling. We have completed a Phase Ia clinical trial to determine the safety, tolerability, pharmacokinetics and the maximum tolerated dose (MTD) and/or recommended Phase 2 dose (RP2D) of ABSK011 in patients with advanced solid tumors in Taiwan. Preliminary data from the trial demonstrated a favorable safety profile and quality PK/PD profiles of ABSK011. We believe ABSK011 has the potential to treat HCC patients with hyper-activation of FGF19/FGFR4 pathway. ABSK011 targets first- and second-lines of treatment. According to the patient enrollment criteria of a Phase II clinical trial of ABSK011, we only enrolled HCC patients who had either never received any lines of treatment, or had only received one line of treatment.

Market Opportunity and Competition

According to Frost & Sullivan, the prevalence of HCC patients in China was 390.4 thousand in 2020. The FGFR aberration rate in HCC patients is approximately 20.0% in China. The number of new HCC cases in China reached 378.6 thousand in 2020, and is expected to reach 473.4 thousand in 2030, representing a CAGR of 2.3%, according to Frost & Sullivan. The increase in the incidence of HCC cases in China is driven by HCC risk factors such as high incidence of chronic viral hepatitis, high incidence of cirrhosis, heavy alcohol and tobacco consumption, and obesity. Hepatocellular carcinoma (HCC) are associated with cirrhosis related to chronic hepatitis B virus (HBV) or hepatitis C virus (HCV) infection. Individuals who are chronic carriers of hepatitis virus have a greater risk of developing HCC. HBV vaccination can prevent inoculators from HBV infection, while there is no currently available HCV vaccination. HBV patient group is the largest hepatitis infection patient group in China and its vaccination has been widely adopted as a public program for children. Due to the HBV vaccination program, incidence of HBV infections has experienced a stable decrease in China from 76.5 million in 2016 to 71.4 million in 2020, and is expected to further decrease to 62.2 million in 2030. As a result, the increase of the HCC incidence is expected to be partially offset by such decrease. However, as the protection from the HBV vaccination does not last for a lifetime and the vaccination program does not extend to adults, the mitigating effect against HCC might be limited. In addition, risk factors such as excessive alcohol consumption, unhealthy fatty diet, smoking and irregular sleeping habits, significantly drives up the prevalence. For example, the obesity population in China reached 219.7 million in 2020 and is expected to further increase to 328.7 million in 2030. Population with smoking and drinking habits in China is expected to exceed 300 million in 2020. The combined effect has resulted in an increase in the HCC incidence. Surgery is the recommended first-line treatment for resectable HCC. For advanced or metastatic unresectable HCC, systemic therapies including but not limited to sorafenib (Nexavar, a non-selective kinase inhibitor), lenvatinib (Lenvatinib, a non-selective kinase inhibitor), oxaliplatin based chemotherapy, donafenib, atezolizumab

combined with bevacizumab, camrelizumab combined with apatinib are recommened as first-line treatment options. ABSK011 is under early stage of development as a first-line of treatment (where patients are not amenable to surgery and have not received any prior systematic therapy), or second-line of treatment (where patients had received one line of treatment already) for advanced HCC.

We have initiated a Phase Ib clinical trial of ABSK011 in mainland China to assess the safety and efficacy of ABSK011 in late stage HCC patients with FGF19 overexpression, and dosed the first patient in June 2021. We submitted the IND application for a Phase II study of ABSK011 in combination with the anti-PD-L1 antibody atezolizumab in late stage HCC patients with FGF19 overexpression in July 2021, which is a separate trial from the abovementioned Phase Ib trial. Roche will provide atezolizumab.

The NMPA deems that the Phase Ia trial of ABSK011 meets the principal criteria of a typical Phase I clinical trial in China recognized by the NMPA, as demonstrated by the following. Taiwan is not a jurisdiction of Competent Authority (as defined in the Listing Rules) under Chapter 18A of the Listing Rules. In July 2019, we submitted application materials for a pre-IND meeting with the NMPA, which sets out, among others, the design of the Phase Ia trial, that the Phase Ia trial would be carried out and that the trial data from Taiwan would be used to support clinical trials in mainland China. Our materials provide that the primary objective of the Phase Ia trial of ABSK011 is to determine the safety, tolerability, PK, and the MTD/RP2D of ABSK011 in patients with advanced solid tumors. Having reviewed the application materials, the NMPA did not raise any objection to the use of the data from the Phase Ia clinical trial in Taiwan to determine the RP2D for the Phase Ib clinical trial in mainland China in its pre-IND response. Subsequently in February 2020, the NMPA granted us the IND approval for our Phase Ib clinical trial of ABSK011 in mainland China without the need for obtaining further approvals on the basis of the design of the Phase Ia trial in Taiwan. The NMPA has also agreed that the RP2D determined from the Phase Ia trial could be used to initiate the Phase Ib trial in mainland China.

Pre-clinical and IND-enabling Research

Our R&D team with cross-disciplinary experience in chemistry, pharmacology, toxicology and cancer biology conducted extensive pre-clinical and IND-enabling work for ABSK011, including synthesis of compound, evaluation of *in vitro* properties, efficacy evaluation in animal models, dose selection, toxicity evaluation, PK and PD assessments, CMC development, IND package preparation and pre-IND meeting preparation and submission.

Clinical Research and Development

We obtained IND approval for a Phase Ia/Ib trial from the TFDA (Taiwan Food and Drug Administration) in December 2019 and a Phase Ib trial approval from the NMPA in February 2020, respectively. We commenced the Phase Ia trial in Taiwan in March 2020 and have completed the Phase Ia clinical trial to determine the safety, tolerability, pharmacokinetics and

the recommended Phase 2 dose (RP2D) of ABSK011 in patients with advanced solid tumors. We have initiated a Phase Ib clinical trial in mainland China to assess the safety and efficacy of ABSK011 in late stage HCC patients with FGF19 overexpression, and dosed the first patient in June 2021.

We have devoted significant resources to the clinical research and development of ABSK011. Our efforts include, among others: (i) devising clinical development strategy; (ii) preparing trial proposals and protocols; (iii) site selection; (iv) obtaining EC approval (ethics committee, a body responsible for ensuring that medical experimentation and human subject research are carried out in an ethical manner in accordance with national and international law) and HGRAC (Human Genetic Resources Administration of China, is the entity in China charged with the review and approval of the applications) approval; (v) conducting meetings with investigators, including cohort review meetings; (vi) CRO oversight and site monitoring; and (vii) data collection/verification and statistical analysis.

ABSK091 (AZD4547)

ABSK091, previously known as AZD4547, and one of our Core Product Candidates, is a molecularly targeted product candidate and a highly potent and selective inhibitor of FGFR subtypes 1, 2 and 3. ABSK091 (AZD4547) has a chemical structure different from other FGFR inhibitors with similar anti-tumor activities. Prior to the in-licensing of ABSK091 (AZD4547), AstraZeneca started conducting clinical trials on AZD4547 in 2009 and discontinued its development of AZD4547 in 2019, during which it sponsored and completed a total of four trials, including two Phase I trials and two Phase II trials. In November 2019, we entered into an exclusive license agreement with AstraZeneca and obtained the global rights for the development, manufacturing and commercialization of ABSK091 (AZD4547). ABSK091 (AZD4547) is initially being developed as first- and second-lines of treatment of urothelial cancer harboring FGFR alterations. According to the patient enrollment criteria of a Phase II clinical trial, enrolled patients had either received one line of treatment (certain types of chemotherapies), or had never received chemotherapies.

We are developing ABSK091 (AZD4547) for the treatment of multiple solid tumors, including but not limited to urothelial cancer, gastric cancer, cholangiocarcinoma and lung cancer. We completed a Phase I study of ABSK091 (AZD4547) in Taiwan in February 2021. In December 2020, we received the investigational new drug (IND) approval from the NMPA for Phase Ib/II clinical trials of ABSK091 (AZD4547) for the treatment of patients with urothelial cancer harboring FGFR2 or FGFR3 alterations in mainland China as well as patients with late stage advanced solid tumors. We are initiating a Phase Ib trial of ABSK091 (AZD4547) in mainland China for advanced solid tumors and a Phase II trial in mainland China to evaluate safety and efficacy of ABSK091 (AZD4547) in patients with urothelial cancer harboring FGFR2 or FGFR3 alterations. We have started the patient enrollment for the Phase Ib trial and expect to complete patient enrollment and obtain the initial results available by the end of 2021.

Market Opportunity and Competition

According to Frost & Sullivan, the prevalence of urothelial cancer (UC) patients and gastric cancer (GC) patients in China was 211.9 thousand and 675.8 thousand, respectively, in 2020. The FGFR aberration rate in urothelial cancer and gastric cancer is approximately 31.7% and 6.7% in China, respectively. Surgery or radical cystectomy are the recommended first-line treatment for non-muscle invasive or early stage urothelial cancer. For advanced or metastatic urothelial cancer, systemic therapies including but not limited to gemcitabine combined with cisplatin/carboplatin, gemcitabine combined with cisplatin/carboplatin and paclitaxel, atezolizumab, and pembrolizumab are recommended as first-line treatment options. Surgery is the recommended first-line treatment for resectable gastric cancer. For advanced or metastatic unresectable gastric cancer, systemic therapies including but not limited to trastuzumab combined with cisplatin/oxaliplatin and fluorouracil/capecitabine are recommended as first-line treatment options for HER2+ gastric cancer patients, and cisplatin/oxaliplatin combined with fluorouracil/capecitabine/tegafur, gimeracil and oteracil porassium and FOLFOX (a chemotherapy regime consisting of folinic acid, fluorouracil and oxaliptlatin) / XELOX (a chemotherapy regimen consisting of capecitabine and oxaliplatin) combined with nivolumab are recommended as first line treatment options for HER2- gastric cancer patients. ABSK091 (AZD4547) is under early stage development initially as a first-line of treatment (where patients had not undergone any treatments, including conventional therapies), or second-line of treatment (where patients had received one line of treatment already) for unresectable locally advanced or metastatic urothelial cancer.

Research and Development

We in-licensed ABSK091 (AZD4547) from AstraZeneca in November 2019. After in-licensing, we conducted analysis from pre-clinical, CMC and clinical perspectives and prepared research and development plan. We submitted the IND application for a Phase I clinical trial of ABSK091 to the TFDA in July 2020 and obtained approval in September 2020. We completed the Phase I trial in February 2021. The Phase I trial evaluated the PK, food effect and safety profile of ABSK091 in Chinese subjects. Taiwan is not a jurisdiction of Competent Authority (as defined in the Listing Rules) under Chapter 18A of the Listing Rules.

We filed an IND application for ABSK091 (AZD4547) to the NMPA in September 2020. During pre-IND meetings and in the IND application, we specifically described the Phase I clinical trial in Taiwan as part of our clinical development plan for ABSK091. Having reviewed the IND application, the NMPA granted the IND approval for the Phase Ib/II clinical trials in December 2020. The initiation of the Phase II clinical trial or the Phase Ib clinical trial in mainland China does not require additional approval from the NMPA.

The Phase I clinical trial in Taiwan investigated the PK of single dose ABSK091 given under fast condition or post high-fat meal condition, tolerability and safety of ABSK091. These endpoints are equivalent to the endpoints in a typical Phase I trials and would form the basis for determining the method of drug administration for the Phase Ib/II clinical trials in mainland China and for subsequent clinical studies. In addition, the NMPA acknowledged that the data from the Phase I clinical trial in Taiwan would be used to support the clinical administration

of ABSK091 in mainland China, because the Phase I clinical trial in Taiwan was specifically described in the trial design of the Phase Ib and Phase II clinical trials for which we obtained the IND approval from the NMPA.

We have devoted considerable amount of time and resources to the R&D work of ABSK091, which includes, among others, (i) clinical trial design, (ii) designing domestic manufacture process, (iii) obtaining IRB (an appropriately constituted group that has been formally designated to review and monitor biomedical research involving human subjects under FDA and NMPA regulations) approval, (iv) devising clinical development strategy; (v) site selection; (vi) obtaining EC approval and HGRAC approval; (vii) conducting meetings with investigators; (viii) CRO oversight and site monitoring; and (ix) data collection/verification and statistical analysis.

Our Product Development

Leveraging our experienced discovery team and our rigorous discovery approaches, we have developed a diversified pipeline of differentiated clinical and pre-clinical stage drug candidates. We strategically focus on small molecule precision oncology therapies, small molecule immuno-oncology therapies and their combination therapies, which we believe are the development trends of cancer treatment by virtue of their favorable efficacy and safety profiles. The oncology drug markets globally and in China have expanded significantly in the past, and are projected to further expand at an accelerated pace. According to Frost & Sullivan, the global oncology drug market is estimated to grow from US$150.3 billion in 2020 to US$670.4 billion in 2035 at a CAGR of 10.5% and the oncology drug market in China is estimated to grow from US$28.6 billion in 2020 to US$145.5 billion in 2035 at a CAGR of 11.5%. According to Frost & Sullivan, in 2020, the global small molecule oncology market accounted for approximately 36.1% of the total global oncology drug market; such percentage in China was approximately 19.0%. In 2035, the global small molecule oncology market is expected to account for approximately 29.2% of the global oncology drug market, and such percentage in China is expected to reach approximately 29.3%. It is widely accepted that combinations of small molecule precision oncology therapies and immuno-oncology therapies simultaneously cover different mechanisms of action, and could therefore provide significant improvement in efficacy, response rate and durability as well as overall benefits to patients.

To capitalize on this significant market opportunity, we have strategically designed and developed a diversified pipeline of 12 programs with global R&D and commercialization rights and selectively in-licensed two programs. Our pipeline consists of a broad range of small molecule precision oncology and small molecule immuno-oncology product candidates focusing on significant medical needs in China and globally. For more details of each drug candidate and its development status, see "– Our Drug Candidates."

As of the Latest Practicable Date, we had nine small molecule precision oncology assets, featuring FGFR (Fibroblast Growth Factor Receptor), EGFR (Epidermal Growth Factor Receptor) and KRAS (Kirsten rat sarcoma) inhibitors with differentiated potential, being developed for the treatment of multiple types of cancer and other diseases. Our approach is to

develop a complementary lineup of drug candidates with different drug property profiles to achieve broad and deep indication coverage. For example, we have one of the largest portfolio of FGFR pipeline globally, according to Frost & Sullivan, covering various wild-type and mutant FGFR isoforms. Our pan-FGFR inhibitor (ABSK091) and FGFR inhibitors targeting specific FGFR subtypes (ABSK011, ABSK061) complement with each other to achieve a comprehensive indication coverage. Our next-generation FGFR inhibitors against FGFR4 mutations (ABSK012) and FGFR1-3 mutations (ABSK121) enable us to attain deep coverage by offering sequential treatment options for patients who acquire resistance to first-generation FGFR inhibitors. We believe that our FGFR drug candidates will prepare us to capture the significant addressable market for the treatment of cancers harboring aberrant FGFR signaling, generate synergy and realize operational leverage in R&D, clinical development and commercialization.

As of the Latest Practicable Date, we had established a comprehensive small molecule immuno-oncology pipeline of five drug candidates, targeting major tumor immune cell types, such as myeloid-derived suppressor cells, Th17/Tc17 cells (types of T-cells), tumor associated macrophages, Treg, and effector T-cells. By covering the major tumor immune cell types, our small molecule immuno-oncology assets possess broad combination potential with both internally and externally developed immuno-oncology and/or precision oncology therapies to unlock synergistic anti-tumor efficacy. ABSK021 is an orally bioavailable, selective, and highly potent small molecule CSF-1R (Colony-Stimulating Factor 1 Receptor) inhibitor with the potential to treat multiple tumor types and other diseases. ABSK043 is an orally bioavailable, highly selective small molecule PD-L1 inhibitor that may address the disadvantages of anti-PD-1/anti-PD-L1 antibodies, such as high cost, lack of oral bioavailability, limited blood-brain barrier permeability, and immunogenicity. ABSK081 was the only orally bioavailable CXCR4 (CXC chemokine receptor 4) antagonist in clinical development globally as of the Latest Practicable Date, according to Frost & Sullivan.

To achieve our vision to become a leading biopharmaceutical company, we plan to continue to advance our clinical and pre-clinical drug candidates globally. At the same time, we intend to continue the discovery of oncology therapies leveraging our in-house R&D capabilities, while executing a multi-tiered business development approach to complement our internal development. We are in the planning stage of building in-house manufacturing and commercialization capabilities to support the potential commercial launches. We will also continue to foster our innovation-driven culture and expand our talent pool to support our long-term growth.

Other Clinical Stage Candidates

ABSK021

ABSK021 is an orally bioavailable, selective, potent small molecule CSF-1R inhibitor being developed for the treatment of multiple types of oncology and non-oncology indications. We have completed a Phase Ia clinical trial of ABSK021 in the U.S. for the treatment of patients with advanced solid tumors. Phase Ia clinical trial data have shown that ABSK021 has

a favorable safety and tolerability profile. We are initiating a Phase Ib clinical trial in the U.S. and in China. The Phase Ib trial is designed to be an open-label, multi-center trial to evaluate the safety, tolerability, the PK profile, and the anti-tumor effect of ABSK021 in four different tumor types, namely TGCT, TNBC, lung cancer and pancreatic cancer.

ABSK081 (mavorixafor)

ABSK081 (mavorixafor), also known as X4P-001, is a potentially novel small molecule antagonist to CXCR4 and currently the only orally bioavailable CXCR4 modulator in clinical development globally, according to Frost & Sullivan. ABSK081 (mavorixafor) is a potential treatment option for various cancers in which CXCR4 and its ligand CXCL12 (also referred to as stromal-derived factor 1 alpha SDF-1α) contribute to the tumor microenvironment (TME) that supports immune evasion, neoangiogenesis, and tumor metastasis. ABSK081 (mavorixafor) may also be used for treating other diseases, such as warts, hypogammaglobulinemia, infections and myelokathexis (WHIM) syndrome.

In July 2019, we entered into an exclusive license agreement with X4 Pharmaceuticals, Inc. ("X4") and obtained the rights for the development, manufacturing and commercialization of the licensed compound ABSK081 (mavorixafor), which was formerly known as X4P-001, collectively with any product containing such licensed compound (the "X4 Product") in the licensed territory of mainland China, Taiwan, Hong Kong and Macau in the field of diagnosis, treatment, palliation or prevention of any oncological indication and WHIM Syndrome in humans, excluding mozobil indications and any use for auto-HSCT treatment and allo-HSCT treatments. Prior to the in-licensing of ABSK081 (mavorixafor), there were 194 patients treated with ABSK081 mavorixafor in 10 clinical studies (n=70 healthy volunteers, n=16 HIV, n=99 oncology, n=9 WHIM syndrome) sponsored by X4. The WHIM Phase II X4P-001-MKKA study by X4 demonstrated that ABSK081 (mavorixafor), 400mg once daily, mobilized neutrophil and lymphocytes in adult patients with WHIM syndrome and provided preliminary evidence of clinical benefit for patients on long-term therapy.

X4 is currently conducting a global registrational phase III clinical trial in WHIM syndrome. We have obtained the IRB approval and initiated a Phase Ib/II clinical trial of ABSK081 (mavorixafor) in combination with toripalimab from Shanghai Junshi Biomedical Technology Co., Ltd. (上海君實生物醫藥科技股份有限公司, or "Junshi") in TNBC patients in China in July 2021.

ABSK043

ABSK043 is an orally bioavailable, highly selective small molecule PD-L1 inhibitor being developed for the treatment of various cancers and potentially non-oncology indications. While anti-PD-1/anti-PD-L1 antibodies have revolutionized cancer treatment, the antibody based immunotherapies carry a number of disadvantages such as high cost, lack of oral bioavailability and immuno-genicity, which could likely be improved with small molecule inhibitors. ABSK043 specifically binds to PD-L1 and likely leads to PD-L1 dimerization, and

internalization from the cell surface. Pre-clinical data have demonstrated strong inhibition of PD-1/PD-L1 interaction by ABSK043, and rescue of PD-L1-mediated inhibition of T-cell activation. ABSK043 has also demonstrated strong anti-tumor efficacy and excellent safety profile in several pre-clinical models. We have obtained the regulatory approval from the Therapeutic Goods Administration (TGA) of Australia in July 2021 to initiate a Phase I clinical trial of ABSK043. In August 2021, we dosed the first patient of a Phase I clinical trial of ABSK043 in Australia.

OUR COMPETITIVE STRENGTHS

We believe the following strengths differentiate us from our competitors:

- In-house R&D team to discover small molecule precision oncology and small molecule immuno-oncology therapies;
- Portfolio of small molecule precision oncology candidates primarily targeting FGFR, EGFR and KRAS;
- Portfolio of small molecule immuno-oncology early stage candidates targeting tumor immune cells;
- Clinical development capabilities to bring our drug candidates to the potential market; and
- Seasoned management team led by our founders with a proven track record of drug discovery and development, and backed by blue chip investors.

OUR STRATEGIES

We aspire to become a leading biopharmaceutical company that discovers and develops differentiated therapies in cancer and beyond, addressing critical unmet needs for patients in China and globally. We plan to implement the following strategies to achieve our vision:

- Continue to advance our drug candidates;
- Continue to discover differentiated small molecule oncology therapies leveraging our expertise and R&D capabilities;
- Enhance our business development capabilities;
- Establish in-house manufacturing and commercialization capabilities; and
- Continue to nurture our innovation-driven culture to attract and expand our scientific and managerial talent pool.

RESEARCH AND DEVELOPMENT

We believe research and development is critical to our future growth and our ability to remain competitive in the Chinese biopharmaceutical market. We are dedicated to enhancing our pipeline by leveraging our leading in-house R&D capabilities, which spans from early drug discovery to clinical development. Our R&D team has discovered and/or developed our current pipeline of 14 drug candidates within less than five years.

As of the Latest Practicable Date, our R&D team consisted of approximately 103 employees. For more information on our R&D employees, please refer to "Business – Employees" in this prospectus. Our R&D team members have extensive clinical development experience, with a particular focus on oncology. Among our R&D team members, over 80% have obtained post-graduate degrees, and approximately 30% hold Ph.D. degrees. Among our pre-clinical R&D team members, over 80% have obtained post-graduate degrees, and over 30% hold Ph.D. degrees.

Our drug discovery effort is led by our co-founders Dr. YU Hongping and Dr. CHEN Zhui, serving as our SVP of Chemistry and SVP of biology, respectively. Our drug discovery team uses various drug discovery and engineering technologies to discover and select our lead compounds and collaborates with our CMC team to ensure streamlined transition from discovery to development. Our drug discovery team also includes a translational medicine function that conducts biomarker discovery and bioinformatics data processing and analysis to facilitate our clinical studies. For details on our drug discovery and pre-clinical development efforts, please refer to "Business – Research and Development – Drug Discovery and Pre-clinical Development."

Our clinical development team is led by Dr. JI Jing and supported by approximately 25 employees. As of the Latest Practicable Date, 20 members of the clinical development team held master or Ph.D. degrees. Our clinical development team manages all stages of our clinical trials, including clinical trial design, implementation, drug supply, and the collection and analysis of trial data. We work with contract research organizations ("CROs") to support our pre-clinical and clinical studies in China and overseas. During the Track Record Period, certain of our top five suppliers and their subsidiaries provided CRO and/or CMO/CDMO services related to the development of our drug candidates. For more information on our clinical trial management and relationship with CROs and CMO/CDMOs, see "Business – Suppliers" and "– Research and Development – Clinical Development" in this prospectus.

In 2019 and 2020 and the three months ended March 31, 2020 and 2021, our R&D expenses were RMB81.5 million, RMB132.7 million, RMB15.9 million and RMB38.1 million, respectively, and the R&D expenses attributable to the Core Product Candidates were RMB27.6 million, RMB24.4 million, RMB3.5 million and RMB12.3 million in the same periods, respectively. The significant increase in the R&D expenses attributable to Core Product Candidates from the three months ended March 31, 2021 compared to the three months ended March 31, 2020 was primarily due to (i) a Phase I trial of ABSK091 in Taiwan; and (ii) the latter half of a Phase Ia trial of ABSK011 in Taiwan. Our R&D expenses attributable to the

Core Product Candidates remained relatively stable in 2019 and 2020, and primarily relate to pre-clinical researches of our Core Product Candidates, fees in relation to the in-licensing of ABSK091 in 2019, and a Phase Ia trial of ABSK011 in 2020.

INTELLECTUAL PROPERTY RIGHTS

Intellectual property rights are central to the success of our business. Our commercial future will depend, in part, on our ability to acquire and protect our intellectual property rights for commercially significant technologies, inventions and know-how. This could involve the acquisition of new patents, the defense of existing patents, and the protection of our trade secrets. We will also have to operate without infringing, misappropriating or otherwise violating the valid, enforceable intellectual property rights of third parties. As of the Latest Practicable Date, we owned 68 patents (including in-licensed patents with global rights) and 116 patent applications in 16 countries and regions, including mainland China, Taiwan, Hong Kong, the U.S., Japan, Canada, Korea, European Union, Australia, Russia, Brazil, Mexico, India, Philippines, Israel and Singapore.

The following are information on our key patents for our clinical stage drug candidates, excluding ABSK081 for which we obtained exclusive license of Greater China rights to certain patents and patent applications from X4 Pharmaceuticals, Inc. for oncology and WHIM indications:

- *ABSK011.* As of the Latest Practicable Date, we had four pending patent applications and nine granted patents for ABSK011, with expiration date of December 13, 2037. All of such patents and patent applications were made under our name.

- *ABSK091*. Pursuant to the collaboration agreement with AstraZeneca, we in-licensed 38 patents which had been granted to AstraZeneca with expiration dates ranging from 2027 to 2033. For details on the arrangements regarding such patents, see "Business – Collaboration and Licensing Arrangements – Collaboration and License Agreement with AstraZeneca."

- *ABSK021*. As of the Latest Practicable Date, we had 14 pending patent applications and five granted patents for ABSK021, with expiration dates ranging from 2038 to 2042 (assuming formal applications are filed in 2022 and are granted). All of such patents and patent applications were made under our name.

- *ABSK043*. As of the Latest Practicable Date, we had 13 pending patent applications and one granted patent for ABSK043 with an expiration date in 2039. All such patent and patent applications were under our name.

We conduct our business under the brand name of Abbisko. We have filed various trademark applications in mainland China and Hong Kong. We are also the registered owner of three domain names.

Our Directors confirm that, as of the Latest Practicable Date, we have not been a party to any material legal or administrative proceedings in connection with intellectual property rights or otherwise, and we have not been aware of any instances of infringement of any third parties' intellectual property rights by us which could materially and adversely affect our business.

COMPETITION

The pharmaceutical and biotechnology industries are characterized by rapidly advancing technologies, competition and a strong emphasis on proprietary drugs. While we believe our seasoned management team, leading R&D capability, biopharmaceutical platform and diversified pipeline of clinical and pre-clinical stage proprietary assets provide us with competitive advantages, we face potential competition from many different sources, including major pharmaceutical, specialty pharmaceutical and biotechnology companies, academic institutions, and public and private research institutions.

We primarily focus on the research and development of small molecule precision oncology and small molecule immuno-oncology drug therapies. We face fierce competition from existing products and product candidates under development in the entire oncology market, not only in the FGFR inhibitor market. As of May 31, 2021, there were four approved non-selective kinase inhibitors globally, namely regorafenib, sorafenib, lenvatinib and cabozantinib; three pan-FGFR inhibitors approved globally, namely infigratinib, pemigatinib, and erdafitinib; and no marketed FGFR4 inhibitors globally. In addition to approved oncology therapy options, there are a large number of competing drug candidates currently under different clinical stages. The field of cancer treatment has developed significantly in the past decade. Conventional treatment methods such as surgery, radiotherapy and chemotherapy have been widely utilized to treat cancer. Alternative treatments such as precision oncology and immuno-oncology are generally used only if the other therapy options are not suitable or effective on patients. Among the alternative treatments available, small molecule precision oncology therapies act on specific targets on cancer cells that are associated with cancer growth, and immuno-oncology therapies are designed to stimulate the patient's own immune system to generate or augment an antitumor immune response. See "Industry Overview" for more details on the competitive landscape of the various markets in which we compete.

Conventional Cancer Therapies

Conventional treatment methods such as surgery, radiotherapy and chemotherapy have been widely utilized to treat cancer. Generally precision oncology and immuno-oncology drugs are only utilized when the conventional treatment methods are not available or effective.

- *Surgery*. Surgery is a procedure in which a surgeon removes tumors and nearby tissues from the patient's body. Surgery is the foundation of solid tumor treatment, and is most suitable for tumors that are still in the early development stage and are contained in one area; for metastasized cancers, surgery is less suitable an option.

- *Radiotherapy.* Radiotherapies deliver high doses of radiation to kill cancer cells and shrink tumors. Radiotherapies also affect nearby healthy cells, thus causing side effects such as fatigue, hair loss and skin changes.

- *Chemotherapy.* Chemotherapies use single or combination anti-cancer drugs to stop or slow the growth of cancer cells. It targets all fast growing cells whether or not healthy, thus causing side effects such fatigue, hair loss, easy bruising and bleeding, and infection of other diseases.

Small Molecule Precision Oncology

Small molecule precision oncology therapies include selective and non-selective kinase inhibitors and other types of inhibitors. Non-selective kinase inhibitors exert its anti-cancer activity by simultaneously targeting a wide range of kinases, or targeting multiple signaling molecules in multiple signaling pathways. Selective kinase inhibitors target on specific signaling molecule in a single process, such as the epithelial growth factor receptor (EGFR), vascular endothelial growth factor receptor (VEGFR), and fibroblast growth factor receptor (FGFR). Certain non-selective kinase inhibitors such as lenvima (Lenvatinib), sorafenib (Nexavar), carry certain levels of FGFR inhibitory activities in pre-clinical settings, and therefore may compete with the selective FGFR inhibitors.

Selective inhibitors targeting FGFR may target different FGFR subtypes, such as pan-FGFR or specific FGFR subtypes (e.g. FGFR4). Competition in the FGFR inhibitor market is fierce, and there are a large number of competing drug candidates currently under different clinical stages. According to Frost & Sullivan, the global small molecule precision oncology market grew from US$31.3 billion in 2016 to US$54.2 billion in 2020, representing a CAGR of 14.7%, and is expected to grow to US$91.8 billion, US$109.4 billion and US$128.2 billion, respectively, representing CAGRs of 11.1%, 3.6% and 3.2% from 2021 to 2025, from 2026 to 2030 and from 2031 to 2035, respectively. According to Frost & Sullivan, as of the Latest Practicable Date, globally, there were three approved pan-FGFR inhibitors, pemigatinib by Incyte, erdafitinib by Janssen and infigratinib by QED Therapeutics, and a total of 16 pan-FGFR inhibitor drug candidates under various stages of clinical development, including ABSK091 (AZD4547); for FGFR4 and pathway, there had not been any marketed FGFR4 inhibitors, and only nine drug candidates worldwide were under various stages of clinical development, including ABSK011, according to Frost & Sullivan.

According to Frost & Sullivan, the global pan-FGFR inhibitor market size reached approximately US$0.1 billion in 2020, and is expected to increase to US$21.5 billion in 2035. As of May 31, 2021, there were three pan-FGFR inhibitors approved globally (infigratinib, pemigatinib and erdafitinib) and there was no approved pan-FGFR inhibitor in China. Although no FGFR4 inhibitor has been approved to market yet, several FGFR4 inhibitor drug candidates are under clinical development globally which are focusing on the treatment of multiple types of solid tumors such as liver cancer, head and neck cancer, esophageal cancer, and cholangiocarcinoma. In 2030, the global incidence of liver cancer, head and neck cancer, esophageal cancer and cholangiocarcinoma is expected to reach approximately 1,164.7

thousand, 1,138.6 thousand, 793.7 thousand and 354.9 thousand, which is expected to further increase to 1,301.9 thousand, 1,237.4 thousand, 892.7 thousand and 412.7 thousand in 2035, respectively. The cancer incidence number primarily takes into consideration the prevalence of risk factors of each cancer type, and is based on the cancer epidemiology study from the National Central Cancer Registry ("NCCR"), the International Agency for Research on Cancer ("IARC") of the World Health Organization, as well as research papers published in well-regarded journals in biology and oncology, such as Cancer Communications, Thoracic Cancer, Chinese Journal of Cancer Research, Science China – Life Sciences, Frontiers in Oncology, the Lancet Gastroenterology & Hepatology, International Journal of Cancer, Asian Pacific Journal of Cancer Prevention, China Cancer, Chinese Journal of Cancer Research, and Breast Cancer Research and Treatment, among others. With such large demand driven by the increasing patient population, the global FGFR4 inhibitor market is expected to reach to US$3.3 billion in 2035, according to Frost & Sullivan. The rapid growth in both global pan-FGFR and FGFR4 inhibitor market is expected, with the approval of more FGFR inhibitors that specifically target FGFR 1, 2, 3, 4 or pan-FGFR, as well as more FGFR inhibitors for specific FGFR alterations, and as more indications are expected to become applicable for FGFR inhibitors.

Immuno-oncology

According to Frost & Sullivan, the global small molecule immuno-oncology market is still at a preliminary development stage, with a market size of approximately US$8.9 million in 2020, and is expected to grow to US$5.1 billion, US$37.6 billion and US$67.4 billion in 2025, 2030 and 2035, respectively, representing CAGRs of 49.4% from 2025 to 2030 and 12.4% from 2030 to 2035. According to Frost & Sullivan, these increases are expected primarily due to the expectation that an increasing number of small molecule immuno-oncology drug candidates, such as those described below, will complete clinical trials and achieve commercialization.

Competition in the small molecule immuno-oncology market is fierce, and there are a number of competing drug candidates currently under different clinical stages. According to Frost & Sullivan, as of May 31, 2021, for CSF-1R pathway, pexidartinib was the only CSF-1R inhibitor approved by the FDA and surufatinib (an angio-immuno kinase inhibitor targeting VEGFR, FGFR1 and CSF-1R) was the only NMPA approved drug that could target CSF-1R; in addition, a total of six drug candidates (other than ABSK021) were under various stages of clinical development globally; for CXCR4, plerixafor was the only marketed drug globally, and three drug candidates, including our ABSK081 (mavorixafor), are under various stages of clinical development. Plerixafor is used as a hematopoietic stem cell mobilizer and was not approved for oncology indications.

In addition to small molecule immuno-oncology drugs, immune-therapies come in a variety of forms including biologics such as antibody drugs, which modify the immune system to recognize and eradicate the tumor cells. Biologics immuno-oncology drugs are synthesized from living organisms. Multiple biologics immuno-oncology drugs have been approved and marketed for different indications, including anti-PD-1 antibody pembrolizumab for

melanoma, non-small cell lung cancer, head and neck squamous cell cancer, anti-CTLA-4 antibody ipilimumab for melanoma and renal cell carcinoma, and anti-PD-L1 antibody atezolizumab for urothelial cancer, non-small cell lung cancer and triple-negative breast cancer.

COLLABORATION AND LICENSING AGREEMENTS

Collaboration and License Agreement with AstraZeneca

On November 1, 2019, we entered into an exclusive license agreement (the "AZ Agreement") with AstraZeneca AB ("AZ") concerning the development and commercialization of the licensed compound ABSK091, which was formerly known as AZD4547, and licensed products containing such compound (the "AZ Products") globally. AZ is a company incorporated in Sweden, which focuses on the discovery, development, and commercialization of prescription medicines in oncology, rare diseases and biopharmaceuticals.

Pursuant to the AZ Agreement, AZ granted to us (i) an exclusive (including with regard to AZ and its affiliates), sublicensable (subject to certain conditions), royalty-bearing, worldwide license to certain AZ patents, specific AZ know-how and AZ regulatory documentation related to the licensed compound and AZ Products, such as research reports and papers specific to the AZ Products; and (ii) a non-exclusive license to use certain other AZ know-how and data, which are not specifically related to the AZ Products, such as general index of past tests, analytical method documentation, among others, in each case, to develop, manufacture and commercialize or otherwise exploit the licensed compound and the AZ Products. Under the AZ Agreement, we are responsible for all costs and expenses to further develop, commercialize and manufacture the AZ Products and are obligated to use commercially reasonable efforts to obtain and maintain relevant regulatory approvals for at least one AZ Product in at least one specified major market country, and to commercialize at least one AZ Product.

We are also responsible for the prosecution and maintenance, and all costs and expenses associated therewith, of the licensed AZ patents and the trademarks used or to be used for the commercialization of the AZ Product worldwide. Pursuant to the AZ Agreement, as between us and AZ, we will own all rights to such trademarks. We also have the sole right to communicate with regulatory authorities and obtain the relevant approvals from such authorities in connection with the AZ Products under the cooperation of AZ at our request.

Expanding on the relationship under the AZ Agreement, we also entered into a memorandum of understanding of strategic collaboration ("AZ Strategic MOU") with AstraZeneca Investment (China) Co., Ltd. ("AZ China") in December 2020 to explore collaboration opportunities in various areas, including pre-clinical drug discovery, clinical development, commercialization and investment.

AZ discontinued the development of ABSK091 (AZD4547) in 2019 and entered into the AZ Agreement with us in the same year. The following factors have contributed to the discontinuation of ABSK091 (AZD4547) and entry into the AZ Agreement: (i) given AZ has a large portfolio of oncology drug candidates under development, this would allow AZ to better focus on programs with higher priority, best allocate its resources towards the drug candidates of interest, and align with its overall strategy; (ii) we have a quite comprehensive FGFR related pipeline, the global license grant allows us to quickly develop ABSK091 in mainland China with large patient pool, followed by global development of ABSK091 through leveraging the clinical data from mainland China; and (iii) AZ would benefit from the milestone payments and royalties payable by us pursuant to the AZ Agreement. We believe the license grant enables us to better capture the large China oncology market and the potential of FGFR inhibitors and oncology combination therapies.

Collaboration and License Agreement with X4 Pharmaceuticals

On July 16, 2019, we entered into an exclusive license agreement (the "X4 Agreement") with X4 Pharmaceuticals, Inc. ("X4") concerning the development and commercialization of the licensed compound ABSK081, which was formerly known as X4P-001, collectively with any product containing such licensed compound (the "X4 Product") in the licensed territory of mainland China, Taiwan, Hong Kong and Macau in the field of diagnosis, treatment, palliation or prevention of any oncological indication and WHIM Syndrome in humans, excluding mozobil indications and any use for auto-HSCT treatment and allo-HSCT treatments. X4 is a company incorporated in Delaware, which focuses on developing novel therapeutics for the treatment of rare diseases.

Pursuant to the X4 Agreement, we received (i) an exclusive (even as to X4), sublicensable (subject to certain conditions), royalty-bearing license, in the licensed territory, to certain licensed know-how and X4 patents to develop, manufacture and commercialize the licensed compound and X4 Product in the licensed territory; and (ii) the right of first negotiation and right of first refusal with respect to certain additional products developed by X4 in the licensed territory. We retain sole responsibility, and are obligated to use commercially reasonable efforts at our own cost and expense, to develop and obtain regulatory approval for X4 Products in each region of the licensed territory, and commercialize the X4 Products in the licensed territory.

Under the X4 Agreement, we agreed to purchase certain quantities of the licensed compound and X4 Product for clinical and commercial purposes, and are obligated to enter into good faith negotiations with X4 for clinical and commercial supply agreements. We are obligated to share with X4 regulatory information and English language copies of documents in connection with obtaining or maintaining necessary regulatory approvals. Except for certain provided circumstances, X4 will provide us with documents, information, technical assistance and support necessary to manufacture the X4 Product after first commercial sale of the X4 Product in mainland China.

Combination Therapy Development Agreement with Junshi

In October 2019, we entered into a combination therapy development agreement (as supplemented by a supplemental agreement dated June 3, 2021, the "Junshi Agreement") with Shanghai Junshi Biomedical Technology Co., Ltd. (上海君實生物醫藥科技股份有限公司, or "Junshi") to develop a combination therapy for the treatment of triple-negative breast cancer (TNBC). Under the Junshi Agreement, Junshi is responsible for providing sample anti-PD-1 antibody drug samples, and we are responsible for providing the CXCR4 inhibitor Mavorixafor, which was in-licensed from X4 pursuant to the X4 Agreement. Junshi would timely provide sufficient anti-PD-1 antibody drug samples to us free of charge, and we are responsible for all costs arising out of clinical trials. The Junshi Agreement terminates at the earlier of (i) both parties have completed their responsibilities and all development programs are concluded; or (ii) the NMPA refuses to grant approval over the combination therapy. We are also responsible for clinical trial design, clinical PI and communications with CROs. Unless the Junshi Agreement is early terminated or the NMPA refuses to grant approval over the combination therapy, neither party is allowed to seek collaborations with any third parties regarding the indication of TNBC during the collaboration.

Each party is entitled to their respective intellectual property rights that were pre-existing or were generated outside the scope of the Junshi Agreement. Both parties shall jointly own the intellectual property rights arising out of the combination therapy development programs within the scope of the Junshi agreement.

Clinical Supply Agreement with Roche

On February 23, 2021, we entered into a master clinical supply agreement (the "Roche Agreement") with F. Hoffmann-La Roche Ltd. concerning the supply of the atezolizumab compound (the "Roche Compound") by Roche for use in our ABSK011 clinical trial.

Pursuant to the Roche Agreement, we will provide Roche with written notice regarding the amount, a delivery timeline and a draft protocol for each trial. If Roche agrees to supply, we and Roche would execute a mutually acceptable Clinical Supply Agreement Supplement ("CSA Supplement") identifying the relevant protocol, quantity and timing of delivery, and applicable costs. If Roche believes that the Roche Compound is being used in an unsafe manner and we fail to incorporate changes made by Roche into the protocol to address the safe use of the compound, it may terminate the CSA Supplement immediately and stop supplying the Roche Compound free of liabilities. Under the Roche Agreement, we agree to store the Roche Compound in accordance with the storage requirements provided by Roche. Roche and we will agree on the procedures to be used for labelling, quality control and testing, and on the schedule for staggered supply of the Roche Compound.

While the combination trial is specifically designed for the Roche Compound, we do not expect any material impact on the development and commercialization of ABSK011 in the case of termination of the Roche Agreement, as we believe (i) there are ample alternative potential

products for combination therapies involving ABSK011 other than atezolizumab; and (ii) such termination would not affect our clinical trials for ABSK011 as a monotherapy, which would still qualify our ABSK011 as a Core Product Candidate.

The Roche Agreement is effective for a period of five years beginning on February 23, 2021, unless otherwise terminated. Either party may terminate the Roche Agreement upon sixty-day written notice. Upon termination of the Roche Agreement, we would return or destroy all unused Roche Compounds at the Roche's request free of charge.

License Agreement with Sperogenix

In July 2021, we entered into an exclusive licensing agreement with Sperogenix (Shanghai) MedTech Co., Ltd. ("Sperogenix"), a subsidiary of Sperogenix Therapeutics Limited (a platform company focusing on the development and commercialization of rare disease medications in China), with respect to the development and commercialization of innovative drug ABSK021 for indications in the field of non-oncology neurological rare diseases.

Under the agreement, Sperogenix will have the exclusive right to develop, manufacture and commercialize ABSK021 in mainland China, Hong Kong SAR and Macao SAR (collectively, the "Sperogenix Territory") for non-oncology neurological rare diseases indications, of which amyotrophic lateral sclerosis (ALS) will be the first indication to be developed by Sperogenix. We will receive an upfront payment and a series of milestone payments as well as royalties on annual net sales from Sperogenix, and reserve the rights for all the other territories and indications. Sperogenix will be responsible for the development of ABSK021 in ALS, including preclinical studies, proof-of-concept clinical trials, pivotal clinical trials, and post-marketing studies, as well as the registration and commercialization of the product in the Sperogenix Territory. The upfront payment and the maximum milestone payments payable by Sperogenix amount to US$270.5 million in the aggregate.

Framework Agreement with Shanghai Pharma

We also entered into a framework collaboration agreement with Shanghai Pharmaceuticals Holding Co., Ltd. (上海醫藥集團股份有限公司) and Shanghai Biomedical Industrial Equity Investment Fund Management Co., Ltd. (上海生物醫藥產業股權投資基金管理有限公司) (together, "Shanghai Pharma") in November 2020 to explore future opportunities to commercialize and market certain of our drug candidates in Greater China, as well as opportunities to pursue strategic cooperation in other areas. Details of our collaboration are subject to further negotiations.

For more details, see "Business – Collaboration and Licensing Agreement" about our collaboration agreements.

COMMERCIALIZATION

We plan to formulate a commercialization and marketing plan in anticipation of future product launch. We plan to initially build up our core commercialization capability as the business needs arise, and eventually to further develop it into a full-fledged team as we grow the number of new product launches based upon our current pipeline with the goal of achieving broader patient coverage and efficiency.

SUPPLIERS

We use a limited number of CROs to support our pre-clinical and clinical studies in China and overseas. We select our CROs by considering their academic qualifications, industry reputation and compliance with relevant regulatory agencies and cost competitiveness.

We outsource to a limited number of CMOs the manufacturing of certain drug substances for clinical supply, and select our CMOs based on their qualifications, relevant expertise, production capacity and the terms offered by them.

In 2019 and 2020 and the three months ended March 31, 2021, purchases from our five largest suppliers in aggregate accounted for 46.8%, 52.5% and 46.7% of our total purchases (excluding value-added tax), respectively, and purchases from our largest supplier accounted for 24.7%, 20.8% and 22.2% of our total purchases for the same periods (excluding value added tax), respectively.

See "Business – Suppliers" for details about key terms of a typical agreement that we enter into with our CROs.

OUR MAJOR SHAREHOLDERS

Immediately following completion of the Share Subdivision and the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme), the Single Largest Group of Shareholders will collectively control 164,581,300 Shares in aggregate, representing approximately 23.43% of the issued share capital of our Company, through Dr. Xu's interests in the Xu Family Trust, Dr. Chen's interests in Jamdrok Limited and the Zabuye Trust, Dr. Yu's interests in Dr. Yu's Holdco and Dr. Xu's control over the exercise of voting rights of ESOP Trustees (other than Affluent Bay Trust). For further details, please refer to the section headed "Substantial Shareholders" in this Prospectus.

Each of Dr. Xu, Dr. Yu, Dr. Chen and their controlled entities have been parties acting in concert in the course of our business history and will continue to be parties acting in concert. For details, please refer to the section headed "History, Restructuring and Corporate Structure" in this Prospectus.

Our other major Shareholders include LAV Entities, Sinopharm, Qiming Venture Entities, Tetrad Ventures, CICC Entities and Elbrus Investments.

OUR PRE-IPO INVESTORS

Since the establishment of our Company, we have entered into several rounds of financing agreements with the relevant Pre-IPO Investors. The amount of funds raised by our Group in the respective rounds of financing amounted to RMB98,455,500 in series A-1 financing, RMB88,543,750 in series A-2 financing, US$42,000,000 in series B-financing, US$70,000,000 for series C- financing and US$123,000,000 for series D financing. Our broad and diverse base of Pre-IPO Investors consists of investors focusing on the biotech and/or healthcare industry. Our Sophisticated Investors include LAV, Sinopharm Capital, Qiming Venture Partners VI, L.P. and Qiming Managing Directors Fund VI, L.P., which will hold approximately 10.72%, 4.05%, 6.74% and 0.18% respectively immediately after the Global Offering (after taking into account the Share Subdivision and the Shares to be issued pursuant to the Global Offering, assuming that the Over-allotment Option is not exercised and assuming an Offer Price of HK$12.31, being the mid-point of the indicative Offer Price range). For further details of the identity and background of the Pre-IPO Investors, see the section headed "History, Restructuring and Corporate Structure – Pre-IPO Investments – (9) Information about the Pre-IPO Investors" in this Prospectus.

Whilst the Pre-IPO Investors are not subject to any lock-up arrangement at the time of Listing pursuant to the relevant agreements in relation to the Pre-IPO Investments, lock-up undertakings have been given to the Company and/or Underwriters. Due to such lock-up arrangement and the lock up of the Cornerstone Investors, the trading of our Shares after the Listing may experience a short-term liquidity issue. See "Risk Factors – No public market currently exists for our Shares; an active trading market for our Shares may not develop and the market price for our Shares may decline or become volatile, especially taking into account that all of our existing Shareholders have entered into a lock-up undertaking for six months from the Listing Date." For further information about lock-up arrangements by the Pre-IPO Investors, please refer to the section headed "Underwriting – Underwriting Arrangements and Expenses – Undertakings pursuant to the Listing Rules and the Hong Kong Underwriting Agreement – Undertakings by Existing Shareholders" in this prospectus.

SUMMARY OF KEY FINANCIAL POSITIONS

This summary historical data of financial information set forth below have been derived from, and should be read in conjunction with, our consolidated financial statements, including the accompanying notes, set forth in the Accountants' Report set out in Appendix I to this prospectus, as well as the information set forth in "Financial Information" of this prospectus. Our financial information was prepared in accordance with IFRSs.

Summary Data from Consolidated Statements of Profit or Loss

The table below sets forth summary data from our consolidated statements of profit or loss for the periods indicated derived from our consolidated statements of profit or loss set out in the Accountants' Report included in Appendix I to this prospectus:

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2019	**2020**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Other income and gains	12,705	18,831	444	1,980
Research and development expenses	(81,457)	(132,664)	(15,897)	(38,109)
Administrative expenses	(21,891)	(21,168)	(3,622)	(8,653)
Other expenses	(42,746)	(571,300)	(37,303)	(78,700)
Finance costs	(523)	(338)	(111)	(39)
LOSS BEFORE TAX	**(133,912)**	**(706,639)**	**(56,489)**	**(123,521)**
Income tax expenses	–	–	–	–
LOSS FOR THE YEAR/PERIOD	**(133,912)**	**(706,639)**	**(56,489)**	**(123,521)**
OTHER COMPREHENSIVE INCOME				
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations	4,532	(2,934)	501	72
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of the Company	(5,976)	59,461	(12,603)	(4,363)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD, NET OF TAX	**(1,444)**	**56,527**	**(12,102)**	**(4,291)**
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD	**(135,356)**	**(650,112)**	**(68,591)**	**(127,812)**
Attributable to:				
Owners of the parent	(135,356)	(650,112)	(68,591)	(127,812)

We currently have no product approved for commercial sale and have not generated any revenue from product sales. We have incurred operating losses during the Track Record Period. Our loss before tax was RMB133.9 million, RMB706.6 million and RMB123.5 million in 2019, 2020, and three months ended March 31, 2021, respectively. Substantially all of our loss resulted from research and development expenses and administrative expenses. Our fair value losses on convertible redeemable preferred shares were RMB39.8 million, RMB569.6 million, RMB37.3 million and RMB68.9 million in 2019 and 2020, and three months ended March 31, 2020 and 2021, respectively. The fair value changes of convertible redeemable preferred shares adversely affected and will continue to affect our performance during and subsequent to the Track Record Period until the conversion of preferred shares into ordinary shares upon Listing. While the fair value loss of financial instruments issued to Pre-IPO investors has adversely impacted our financial position during the Track Record Period, the financial instruments will be automatically converted into Shares upon the Listing, after which we do not expect to recognize any further loss or gain on fair value changes from the convertible redeemable preferred shares. The convertible redeemable preferred shares will be re-designated from financial liabilities to equity as a result of the automatic conversion of preferred shares into ordinary shares upon Listing, thereby turning the net liabilities position into a net assets position. For more information, please see Note 19 on convertible redeemable preferred shares in the Accountants' Report set out in Appendix I to this document.

We expect to incur significant expenses, in particular increasing research and development expenses and administrative expenses, and operating losses for at least the next several years as we further our pre-clinical research and development efforts, continue the clinical development of, and seek regulatory approval for, our product candidates, launch commercialization of our pipeline products, and add personnel necessary to operate our business. Subsequent to the Listing we expect to incur costs associated with operating as a public company. We expect that our financial performance will fluctuate from period to period due to the development status of our product candidates, regulatory approval timeline and commercialization of our product candidates after approval.

Summary Data from Consolidated Statements of Financial Position

The table below sets forth summary data from our consolidated statements of financial position as of the dates indicated:

	As at 31 December		As at 31 March
	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*
Total non-current assets	20,055	16,169	14,156
CURRENT ASSETS			
Prepayments and other receivables	14,544	32,029	27,443
Cash and cash equivalents	285,637	617,773	1,367,883
Total current assets	300,181	649,802	1,395,326
CURRENT LIABILITIES			
Other payables and accruals	12,351	27,443	34,514
Lease liabilities	5,399	4,306	4,345
Total current liabilities	17,750	31,749	38,859
NET CURRENT ASSETS	282,431	618,053	1,356,467
TOTAL ASSETS LESS CURRENT LIABILITIES	302,486	634,222	1,370,623
Total non-current liabilities	761,511	1,739,210	2,602,926
Net Liabilities	(459,025)	(1,104,988)	(1,232,303)

We recorded net current assets of RMB282.4 million and RMB618.1 million as of December 31, 2019 and December 31, 2020, respectively. As of March 31, 2021, we had net current assets of RMB1,356.5 million. As of July 31, 2021, being the latest practicable date for the purpose of liquidity disclosure in this prospectus, we had net current assets of RMB1,280.5 million. The increases in net current assets during the Track Record Period were primarily due to increases in cash and cash equivalents from our issue of convertible redeemable preferred shares. During the Track Record Period, we maintained a net liabilities position, primarily due to the recognition of convertible redeemable preferred shares as our non-current liabilities.

Summary Data from Consolidated Cash Flow Statements

The following table sets forth summary data from our consolidated statements of cash flows for the periods indicated:

	For the year ended December 31,		For the three months ended March 31,	
	2019	**2020**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Operating cash flows before movements in working capital	(84,786)	(128,530)	(13,942)	(32,769)
Interest paid	–	–	–	–
Tax paid[(1)]	(2,872)	(4,456)	(885)	(1,867)
Net cash flows used in operating activities	(82,817)	(117,562)	(21,955)	(29,714)
Net cash flows from/(used in) investing activities	30,127	(11,246)	(20,390)	(820)
Net cash flows from financing activities	176,922	505,890	491,822	776,527
NET INCREASE IN CASH AND CASH EQUIVALENTS	**124,232**	**377,082**	**449,477**	**745,993**
Cash and cash equivalents at beginning of the year/period	153,793	285,637	285,637	617,773
Effect of foreign exchange rate changes, net	7,612	(44,946)	7,690	4,117
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD	**285,637**	**617,773**	**742,804**	**1,367,883**

Note:

(1) Tax paid represent individual income tax we withheld on behalf of our employees, and stamp taxes.

Our negative cash flows from operating activities was primarily attributable to our loss before tax, positively adjusted by non-cash items such as fair value losses on convertible redeemable preferred shares. We plan to improve our net operating cash flow position in view of potential net operating cash inflows which we expect to generate after successful commercialization of our product candidates. Specifically, we plan to improve our operating cash outflow position by generating operating cash inflow from the sales of our Core Product Candidates after obtaining the relevant regulatory approvals. As our other product candidates

in our pipeline advance further in clinical trials and obtain regulatory approvals for commercialization, we believe we will be able to generate operating cash inflow from an increasing number of drug products, thus improving our operating cash outflow position.

Our cash burn rate refers to the average monthly amount of cash operating costs, payment for property, plant and equipment, payment for intangible assets, and lease payments. We estimate that we will receive net proceeds of approximately HK$1,565.2 million after deducting the underwriting fees and expenses payable by us in the Global Offering, assuming no Over-allotment Option is exercised and assuming an Offer Price of HK$12.16 per Offer Share, being the low-end of the indicative Offer Price range of HK$12.16 to HK$12.46 per Offer Share in this prospectus. Assuming an average cash burn rate going forward of three times the level for 2020, we estimate that our cash and cash equivalents of RMB1,367.9 million as of March 31, 2021 will be able to maintain our financial viability for 43 months; or if we also take into account 5% of the estimated net proceeds from the Listing, 45 months; or if we also take into account the entire estimated net proceeds from the Listing, 83 months. We will continue to monitor our cash flows from operations closely and expect to raise our next round of financing, if needed, with a minimum buffer of 12 months.

Key Financial Ratios

The table below sets forth the current ratio of our Group as of the dates indicated:

	As of December 31,		As of March 31,
	2019	**2020**	**2021**
Current Ratio[(1)]	16.9	20.5	35.9

Note:

(1) Current ratio equals current assets divided by current liabilities as of the end of the year/period.

The increase in current ratio was primarily due to our receipt of proceeds from issuance of convertible redeemable preferred shares in 2019, 2020 and the three months ended March 31, 2021.

GLOBAL OFFERING STATISTICS

All statistics in the following table are based on the assumptions that (i) the Share Subdivision and Global Offering have been completed and 140,736,000 new Shares are issued pursuant to the Global Offering; (ii) 702,466,350 Shares are issued and outstanding following the completion of the Global Offering; and (iii) no Shares are issued pursuant to the Over-allotment Option or the Post-IPO RSU Scheme and Post-IPO Share Option Scheme.

	Based on an Offer Price of HK$12.16	**Based on an Offer Price of HK$12.46**
Market capitalisation of our Shares[(1)]	HK$8,542.0 million	HK$8,752.7 million
Unaudited pro forma adjusted net tangible asset value per Share[(2)]	5.14	5.20

Notes:

(1) The calculation of the market capitalisation is based on the assumption that 702,466,350 Shares will be in issue and outstanding immediately following the completion of the Share Subdivision and the Global Offering (excluding the Over-allotment Option), assuming the Shares may be granted under the 2019 Share Incentive Plan subsequent to 31 March 2021 are taken into account.

(2) The unaudited pro forma adjusted consolidated net tangible assets attributable to the equity holders of our Company per Share is based on the consolidated statements of financial position as of March 31, 2021. For further details, please refer to the section headed "Financial Information" in this prospectus. The calculation is based on the assumption that 627,970,310 Shares are in issue, immediately following the completion of the Share Subdivision and the Global Offering (excluding the Over-allotment Option), assuming the Shares may be granted under the 2019 Share Incentive Plan subsequent to 31 March 2021 are not taken into account.

The unaudited pro forma adjusted consolidated net tangible assets per Share based on an Offer Price of HK$12.16 and HK$12.46 per Share will be RMB3.79 (equivalent to HK$4.60) and RMB3.83 (equivalent to HK$4.65), respectively, on the basis that 702,466,350 Shares are in issue if assuming the Shares may be granted under the Share Inventive Plan subsequent to 31 March 2021 are taken into account. For further details, please refer to the section headed "Financial Information" in this prospectus.

DIVIDEND

We have never declared or paid regular cash dividends on our shares. Any declaration and payment as well as the amount of dividends will be subject to our Memorandum and Articles and the Cayman Companies Act. The declaration and payment of any dividends in the future will be determined by our Board of Directors, in its discretion, and will depend on a number of factors, including our earnings, capital requirements, overall financial condition and contractual restrictions. In addition, our Shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board. As advised by our Cayman counsel, under the Cayman Companies Act, a Cayman Islands company may pay a dividend out of either profits or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay

its debts as they fall due in the ordinary course of business. In light of our accumulated losses as disclosed in this document, it is unlikely that we will be eligible to pay a dividend out of our profits in the foreseeable future. We may, however, pay a dividend out of our share premium account unless the payment of such a dividend would result in our Company being unable to pay our debts as they fall due in the ordinary course of business. There is no assurance that dividends of any amount will be declared to be distributed in any year.

If we pay dividends in the future, in order for us to distribute dividends to our Shareholders, we will rely to some extent on any dividends distributed by our PRC subsidiaries. Any dividend distributions from our PRC subsidiaries to us will be subject to PRC withholding tax. In addition, regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits as determined in accordance with its articles of association and the accounting standards and regulations in China. See "Risk Factors – Risks Relating to Doing Business in China" in this document.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$1,585.1 million, after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering, assuming no Over-allotment Option is exercised and assuming an Offer Price of HK$12.31 per Share, being the mid-point of the indicative Offer Price range stated in this prospectus.

We intend to use the net proceeds for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

(i) Approximately 19.7%, or HK$312.3 million, will be allocated to fund the ongoing and future R&D including planned clinical trials, preparation of registration filings, and future commercialization of our Core Product Candidate ABSK011; in particular, approximately 12.6%, or HK$199.7 million, will be used to fund ongoing R&D activities, approximately 6.3%, or HK$99.9 million, will be used to fund the preparation of registration filings, and approximately 0.8%, or HK$12.7 million, will be used to fund commercialization activities;

(ii) Approximately 32.6%, or HK$516.7 million, will be allocated to fund the ongoing and future R&D including planned clinical trials, preparation of registration filings, and future commercialization of our Core Product Candidate ABSK091; in particular, approximately 25.1%, or HK$397.9 million, will be used to fund ongoing R&D activities, approximately 6.3%, or HK$99.8 million, will be used to fund the preparation of registration filings, and approximately 1.2%, or HK$19.0 million, will be used to fund commercialization activities;

(iii) Approximately 28.0%, or HK$443.8 million, will be allocated to fund the ongoing and future R&D, including planned clinical trials and preparation of registration filings of our other clinical stage products and product candidates in our pipeline. For more details on the ongoing and further development plans of our other clinical stage products and product candidates, please see "Business – Our Drug Candidates":

(iv) Approximately 8.4%, or HK$133.1 million, will be allocated to fund our pre-clinical research and studies, including continued development of our R&D platform and research and development of new pre-clinical candidates;

(v) Approximately 6.3%, or HK$99.9 million, will be allocated to fund the construction of manufacturing facilities and lease of new R&D facilities; and

(vi) Approximately 5.0%, or HK$79.3 million, will be used for our working capital and general corporate purposes.

For further details, see "Future Plans and Use of Proceeds".

RISK FACTORS

We believe that there are certain risks involved in our operations, many of which are beyond our control. These risks are set out in the section headed "Risk Factors" in this prospectus. Some of the major risks we face include:

- We face fierce competition from existing products and product candidates under development in the entire oncology market. We compete with treatment methods such as surgery, radiotherapy and chemotherapy, which have been widely utilized to treat cancer. Alternative treatments such as precision oncology (including but not limited to approved non-selective kinase inhibitors such as regorafenib, sorafenib, lenvatinib, cabozantinib and selective inhibitors such as pemigatinib, erdafitinib, infigratinib, and other drug candidates under development) and immuno-oncology (including but not limited to approved drugs such as pexidartinib and surufatinib, and other drug candidates under development) are generally used only if the other therapy options are not suitable or effective on patients.

- Our business and financial prospects depend substantially on the success of our clinical stage and pre-clinical stage drug candidates. If we are unable to successfully complete their clinical development, obtain relevant regulatory approvals or achieve their commercialization, or if we experience significant delays in any of the foregoing, our business, results of operations and financial condition may be adversely affected.

- We rely on certain third-party licensors for some of our clinical development activities.

- We had a limited number of suppliers during the Track Record Period and the loss of one or more of our key suppliers could disrupt our operations.

- If safety, efficacy or other issues arise with any drug or medical product used in combination with or to facilitate the use of our drug candidates, we may be unable to market such drug candidate or may experience significant regulatory delays.

- We may be restricted from transferring our scientific data abroad.

- We have incurred significant net losses since our inception, and expect to continue to incur net losses for the foreseeable future and may not be able to generate sufficient revenue to achieve profitability. Potential investors are at risk of losing substantially all of their investments in our Shares.

- We had net operating cash outflow during the Track Record Period.

- Our results of operations, financial condition and prospects may be adversely affected by fair value changes in our convertible redeemable preferred shares.

- We incurred net liabilities during the Track Record Period.

- No public market currently exists for our Shares, and an active trading market for our Shares may not develop and the market price for our Shares may decline or became volatile, especially taking into account that all of our existing Shareholders have entered into a lock-up undertaking for six months after Listing.

LISTING EXPENSES

Listing expenses to be borne by us are estimated to be approximately HK$147.4 million (including underwriting commission, assuming an Offer Price of HK$12.31 per Share, being the mid-point of the indicative Offer Price range of HK$12.16 to HK$12.46 per Share) and represent approximately 8.5% of the gross proceeds we expect to receive from this Global Offering, assuming no Shares are issued pursuant to the Over-allotment Option. No such expenses were recognized and charged to our consolidated statements of profit or loss for the years ended December 31, 2019 and 2020, and RMB0.4 million was recognized and charged to our consolidated statements of profit or loss for the three months ended March 31, 2021. After March 31, 2021, approximately HK$45.8 million is expected to be charged to our consolidated statements of profit or loss, and approximately HK$101.0 million is expected to be charged against equity upon the Listing. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

The following table sets forth a breakdown of the listing expenses:

Fee Breakdown for Listing Expense
HK$ in millions

Underwriting-Related Expenses	95.3
Non-Underwriting-Related Expenses	
Legal Advisors and Accountants	27.6
Other Fees and Expenses	16.2
Allowance	8.4

RECENT DEVELOPMENTS

Recent Developments in Clinical Development

In July 2021, we submitted the IND application to the NMPA for a Phase II study of ABSK011 in combination with anti-PD-L1 antibody atezolizumab in late stage HCC patients with FGF19 overexpression. Our Clinical Trial Notification (CTN) for the Phase I clinical trial of ABSK043 was acknowledged by the Therapeutic Goods Administration (TGA) of Australia in July 2021. In August 2021, we dosed the first patient in a Phase I clinical trial of ABSK043 in Australia.

License Agreement with Sperogenix

In July 2021, we entered into an exclusive licensing agreement which granted Sperogenix a license with respect to the development and commercialization of innovative drug ABSK021 for indications in the field of non-oncology neurological rare diseases. See "Business – Collaboration and Licensing Arrangements – License Agreement with Sperogenix."

Expected Increase in Net Loss

We expect our net loss to substantially increase in 2021 compared to 2020, primarily due to expected increases in (i) fair value losses of convertible redeemable preferred shares driven by changes in the fair value of convertible redeemable preferred shares in 2021; (ii) R&D expenses in relation to (a) an increase in the amount expected to be paid to CROs for both pre-clinical and clinical studies in relation to (A) the commencement and completion of a Phase I trial of ABSK091 in Taiwan, the commencement and completion of patient enrollment of a Phase Ib trial of ABSK091 in mainland China, and the expected commencement of patient enrollment of a Phase II trial of ABSK091 in mainland China; (B) the completion of a Phase Ia trial of ABSK011 in Taiwan and the expected completion of the majority of patient enrollment of a Phase Ib trial in mainland China; (C) the completion of a Phase Ia trial in the U.S. and the initiation of a Phase Ib trial of ABSK021 in both the U.S. and mainland China; (D) the initiation of a Phase Ib trial of ABSK081 in China; (E) the initiation of a Phase I trial of ABSK043 in Australia; and (F) pre-clinical studies of ABSK061, ABSK051, ABSK121 and ABSK012; and (b) an increase in equity-settled share award expenses due to new equity-settled share option plan granted in June 2021; and (iii) administrative expenses in relation to (a) an increase in equity-settled share award expenses due to new equity-settled share option plan granted in June 2021; and (b) expenses in connection with the Listing incurred in 2021.

Recent Regulatory Updates

On July 2, 2021, the CDE introduced the Draft of Guiding Principles for Clinical Research and Development of Anti-tumor Drugs Oriented by Clinical Value (《以臨床價值為導向的抗腫瘤藥物臨床研發指導原則(徵求意見稿)》), or the Draft Rule, for anti-tumor drugs, which states that the fundamental purpose of the drug market is to address the needs of patients, and emphasizes that drug research and development should be based on patient needs and clinical value. The Draft Rule discourages repetitive research and development of "me-too drugs" (drugs with identical mechanisms of actions) and excessive waste.

The Draft Rules are still in the stage of soliciting opinions. However, the Draft Rules encourage drug companies to develop potentially best-in-class and first-in-class anti-tumor drugs, which we believe will significantly benefit biopharmaceutical companies dedicated to the research and development of oncology drugs. In the long run, the Draft Rules are expected to lead to a healthier pharmaceutical industry primarily focusing on value creation instead of price competition which is driven by the proliferation of "me-too drugs." We believe that the Draft Rules will accelerate anti-tumor drug development in China by directing resources to true innovation. As a pharmaceutical company with global drug development capabilities, as well as an experienced development team dedicated to innovation, we believe we are well positioned in the following aspects to take advantage of the measures and provisions in the Draft Rules, and to develop anti-tumor drugs that address patient needs and bring clinical value: (i) we have strategically established a pipeline of 14 drug candidates that focused on oncology; (ii) we have explored differentiated small molecule precision oncology therapies and small molecule immuno-oncology therapies leveraging our innovation-driven discovery platform; (iii) we have established cooperation with various multi-national pharmaceutical

companies in developing potential combination cancer therapies; and (iv) we have a team of R&D personnel, over 80% of whom have obtained post-graduate degrees, and approximately 30% hold Ph.D. degrees. Thus, we believe our dedication of innovation and continued capabilities in terms of external collaboration relationships and internal talent reserve to develop potentially innovative drug products helps enable us to capture the favorable provisions in the Draft Rules. As a clinical-stage biopharmaceutical company dedicated to the discovery and development of innovative and differentiated small molecules, we plan to optimize our current drug discovery and clinical development criteria and procedures to ensure that our research and development activities are value-oriented and focus on patient needs, in accordance with the Draft Rules. You are cautioned that our pipeline products are still under development and we may not be able to ultimately develop and market any of them successfully.

Impact of the COVID-19 Outbreak

Since the end of December 2019, the outbreak of COVID-19 has materially and adversely affected the global economy. In response, China has imposed widespread lockdowns, closure of work places and restrictions on mobility and travel to contain the spread of the virus. As of the Latest Practicable Date, substantially all of the Chinese cities had eased or lifted domestic travel restrictions and resumed normal social activities, work and production.

The government lockdown and other restrictive measures had resulted in significantly reduced mobility of our employees, causing most of the employees to work remotely during early phases of COVID-19 outbreak.

During the COVID-19 outbreak, we experienced some delays in the patient enrollment process and data entry for certain of our clinical trials in China, particularly at the beginning of the COVID-19 pandemic. Nonetheless, there has not been any material disruption of our ongoing clinical trials. We had resumed full and normal operations since March 2020. The COVID-19 pandemic has not caused any early termination of our clinical trials or necessitated removal of any patients enrolled in the clinical trials. To manage the risks associated with the COVID-19 pandemic, we adopted various measures. See "Business – Impact of the COVID-19 Outbreak" for more details. We will continue to implement our remedial measures and may implement additional measures as necessary to ease the impact of the COVID-19 outbreak on our operations. However, we cannot guarantee you that the COVID-19 pandemic will not further escalate or have a material adverse effect on our results of operations, financial position or prospects.

U.S.-China Relationship

In light of the current situations and the particular nature of the biopharmaceutical industry, we are of the view that the U.S.-China tension has not had any material impact on our business or operations, our clinical trial designs and execution, patient enrollment, data transfer, related regulatory approval processes, ability to find alternative suppliers to source, develop and manufacture our pipeline products, and prospects. We cannot guarantee, however, that the U.S.-China tension will not escalate which may have a material adverse effect on our results of operations.

No Material Adverse Change

Save as otherwise disclosed above, our Directors confirm that, as of the date of this Prospectus, there has been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects since March 31, 2021, the end of the period reported on in the Accountants' Report set out in Appendix I to this document. As we continue to advance the development of our pipeline and expand our clinical development programs, we expect to incur increasing research and development expenses and administrative expenses. Therefore, based on the assumptions made by and information currently available to our management, we expect to incur an increased amount of losses in 2021 compared to 2020.

In this Prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain other terms are explained in the section headed "Glossary of Technical Terms" in this Prospectus.

"Abbisko Australia"	Abbisko Therapeutics Australia Pty Ltd, a proprietary company limited by shares incorporated in Australia on September 25, 2020 and wholly owned by Abbisko Hong Kong
"Abbisko Hong Kong"	Abbisko Hongkong Limited, a limited liability company incorporated in Hong Kong on April 13, 2018 and wholly owned by our Company
"Abbisko Shanghai"	Abbisko Therapeutics Co., Ltd. (上海和譽生物醫藥科技有限公司), a limited liability company incorporated in the PRC on April 12, 2016 and wholly owned by Abbisko Hong Kong following the Reorganization
"Abbisko Wuxi"	Wuxi Abbisko Biomedical Technology Co., Ltd.(無錫和譽生物醫藥科技有限公司), a limited liability company incorporated in the PRC on July 28, 2020 and wholly owned by Abbisko Hong Kong
"Accountants' Report"	the accountants' report from Ernst & Young, the reporting accountants of our Company, the text of which is set out in Appendix I to this prospectus
"Articles of Association" or "Articles"	articles of association of our Company adopted on September 16, 2021, as amended from time to time, a summary of which is set out in "Appendix III – Summary of the Constitution of our Company and Cayman Companies Act" to this Prospectus
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board"	the board of directors of our Company
"Business Day"	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong

"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCASS Clearing Participant"	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
"CCASS Custodian Participant"	a person admitted to participate in CCASS as a custodian participant
"CCASS Investor Participant"	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
"CCASS Participant"	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
"CEO"	chief executive officer of our Company
"CFIUS"	the Committee on Foreign Investment in the U.S.
"China," "mainland China," "PRC" or "State"	People's Republic of China, but for the purpose of this Prospectus and for geographical reference only and except where the context requires otherwise, references in this Prospectus to "China" and the "PRC" do not apply to Hong Kong, Macau and Taiwan
"China Anti-Cancer Association"	the anti-cancer association of China (中國抗癌協會)
"China Medical Association"	the medical association of China (中國藥物協會)
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"ClinicalTrials"	ClinicalTrials.gov, is a web-based resource that maintained by the National Library of Medicine (NLM) at the National Institutes of Health (NIH). It contains clinical trials information that submitted by the sponsor or principal investigator of the clinical study
"CNIPA"	China National Intellectual Property Administration (國家知識產權局)
"Code"	the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 to the Listing Rules

"Companies Act" or "Cayman Companies Act"	the Companies Act (as Revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Company", "our Company", or "the Company"	Abbisko Cayman Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands on March 28, 2018
"connected person"	has the meaning ascribed thereto under the Listing Rules
"connected transaction"	has the meaning ascribed thereto under the Listing Rules
"Core Product Candidates"	has the meaning ascribed thereto under Chapter 18A of the Listing Rules, and in this context, includes ABSK011 and ABSK091 (AZD4547)
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the directors of our Company, including all executive, non-executive and independent non-executive Directors
"Dr. Chen"	Dr. CHEN Zhui, an executive Director and senior vice president, biology of our Company
"Dr. Chen's Holdco"	ANJA Holding Limited, a limited liability company incorporated in the British Virgin Islands and wholly owned by Dr. Chen
"Dr. Xu"	Dr. XU Yao-Chang, an executive Director, chief executive officer and chairman of the Board of our Company

"Dr. Xu's Holdco"	Gold Canary Investment Limited, a limited liability company incorporated in the British Virgin Islands and wholly owned by Dr. Xu
"Dr. Yu"	Dr. YU Hongping, an executive Director and senior vice president, chemistry of our Company
"Dr. Yu's Holdco"	Panorama HY Investment Limited, a limited liability company incorporated in the British Virgin Islands and wholly owned by Dr. Yu
"EC"	ethic committee, a body responsible for ensuring that medical experimentation and human subject research are carried out in an ethical manner in accordance with national and international law
"ESOP Trustees"	the trustees of Affluent Bay Trust, Abbisko Cayman Limited Trust, Abbisko Galaxy Myth Trust and Abbisko Glorious Ode Trust, being trusts set up by the Company to facilitate the administration of the 2019 Share Incentive Plan
"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
"FDA"	the Food and Drug Administration of the U.S.
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, which is an Independent Third Party
"Frost & Sullivan Report"	an independent market research report commissioned by us and prepared by Frost & Sullivan for the purpose of this Prospectus
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Greater China Region" or "Greater China"	mainland China, Hong Kong, Macau and Taiwan
"**GREEN** Application Form(s)"	the application form(s) to be completed by the White Form eIPO Service Provider, Computershare Hong Kong Investor Services Limited

"Group", "our Group, "our", "we" or "us"	our Company and its subsidiaries from time to time or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries and such subsidiaries as if they were subsidiaries of our Company at the relevant time
"HGRAC"	Human Genetic Resources Administration of China, is the entity in China charged with the review and approval of the applications
"HK$" or "Hong Kong Dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Offer Shares"	the 14,076,000 Shares being initially offered by our Company for subscription at the Offer Price pursuant to the Hong Kong Public Offering (subject to reallocation as described in the section headed "Structure of the Global Offering" in this Prospectus)
"Hong Kong Public Offering"	the offer for subscription of the Hong Kong Offer Shares to the public in Hong Kong at the Offer Price, subject to and in accordance with the terms and conditions set out in this Prospectus
"Hong Kong Share Registrar"	Computershare Hong Kong Investor Services Limited
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering listed in the Hong Kong Underwriting Agreement

"Hong Kong Underwriting Agreement"	the underwriting agreement dated September 29, 2021 relating to the Hong Kong Public Offering entered into among our Company, Xu Yao-Chang, Yu Hongping, Chen Zhui, Morgan Stanley Asia Limited, J.P. Morgan Securities (Far East) Limited, J.P. Morgan Securities (Asia Pacific) Limited, China International Capital Corporation Hong Kong Securities Limited and the Hong Kong Underwriters
"ICH"	International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use (國際醫藥法規協和會)
"Independent Third Party(ies)"	party or parties that is or are not a connected party within the meaning of the Listing Rules
"International Offer Shares"	the 126,660,000 Shares being offered for subscription under the International Offering, together, where relevant, with any additional Shares which may be issued pursuant to the exercise of the Over-allotment Option, subject to reallocation as described in the section headed "Structure of the Global Offering" in this Prospectus
"International Offering"	the offer of the International Offer Shares at the Offer Price, in the United States to QIBs only in reliance on Rule 144A or any other available exemption from registration under the U.S. Securities Act and outside the United States in offshore transactions in accordance with Regulation S, as further described in the section headed "Structure of the Global Offering" in this Prospectus
"International Underwriters"	the group of international underwriters expected to enter into the International Underwriting Agreement relating to the International Offering
"International Underwriting Agreement"	the international underwriting agreement relating to the International Offering to be entered into by, our Company, Dr. Xu Yao-Chang, Dr. Yu Hongping, Dr. Chen Zhui, the Joint Global Coordinators, the Joint Bookrunner, Joint Lead Manager and the International Underwriters on or about the Price Determination Date
"IRB"	an appropriately constituted group that has been formally designated to review and monitor biomedical research involving human subjects under FDA and NMPA regulations

"Joint Bookrunners"	Morgan Stanley Asia Limited (in relation to the Hong Kong Public Offering), Morgan Stanley & Co. International plc (in relation to the International Offering), J.P. Morgan Securities (Asia Pacific) Limited (in relation to the Hong Kong Public Offering), J.P. Morgan Securities plc (in relation to the International Offering), China International Capital Corporation Hong Kong Securities Limited, China Industrial Securities International Capital Limited, Haitong International Securities Company Limited, The Hongkong and Shanghai Banking Corporation Limited, Huatai Financial Holdings (Hong Kong) Limited, and SVB Leerink LLC (in relation to the International Offering)
"Joint Global Coordinators"	Morgan Stanley Asia Limited, J.P. Morgan Securities (Asia Pacific) Limited, and China International Capital Corporation Hong Kong Securities Limited
"Joint Lead Managers"	Morgan Stanley Asia Limited (in relation to the Hong Kong Public Offering), Morgan Stanley & Co. International plc (in relation to the International Offering), J.P. Morgan Securities (Asia Pacific) Limited (in relation to the Hong Kong Public Offering), J.P. Morgan Securities plc (in relation to the International Offering), China International Capital Corporation Hong Kong Securities Limited, China Industrial Securities International Capital Limited, Haitong International Securities Company Limited, The Hongkong and Shanghai Banking Corporation Limited, Huatai Financial Holdings (Hong Kong) Limited, and SVB Leerink LLC (in relation to the International Offering)
"Joint Sponsors"	Morgan Stanley Asia Limited and J.P. Morgan Securities (Far East) Limited
"Latest Practicable Date"	September 20, 2021, being the latest practicable date for the purpose of ascertaining certain information contained in this Prospectus prior to its publication
"Listing"	the listing of our Shares on the Main Board
"Listing Committee"	the listing committee of the Hong Kong Stock Exchange

"Listing Date"	the date, expected to be on or about Wednesday, October 13, 2021, on which our Shares are listed and from which dealings therein are permitted to take place on the Hong Kong Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"M&A Rules"	Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors (關於外國投資者併購境內企業的規定), which were jointly promulgated by MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the STA, the SAIC, the CSRC, and the SAFE on August 8, 2006, and came into effect on September 8, 2006 and subsequently amended on June 22, 2009, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange. For the avoidance of doubt, the Main Board excludes the Growth Enterprise Market of the Stock Exchange
"Memorandum" or "Memorandum of Association"	memorandum of association of our Company adopted on September 16, 2021, as amended from time to time, a summary of which is set out in "Appendix III – Summary of the Constitution of our Company and Cayman Companies Act" to this Prospectus
"MOFCOM" or "Ministry of Commerce"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"NDRC"	the National Development and Reform Commission (中華人民共和國國家發展和改革委員會)
"NHC"	the National Health Commission of the PRC (中華人民共和國國家衛生健康委員會)

"NMPA"	the National Medical Products Administration of China (國家藥品監督管理局) or, where the context so requires, its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局), or CFDA
"Offer Price"	the final offer price per Offer Share (exclusive of brokerage fee of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) of not more than HK$12.46 and expected to be not less than HK$12.16, such price to be agreed upon by our Company and the Joint Global Coordinators (on behalf of the Underwriters) on or before the Price Determination Date
"Offer Shares"	the Hong Kong Offer Shares and the International Offer Shares
"Over-allotment Option"	the option to be granted by us to the Joint Global Coordinators (on behalf of the International Underwriters) under the International Underwriting Agreement, pursuant to which we may be required by the Joint Global Coordinators to allot and issue up to an aggregate of 21,108,000 additional Shares (representing approximately 15% of our Shares initially being offered under the Global Offering), at the Offer Price to cover over-allocations in the International Offering, details of which are described in the section headed "Structure of the Global Offering – Over-allotment Option" in this Prospectus
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"Post-IPO RSU Scheme"	the post-IPO share award scheme adopted by our Company on September 16, 2021, the principal terms of which are set out in the section headed "Appendix V – Statutory and General Information" in this Prospectus
"Post-IPO Share Option Scheme"	the post-IPO share option scheme adopted by our Company on September 16, 2021, the principal terms of which are set out in the section headed "Appendix V – Statutory and General Information" in this Prospectus

"Pre-IPO Investment(s)"	the pre-IPO investments in the Company undertaken by the Pre-IPO Investors pursuant to the relevant investment agreements, details of which are set out in the section headed "History, Restructuring and Corporate Structure – Pre-IPO Investments" in this Prospectus
"Pre-IPO Investor(s)"	the Series A Investors, the Series B Investors, the Series C Investors and the Series D Investors
"Preferred Shares"	preferred shares(s) in the share capital of the Company, including the Series A Preferred Shares, the Series B Preferred Shares, the Series C Preferred Shares and the Series D Preferred Shares
"Price Determination Agreement"	the agreement to be entered into between our Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) on the Price Determination Date to record the Offer Price
"Price Determination Date"	the date, expected to be on or about Wednesday, October 6, 2021 on which the Offer Price is determined, or such later time as the Joint Global Coordinators (on behalf of the Underwriters) and our Company may agree, but in any event no later than Tuesday, October 12, 2021
"Prospectus"	this Prospectus being issued in connection with the Hong Kong Public Offering
"QIB"	a qualified institutional buyer within the meaning of Rule 144A
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration Committee"	the remuneration committee of the Board
"Renminbi" or "RMB"	the lawful currency of the PRC
"Reorganization"	the reorganization of our Group in preparation for Listing, details of which are described in the section headed "History, Restructuring and Corporate Structure – Reorganization" in this Prospectus
"Roche"	F. Hoffmann-La Roche Ltd. and Roche China Holding Ltd.

"Rule 144A"	Rule 144A under the U.S. Securities Act
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAIC"	the State Administration for Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局), currently known as SAMR
"SAMR"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局), formerly known as the SAIC
"SCNPC"	Standing Committee of the National People's Congress (全國人民代表大會常務委員會)
"Single Largest Group of Shareholders"	refers to Dr. Xu, Dr. Chen, Dr. Yu, Yaochang Family Holding Limited, Hery International Development Limited, Chogir Limited, Zabuye Limited, Jamdrok Limited, Dr. Yu's Holdco and the ESOP Trustees (other than Affluent Bay Trust)
"STA"	the State Taxation Administration of the PRC (中華人民共和國國家税務總局)
"Series A Investors"	the Series A-1 Investors and Series A-2 Investors
"Series A-1 Investors"	the holders of the Series A-1 Preferred Shares
"Series A-2 Investors"	the holders of the Series A-2 Preferred Shares
"Series A Preferred Shares"	the Series A-1 Preferred Shares and the Series A-2 Preferred Shares
"Series A-1 Preferred Shares"	the series A-1 preferred shares of the Company with a par value of US$0.0001 per share
"Series A-2 Preferred Shares"	the series A-2 preferred shares of the Company with a par value of US$0.0001 per share
"Series B Investors"	the holders of the Series B Preferred Shares
"Series B Preferred Shares"	the series B preferred shares of the Company with a par value of US$0.0001 per share

"Series C Investors"	the holders of the Series C Preferred Shares
"Series C Preferred Shares"	the series C preferred shares of the Company with a par value of US$0.0001 per share
"Series D Investors"	the holders of the Series D Preferred Shares
"Series D Preferred Shares"	the series D preferred shares of the Company with a par value of US$0.0001 per share
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary shares in the share capital of our Company of US$0.00001 each following the Share Subdivision
"2019 Share Incentive Plan" or "2019 Plan"	the 2019 stock incentive plan effective as of July 4, 2019 (and as amended), the principal terms of which are set out in the section headed "Appendix IV – Statutory and General Information – D. 2019 Share Incentive Plan" in this Prospectus
"Share Subdivision"	the subdivision of each issued and unissued ordinary share of US$0.0001 par value each of the Company into 10 Shares of US$0.00001 par value each to be effected following the reclassification and redesignation of all the issued and unissued Preferred Shares into ordinary shares of US$0.0001 each on the Listing Date and immediately prior to Listing
"Shareholder(s)"	holder(s) of our Share(s)
"Sophisticated Investor(s)"	has the meaning ascribed to it under Guidance Letter HKEX-GL92-18 issued by the Stock Exchange
"Stabilizing Manager"	Morgan Stanley Asia Limited
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance

"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Taiwan"	Region of Taiwan
"Takeover Code"	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"TFDA"	Taiwan Food and Drug Administration
"Track Record Period"	the financial years ended December 31, 2019 and 2020 and the three months ended March 31, 2021
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. persons"	U.S. persons as defined in Regulation S
"USPTO"	United States Patent and Trademark Office
"U.S. Securities Act"	United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time
"VAT"	value-added tax; all amounts are exclusive of VAT in this Prospectus except where indicated otherwise
"**White Form eIPO**"	the application for Hong Kong Offer Shares to be issued in the applicant's own name by submitting applications online through the designated website of **White Form eIPO** Service Provider at **www.eipo.com.hk**
"**White Form eIPO** Service Provider"	Computershare Hong Kong Investor Services Limited

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in the Prospectus in both the Chinese and English languages and in the event of any inconsistency, the Chinese version shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

This glossary contains definitions of certain terms used in this prospectus in connection with us and our business. Some of these may not correspond to standard industry definitions.

"AEs"	adverse events, any untoward medical occurrences in a patient or clinical investigation subject administered a drug or other pharmaceutical product during clinical trials and which do not necessarily have a causal relationship with the treatment
"ALS"	amyotrophic lateral sclerosis
"ALT"	alanine aminotransferase
"APIs"	active pharmaceutical ingredients
"assay"	an analysis done to determine (1) the presence of a substance and the amount of that substance and (2) the biological or pharmacological potency of a drug
"AST"	aspartate aminotransferase
"AUC"	area under curve, a parameter of systemic exposure
"bioavailability"	the fraction of an administered dose of drug that reaches the systemic circulation, which is one of the principal pharmacokinetic properties of drugs
"carcinoma"	a cancer that begins in the lining layer (epithelial cells) of organs
"CAGR"	Compound Annual Growth Rate
"CD73"	a cell surface enzyme, which is widely expressed on the surface of human endothelial cells, lymphocytes, such as Treg cells
"CDE"	Center for Drug Evaluation (藥品審評中心), an institution under the NMPA
"CDMO"	contract development and manufacturing company
"cGMP"	current good manufacturing practice

"cGVHD"	chronic graft-versus-host disease
"chemotherapy"	a category of cancer treatment that uses one or more anti-cancer chemotherapeutic agents as part of its standardized regimen
"cholangiocarcinoma"	bile duct cancer, a type of cancer that forms in the bile ducts
"checkpoint inhibitors"	molecules that release the natural brakes which exist to control an immune response
"C_{max}"	maximum concentration, a parameter of systemic exposure
"CMC"	chemistry, manufacturing, and controls processes in the development, licensure, manufacturing, and ongoing marketing of pharmaceutical products
"CMO(s)"	contract manufacturing organization(s), a company that serves other companies in the pharmaceutical industry on a contract basis to provide comprehensive services from drug development through drug manufacturing
"cohort"	a group of patients as part of a clinical study who share a common characteristic or experience within a defined period and who are monitored over time
"combination therapy"	treatment in which a patient is given two or more drugs (or other therapeutic agents) for a single disease
"CRC"	colorectal cancer
"CRO(s)"	contract research organization, a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis
"CSF-1R"	colony-stimulating factor 1 receptor
"CXCL12"	C-X-C Motif Chemokine Ligand 12
"CXCR4"	CXC chemokine receptor 4

"cytokine"	a broad and loose category of small proteins that are important in cell signalling. Their release has an effect on the behaviour of cells around them
"DLT"	dose-limiting toxicity, side effects of a drug or other treatment that are serious enough to prevent an increase in dose or level of that treatment
"DMPK"	drug metabolism and pharmacokinetics
"DNA"	deoxyribonucleic acid
"DOR"	duration of response, the length of time that a tumor continues to respond to treatment without the cancer growing or spreading
"EGFR"	epidermal growth factor receptor
"EHS"	environmental, health and safety
"EPO"	European Patent Office
"ERK"	extracellular signal-regulated kinase, a specific subtype of MAPK that have been extensively linked to regulation of synaptic plasticity and memory formation in many systems
"FGFR"	fibroblast growth factor receptor, membrane-spanning proteins that are a subgroup of the family of tyrosine kinase receptors
"FGF19"	fibroblast growth factor 19
"first-line"	with respect to any disease, the first line therapy, which is the treatment regimen or regimens that are generally accepted by the medical establishment for initial treatment of a given type and stage of cancer
"GC"	gastric cancer
"GCP"	good clinical practice
"GMP"	good manufacturing practice

"Grade"	term used to refer to the severity of adverse events according to Common Terminology Criteria for Adverse Events (CTCAE) v4.03
"HCC"	hepatocellular carcinoma, a type of cancer arising from hepatocytes in predominantly cirrhotic liver
"HSCT"	Haematopoietic Stem Cell Transplant
"IC50"	half maximal inhibition, a measure of the potency of a substance in inhibiting a specific biological or biochemical function
"immuno-oncology"	a type of immunotherapy that is specifically targeted to fight cancer
"immunotherapy"	use of the immune system to treat disease
"IND"	Investigational New Drug
"Kinase"	a type of enzyme that catalyzes the transfer of phosphate groups from high-energy, phosphate-donating molecules to specific substrates. The protein kinases make up the majority of all kinases. Protein kinases act on proteins, phosphorylating them on their serine, threonine, tyrosine, or histidine residues. These kinases play a major role in protein and enzyme regulation as well as signaling in the cell
"KRAS"	a gene that makes a protein signaling pathways that control cell growth, cell maturation, and cell death
"lymphocytes"	a sub-type of white blood cells, such as T-cells, B-cells and NK cells
"mAb"	monoclonal antibody, is an antibody made by cloning a unique white blood cell. All subsequent antibodies derived this way trace back to a unique parent cell
"MAH"	Marketing Authorisation Holder, an entity that has been granted market authorization to market a specific medicinal product
"MDSC"	myeloid-derived suppressor cells

"metastatic"	in reference to any disease, including cancer, disease producing organisms or of malignant or cancerous cells transferred to other parts of the body by way of the blood or lymphatic vessels or membranous surfaces
"MTD"	maximum tolerated dose, the highest dose of a drug or treatment that does not cause unacceptable side effects
"monotherapy"	therapy that uses a single drug to treat a disease or condition
"MS"	multiple sclerosis
"NDA"	new drug application
"NRDL"	National Reimbursement Drug List
"NSCLC"	non-small-cell lung carcinoma
"ORR"	objective response rate
"OS"	overall survival
"pan-FGFR inhibitor"	pan-inhibitor of fibroblast growth factor receptor (FGFR) family
"PCCs"	pre-clinical candidates
"PD-L1"	programmed death-ligand 1
"PET"	Positron Emission Tomography, a functional imaging technique that uses radioactive tracers to examine metabolic processes in the body as an aid to disease diagnosis
"pharmacodynamics" or "PD"	the study of how a drug affects an organism, which, together with pharmacokinetics, influences dosing, benefit, and adverse effects of the drug
"pharmacokinetics" or "PK"	the study of the bodily absorption, distribution, metabolism, and excretion of drugs, which, together with pharmacodynamics, influences dosing, benefit, and adverse effects of the drug

"pivotal trial"	the final controlled trial or study to demonstrate clinical efficacy and safety evidence required before submission for drug marketing approval
"PLCγ"	Phospholipase C gamma
"PoC"	proof of concept
"PR"	partial response
"pre-clinical studies"	pre-clinical studies testing a drug on non-human subjects, to gather efficacy, toxicity, pharmacokinetic and safety information and to decide whether the drug is ready for clinical trials
"progression-free survival" or "PFS"	the length of time during and after the treatment of a disease, such as cancer, that a patient lives without the disease getting worse
"QD"	once daily
"RCC"	Renal cell carcinoma, a kidney cancer that originates in the lining of the proximal convoluted tubule
"registrational trial"	large confirmatory studies meant to establish an acceptable benefit/safety profile in order to gain regulatory approval for a precisely defined indication
"relapsed"	the return of a disease or the signs and symptoms of a disease after a period of improvement
"RORγt"	RAR-related orphan receptor gamma
"RP2D"	recommended Phase II dose
"RTKs"	receptor tyrosine kinases
"SAE"	serious AE, any medical occurrence in human drug trials that at any dose: results in death; is life-threatening; requires inpatient hospitalization or causes prolongation of existing hospitalization; results in persistent or significant disability/incapacity; may have caused a congenital anomaly/birth defect, or requires intervention to prevent permanent impairment or damage

"stable disease"	disease that is neither decreasing nor increasing in extent or severity
"second-line"	therapies that are tried when the first-line treatments do not work adequately or stop working
"solid tumors"	an abnormal mass of tissue that usually does not contain cysts or liquid areas
"$T_{1/2}$"	terminal half-life, the time required for the concentration to fall to 50% of its peak value
"TAM"	tumor associated microphage
"T-cell"	a type of lymphocyte produced or processed by the thymus gland and actively participating in the immune response. T-cells can be distinguished from other lymphocytes, such as B-cells and NK cells, by the presence of a T-cell receptor on the cell surface
"TGCT"	tenosynovial giant cell tumor
"treatment emergent adverse events" or "TEAE"	adverse events not present prior to medical treatment, or an already present event that worsens either in intensity or frequency following the treatment
"TIL"	tumor-infiltrating lymphocyte
"TME"	tumor microenvironment
"TNBC"	triple-negative breast cancer
"toxicity"	the degree to which a substance or a mixture of substances can harm humans or animals
"TRAEs"	treatment-related adverse events, undesirable events not present prior to medical treatment or an already present event that worsens in intensity or frequency following the treatment
"UC" or "urothelial cancer"	urothelial cell carcinoma, a type of cancer that typically occurs in the urinary system and begins in urothelial cells
"VEGFR"	vascular endothelial growth factor receptor
"WHIM"	warts, hypogammaglobulinemia, infections and myelokathexis

We have included in this Prospectus forward-looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This Prospectus contains certain forward-looking statements and information relating to our Company, our subsidiaries and consolidated affiliated entities that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this Prospectus, the words "aim", "anticipate", "believe", "could", "expect", "going forward", "intend", "may", "ought to", "plan", "project", "seek", "should", "will", "would" and the negative of these words and other similar expressions, as they relate to our Group or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this Prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our operations and business prospects;
- our financial condition and operating results and performance;
- industry trends and competition;
- our product candidates under development or planning;
- the timing and outcome of the applications for registration of our products with the NMPA and other regulators;
- our strategies, plans, objectives and goals and our ability to successfully implement these strategies, plans, objectives and goals;
- our ability to attract customers and build our brand image;
- general political and economic conditions;
- future developments of the COVID-19 outbreak in the PRC and globally;
- changes to regulatory and operating conditions in the industry and markets in which we operate; and
- the amount and nature of, and potential for, future development of our business.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this Prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Prospectus might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this Prospectus are qualified by reference to the cautionary statements in this section.

In this Prospectus, statements of or references to our intentions or those of our Directors are made as of the date of this Prospectus. Any such information may change in light of future developments.

An investment in our Shares involves significant risks. You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in our Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the market price of our Shares could decline, and you may lose all or part of your investment. These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as at the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in "Forward-looking Statements" in this prospectus.

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our pre-clinical and clinical development of our drug candidates; (ii) risks relating to our reliance on third parties; (iii) risks relating to extensive government regulation; (iv) risks relating to manufacturing and commercialization of our drug candidates; (v) risks relating to our intellectual property rights; (vi) risks relating to our financial position and need for additional capital; (vii) risks relating to our operations; (viii) risks relating to doing business in China; and (ix) risks relating to the Global Offering.

Additional risks and uncertainties that are presently not known to us or not expressed or implied below or that we currently deem immaterial could also have a material adverse effect on our business, financial condition and operating results. You should consider our business and prospects in light of the challenges we face, including the ones discussed in this section.

RISKS RELATING TO OUR PRE-CLINICAL AND CLINICAL DEVELOPMENT OF OUR DRUG CANDIDATES

We face fierce competition from existing products and product candidates under development in the entire oncology market. Our competitors may discover, develop or commercialize competing drugs earlier or more successfully than we do. If we fail to effectively compete with our competitors, our competitive position in our target markets may be undermined, our drug candidates, if and when approved, may fail to be commercially successful and our business, financial condition, results of operations and prospects could suffer.

We face fierce competition from existing products and product candidates under development in the entire oncology market, in particular in the FGFR inhibitor market, and in addition to approved oncology therapy options, there are a large number of competing drug candidates currently under different clinical stages. Competition in therapeutic areas such as oncology to which our Core Product Candidates and most of our other pipeline assets belong is intense given the abundance of existing competing oncology therapy options, approved drugs

and drug candidates that continue to increase competition in the market. Many of the companies against which we are competing or against which we may compete in the future have significantly greater financial, technical and human resources and expertise in research and development, manufacturing, pre-clinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved drugs than we do. We face intense and increasing competition as new drugs enter the market and advanced technologies become available.

In particular, our small molecule precision oncology and small molecule immuno-oncology drug therapies will compete with existing and new drugs covering the same targets or indications, including both selective and non-selective inhibitors. Certain non-selective kinase inhibitors carry certain levels of FGFR inhibitory activities, and therefore may compete with the selective FGFR inhibitors. There are currently four non-selective kinase inhibitors approved for HCC, and no non-selective kinase inhibitors approved for UC or GC. For details, please refer to "Industry Overview – FGFR Inhibitors."

For selective inhibitors, especially FGFR inhibitors, there are a large number of competing drug candidates currently under different development stages. According to Frost & Sullivan, as of the Latest Practicable Date, globally, there were three approved pan-FGFR inhibitors, pemigatinib by Incyte, erdafitinib by Janssen and infigratinib by QED Therapeutics, and a total of 16 pan-FGFR inhibitor drug candidates under various stages of clinical development, including ABSK091 (AZD4547); for FGFR4 and pathway, there had not been any marketed FGFR4 inhibitors, and only nine drug candidates worldwide were under various stages of clinical development, including ABSK011, according to Frost & Sullivan. Considering that selective FGFR inhibitors have been under development in the market for several years, and that there are only the abovementioned approved products, the development of selective FGFR inhibitors could pose significant challenges and hurdles to us. **Because our FGFR inhibitor drug candidates are still at early development stages, they may not be able to reach commercialization in view of such hurdles.**

In terms of the small molecule immuno-oncology market, according to Frost & Sullivan, the global small molecule immuno-oncology market is still at a preliminary development stage. As of May 31, 2021, for CSF-1R pathway, pexidartinib was the only CSF-1R inhibitor approved by the FDA and surufatinib (an angio-immuno kinase inhibitor targeting VEGFR, FGFR1 and CSF-1R) was the only NMPA approved drug that could target CSF-1R; in addition, a total of six drug candidates (other than ABSK021) were under various stages of clinical development globally; for CXCR4, plerixafor was the only marketed drug globally but was not approved for oncology indications, and three drug candidates, including our ABSK081 (mavorixafor), are under various stages of clinical development. **Our small molecule immuno-oncology drug candidates are still at early development stages, we may not be able to successfully develop or commercialize such products.**

The wide application of traditional cancer therapies, such as surgeries, radiotherapies and chemotherapies, also poses significant competition for our drug candidates. Surgery is a procedure in which a surgeon removes tumors and nearby tissues from the patient's body. Radiotherapies deliver high doses of radiation to kill cancer cells and shrink tumors, while chemotherapies use single or combination anti-cancer drugs to stop or slow the growth of

cancer cells. Our drug candidates and lines of treatments may not be selected unless and until one or more of these more conventional and widely adopted cancer treatments have been adopted, which could potentially negatively affect the size of our total addressable market for our drug candidates.

Our commercial opportunities may deteriorate if our competitors develop and commercialize drugs that are safer, more effective, have fewer or less severe side effects, are more convenient, or are less expensive than any of the drugs that we may develop or commercialize. Our competitors also may obtain approval from the NMPA, FDA, TFDA or other comparable regulatory authorities for their drugs more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market. They may render our drug candidates obsolete or non-competitive before we can recover the expenses of developing and commercializing any of our drug candidates.

Our business and financial prospects depend substantially on the success of our clinical stage and pre-clinical stage drug candidates. If we are unable to successfully complete their clinical development, obtain relevant regulatory approvals or achieve their commercialization, or if we experience significant delays in any of the foregoing, our business, results of operations and financial condition may be adversely affected.

Our ability to generate revenue and become profitable depends on the successful completion of the development of our drug candidates, obtaining necessary regulatory approvals, and manufacturing and commercializing our drug candidates. We have invested a significant portion of our efforts and financial resources in the development of our existing drug candidates, and we expect to continue to incur substantial and increasing expenditures for the development and commercialization of our drug candidates.

The success of our drug candidates will depend on several factors, including but not limited to:

- successful enrollment of patients in, and completion of, clinical trials, as well as completion of pre-clinical studies;
- favorable safety and efficacy data from our clinical trials and other studies;
- obtaining sufficient supplies of any qualified drug products that are used in combination with our drug candidates, competitor drugs or comparison drugs that may be necessary for use in clinical trials for evaluation of our drug candidates;
- receipt of regulatory approvals;
- establishing sufficient commercial manufacturing capabilities, either by building facilities ourselves or making arrangements with third-party manufacturers;

- the performance by CROs or other third parties we may retain to conduct clinical trials, of their duties to us in a manner that complies with our protocols and applicable laws and that protects the integrity of the resulting data;

- obtaining, maintaining and enforcing patent, trademark, trade secret and other intellectual property protection and regulatory exclusivity for our drug candidates;

- avoiding infringement, misappropriation or violation of the patents, trademarks, trade secrets or other intellectual property rights of third parties, and successfully defending against any claims by third parties that we have infringed, misappropriated or otherwise violated any intellectual property of any such third party;

- successfully launching commercial sales of our drug candidates, if and when approved;

- obtaining and maintaining favorable reimbursement from third-party payers for drugs, if and when approved;

- competition with other drug candidates and drugs; and

- continued acceptable safety profile of our drug candidates following regulatory approval.

If we do not achieve one or more of these factors in a timely manner or at all, we could experience significant delays in obtaining approval for and/or successfully commercializing our drug candidates, which would materially and adversely affect our business and we may not be able to generate sufficient revenues and cash flows to continue our operations.

We may not be able to in-license new drug candidates with high likelihood of success in subsequent development and commercialization, which could materially and adversely affect our future growth and prospects.

Historically, we have in-licensed a number of drug candidates. In-licensing will remain important for our portfolio strategy. We cannot guarantee that we will be able to successfully in-license new drug candidates for a number of reasons, including but are not limited to:

- the research methodology used may not be successful in discovering new drug candidates or formulations or developing additional potential indications;

- there can be significant variability in safety and/or efficacy results between different trials of the same drug candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations, including genetic differences, patient adherence to the dosing regimen and other trial protocol elements;

- potential drug candidates may, after further study, be shown to have harmful adverse effects or other characteristics that indicate they are unlikely to be effective drugs; or

- it may take greater human and financial resources to identify additional therapeutic opportunities for our drug candidates or to develop suitable potential drug candidates through internal research programs than we will possess, thereby limiting our ability to diversify and expand our drug portfolio.

If we are not able to continue to in-license new drug candidates with high likelihood of success in subsequent development and commercialization, our business operations may be materially adversely affected.

Clinical drug development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials and non-head-to-head analysis may not be predictive of future trial results.

Research programs to discover new drug candidates and new formulations or pursue the development of our drug candidates for additional indications require substantial technical, financial and human resources. Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process. For example, we completed a Phase Ia clinical trial on ABSK011 and a Phase I clinical trial on ABSK091 in Taiwan. Taiwan is not a jurisdiction of Competent Authority under Chapter 18A of the Listing Rules and clinical data collected may not be directly recognized elsewhere in the world. The results of pre-clinical studies, early clinical trials of our drug candidates and non-head-to-head analyses may not be predictive of the results of later-stage clinical trials, and initial or interim results of a trial may not be predictive of the final results. Drug candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through pre-clinical studies and initial clinical trials. In some instances, there can be significant variability in safety and/or efficacy results between different trials of the same drug candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations, including genetic differences, patient adherence to the dosing regimen, other trial protocol elements and the rate of dropout among clinical trial participants. Moreover, a number of factors could affect the relevant clinical results and could render cross-trial comparison results less meaningful, including the different patient enrollment standards adopted in different trials (e.g., tumor size and status, prior treatment history, age group), dose regimen, and the other aspects of clinical trial design. In the case of any trials we conduct, results may differ from earlier trials due to the larger number of clinical trial sites and additional countries and languages involved in such trials. A number of companies in the pharmaceutical and biopharmaceutical industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding positive results in earlier trials. Our future clinical trial results may thus not be favorable, which may materially and adversely affect our business, results of operations and prospects.

If we encounter difficulties enrolling patients in our clinical trials, our clinical development activities could be delayed or otherwise adversely affected.

The timely completion of clinical trials in accordance with their protocols depends, among other things, on our ability to enroll a sufficient number of patients who remain in the trial until its conclusion. We may experience difficulties in patient enrollment in our clinical trials for a variety of reasons, including the size and nature of the patient population and the patient eligibility criteria defined in the protocol.

Our clinical trials may compete with other clinical trials for drug candidates that are in the same therapeutic areas as our drug candidates, and this competition will reduce the number and types of patients available to us, because some patients who might have opted to enroll in our trials may instead opt to enroll in a trial being conducted by one of our competitors. Because the number of qualified clinical investigators and clinical trial sites is limited, we expect to conduct some of our clinical trials at the same clinical trial sites that some of our competitors use, which will reduce the number of patients who are available for our clinical trials at such clinical trial sites. Even if we are able to enroll a sufficient number of patients in our clinical trials, delays in patient enrollment may result in increased costs or may affect the timing or outcome of the planned clinical trials, which could prevent completion of these trials and adversely affect our ability to advance the development of our drug candidates.

If clinical trials of our drug candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our drug candidates.

Before obtaining regulatory approval for the sale of our drug candidates, we must conduct extensive clinical trials to demonstrate the safety and efficacy of our drug candidates in humans. We may experience numerous unexpected events during, or as a result of, clinical trials that could delay or prevent our ability to obtain regulatory approval or commercialize our drug candidates, including but not limited to:

- regulators, institutional review boards or ethics committees not authorizing us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;

- manufacturing issues relating to our third-party CDMOs or after we establish our own facilities, including problems with manufacturing, supply quality, compliance with good manufacturing practice, or GMP, or obtaining from third parties sufficient quantities of a drug candidate for use in a clinical trial;

- clinical trials of our drug candidates producing negative or inconclusive results, and additional clinical trials or abandoning drug development programs being required;

- the number of patients required for clinical trials of our drug candidates being larger than we anticipate, enrollment being insufficient or slower than we anticipate, or patients dropping out at a higher rate than we anticipate;

- our third-party contractors failing to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;

- our having to suspend or terminate clinical trials of our drug candidates for various reasons, including a finding of a lack of clinical response or other unexpected characteristics or a finding that participants are being exposed to unacceptable health risks; and

- the cost of clinical trials of our drug candidates being greater than we anticipate; and the supply or quality of our drug candidates, companion diagnostics or other materials necessary to conduct clinical trials of our drug candidates being insufficient or inadequate.

If we are required to conduct additional clinical trials or other testing of our drug candidates beyond those that we currently contemplate, if we are unable to successfully complete clinical trials of our drug candidates or other testing, or if the results of these trials or tests are not positive or are only modestly positive or if they raise safety concerns, we may (i) be delayed in obtaining regulatory approval for our drug candidates; (ii) not obtain regulatory approval at all; (iii) obtain approval for indications that are not as broad as intended; (iv) have the drug removed from the market after obtaining regulatory approval; (v) be subject to additional post-marketing testing requirements; (vi) be subject to restrictions on how the drug is distributed or used; or (vii) be unable to obtain reimbursement for the use of the drug.

Significant clinical trial delays may also increase our development costs and could shorten any periods during which we have the exclusive right to commercialize our drug candidates or allow our competitors to bring drugs to market before we do. This could impair our ability to commercialize our drug candidates and may materially and adversely affect our business and results of operations.

Adverse events or undesirable side effects caused by our drug candidates could interrupt, delay or halt clinical trials, delay or prevent regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following any regulatory approval.

Undesirable adverse events caused by our drug candidates, or caused by our drug candidates when used in combination with other drugs, could potentially cause significant negative consequences, including but not limited to:

- regulatory authorities could interrupt, delay or halt pending clinical trials;

- we may suspend, delay or alter development or marketing of our drug candidates;

- regulatory authorities may order us to cease further development of, or deny approval of, our drug candidates for any or all targeted indications if results of our trials reveal a high and unacceptable severity or prevalence of certain adverse events;

- regulatory authorities may delay or deny approval of our drug candidates;

- regulatory authorities may withdraw approvals or revoke licenses of an approved drug candidate, or we may determine to do so even if not required;

- regulatory authorities may require additional warnings on the label of an approved drug candidate or impose other limitations on an approved drug candidate;

- we may be required to develop a risk evaluation mitigation strategy for the drug candidate, or, if one is already in place, to incorporate additional requirements under the risk evaluation mitigation strategy, or to develop a similar strategy as required by a comparable regulatory authority;

- we may be required to conduct post-market studies;

- we could be subject to litigation proceedings and held liable for harm caused to patients exposed to or taking our drug candidates may suffer from adverse events related to the treatment and patients;

- the patient enrollment may be insufficient or slower than we anticipate or patients may drop out or fail to return for post-treatment follow-up at a higher rate than anticipated; and

- the costs of clinical trials of our drug candidates may be substantially higher than anticipated.

In addition, some of our drug candidates are still considered as emerging oncology therapies. Their mechanisms of action are yet to be thoroughly understood, and side effects have been observed in clinical studies and reported by medical practitioners in connection with their usage in patients. For example, the NMPA, FDA, TFDA or other comparable authorities could order us to suspend or terminate our studies or to cease further development of or deny approval of our drug candidates. Any drug-related side effects could affect patient recruitment or the ability of enrolled patients to complete trials or may result in potential product liability claims, which could prevent us from obtaining regulatory approvals or achieving or maintaining market acceptance of a particular drug candidate, and could materially and adversely our business, results of operations and prospects.

Our drug development progress may be affected by the clinical development progress of our collaboration partners. If the collaboration partners are unable to successfully complete clinical development, obtain relevant regulatory approvals or achieve commercialization, or if they experience significant delays in any of the foregoing, our business, results of operations and financial condition may be adversely affected.

We have entered into license and collaborations agreements with AstraZeneca, X4 Therapeutics Inc., Shanghai Junshi Biosciences Co., Ltd. (上海君實生物醫藥科技股份有限公司), F. Hoffmann-La Roche Ltd, and other pharmaceutical companies (collectively, our "Collaboration Partners"). See "Business – Collaboration and Licensing Arrangements." The success of our collaborations with our Collaboration Partners and drug development may be subject to the performance of relevant agreements, including, collaboration and clinical development activities by our Collaboration Partners to the extent they are responsible. Each Collaboration Partner may not be successful in the performance of such activities, including, for example, obtaining approvals for the product candidates developed under the collaboration or in marketing, or arranging for necessary supply, manufacturing, or distribution relationships for, any approved products. Our Collaboration Partners may change their strategic focus or pursue alternative technologies in a manner that results in reduced, delayed, or no additional costs to us under the collaboration agreements. Our Collaboration Partners have a variety of marketed products and product candidates under collaboration with other companies, possibly including some of our competitors, and our Collaboration Partners' own corporate objectives may not be consistent with our interests. If any of our Collaboration Partners experiences significant delays in or fail to develop, obtain regulatory approval for, or ultimately commercialize any product candidate under our collaborations, our business, financial condition, results of operations and prospects could be materially and adversely affected.

We rely on certain third-party licensors for some of our clinical development activities.

We rely on certain third parties for some of our clinical trials. For example, we have submitted an IND application for a clinical trial of ABSK011 in combination with anti-PD-L1 antibody atezolizumab from Roche, and have obtained the IRB approval for a clinical trial of ABSK081 in combination with anti-PD-1 antibody toripalimab from Junshi. We cannot guarantee that Roche, Junshi or other potential third party partners will not diminish the amount of supply of the relevant compounds, or terminate the agreements altogether. In such cases, we may need to reevaluate our approaches with respect to these combination trials, and potentially find other compounds with combination potentials with our product candidates. We cannot guarantee that we will be able to find such alternative combination trial opportunities, or that we will not incur significant costs and efforts in so doing. Any of the above may have a material adverse effect on our clinical development, results of operations and financial condition.

We may not be successful in developing, enhancing or adapting to new technologies and methodologies.

We must keep pace with new technologies and methodologies to maintain our competitive position. In 2019 and 2020 and the three months ended March 31, 2020 and 2021, our research and development expenses were RMB81.5 million, RMB132.7 million, RMB15.9 million and RMB38.1 million, respectively. We must continue to invest significant amounts of human and capital resources to develop or acquire technologies that will allow us to enhance the scope and quality of our clinical trials. We intend to continue to enhance our technical capabilities in drug discovery, development and manufacturing, which are capital-and-time-intensive. We cannot assure you that we will be able to develop, enhance or adapt to new technologies and methodologies, successfully identify new technological opportunities, develop and bring new or enhanced products to market, obtain sufficient or any patent or other intellectual property protection for such new or enhanced products, or obtain the necessary regulatory approvals in a timely and cost-effective manner, or, if such products are introduced, that those products will achieve market acceptance. Any failure to do so may make our techniques obsolete, which could materially and adversely affect our business and prospects.

In conducting drug discovery and development, we face potential liabilities, in particular, product liability claims or lawsuits that could cause us to incur substantial liabilities.

We face an inherent risk of product liability as a result of the clinical trials and any future commercialization of our drug candidates inside and outside China. Liability claims may result in: decreased demand for our drug candidates, injury to our reputation, withdrawal of clinical trial participants and inability to continue clinical trials, initiation of investigations by regulators, costs to defend the related litigation, a diversion of management's time and our resources, substantial monetary awards to trial participants or patients, product recalls, withdrawals, or labeling, marketing or promotional restrictions, loss of revenue, exhaustion of any available insurance and our capital resources, the inability to commercialize any approved drug candidate, and a decline in the market price of our Shares.

Our business and reputation may be adversely affected by negative publicity involving us, our Shareholders, Directors, officers, employees, Collaboration Partners, suppliers or other third parties that we work with or rely on.

We, our Shareholders, Directors, officers, employees, Collaboration Partners, suppliers, or other third parties we cooperate with or rely on may be subject to negative media coverage and publicity from time to time. Such negative coverage in the media and publicity could threaten the perception of our reputation. In addition, to the extent our Shareholders, Directors, officers, employees, Collaboration Partners, suppliers or other third parties we work with or rely on were non-compliant with any laws or regulations, we may also suffer negative publicity or harm to our reputation. Any negative publicity regarding our industry could also affect our reputation and commercialization. As a result, we may be required to spend significant time and incur substantial costs in response to allegations and negative publicity that may or may not directly related to us, and may not be able to diffuse them to the satisfaction of our current or future investors, customers, patients and business partners.

RISKS RELATING TO OUR RELIANCE ON THIRD PARTIES

We have entered into collaborations and may form or seek collaborations or strategic alliances or enter into licensing arrangements in the future, we may not realize the benefits of such alliances or licensing arrangements, and disputes may arise between us and our collaboration partners which could harm our business.

We have in the past formed, and may in the future seek and form, strategic alliances, joint ventures or other collaborations, including entering into licensing arrangements with third parties that we believe will complement or augment our development and commercialization efforts with respect to our drug candidates and any future drug candidates that we may develop. Any of these relationships may require us to incur non-recurring and other charges, increase our near and long-term expenditures, issue securities that dilute our existing shareholders or disrupt our management and business.

Our strategic collaboration with partners involves numerous risks. We may not achieve the revenue and cost synergies expected from the transaction. These synergies are inherently uncertain, and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and are beyond our control. If we achieve the expected benefits, they may not be achieved within the anticipated timeframe. Also, the synergies from our collaboration with partners may be offset by other costs incurred in the collaboration, increases in other expenses, operating losses or problems in the business unrelated to our collaboration. As a result, there can be no assurance that these synergies will be achieved.

We face significant competition in seeking appropriate strategic partners and the negotiation process is time-consuming and complex. Moreover, we may not be successful in our efforts to establish a strategic partnership or other alternative arrangements for our drug candidates because they may be deemed to be at too early of a stage of development for collaborative effort and third parties may not view our drug candidates as having the requisite potential to demonstrate safety and efficacy or commercial viability. If and when we collaborate with a third party for development and commercialization of a drug candidate, we can expect to relinquish some or all of the control over the future success of that drug candidate to the third party. For any drug candidates that we may seek to in-license from third parties, we may face significant competition from other pharmaceutical or biopharmaceutical companies with greater resources or capabilities than us, and any agreement that we do enter into may not result in the anticipated benefits.

Disputes may arise between us and our collaboration partners. Such disputes may cause delay or termination of the research, development or commercialization of our drug candidates, or may result in costly litigation or arbitration that diverts management attention and resources. Global markets are an important component of our growth strategy. If we fail to obtain licenses or enter into collaboration arrangements with third parties in other markets, or if our third-party

collaborator is not successful, our revenue-generating growth potential will be adversely affected. Moreover, international business relationships subject us to additional risks that may materially adversely affect our ability to attain or sustain profitable operations, including:

- efforts to enter into collaboration or licensing arrangements with third parties in connection with our international sales, marketing and distribution efforts may increase our expenses or divert our management's attention from the acquisition or development of drug candidates;

- decisions of our collaborators, especially those in combo therapy trials, to delay any clinical trials, provide insufficient funding for a clinical trial, stop a clinical trial, abandon a drug candidate, repeat or conduct new clinical trials, or require a new formulation of a drug candidate for clinical testing, or not to pursue development and commercialization of our drugs and drug candidates, continue or renew development or commercialization programs based on clinical trial results or other external factors;

- difficulty of effective enforcement of contractual provisions in local jurisdictions;

- third parties obtaining and maintaining patent, trade secret and other intellectual property protection and regulatory exclusivity for our drug candidates;

- difficulty of ensuring that third-party partners do not infringe, misappropriate, or otherwise violate the patent, trade secret, or other intellectual property rights of others;

- unexpected changes in or imposition of trade restrictions, such as tariffs, sanctions or other trade controls, and similar regulatory requirements;

- economic weakness, including inflation;

- compliance with tax, employment, immigration and labor laws for employees traveling abroad;

- the effects of applicable foreign tax structures and potentially adverse tax consequences;

- currency fluctuations, which could result in increased operating expenses and reduced revenue; workforce uncertainty and labor unrest;

- failure of our employees and contracted third parties to comply with United States Department of the Treasury's Office of Foreign Assets Control rules and regulations and the United States Foreign Corrupt Practices Act of 1977, as amended ("**FCPA**"); and

- business interruptions resulting from geopolitical actions, including war and acts of terrorism, or natural disasters, including earthquakes, volcanoes, typhoons, floods, hurricanes and fires.

Our rights to develop and commercialize some of our drug candidates are subject to the terms and conditions of licenses granted to us by others.

We rely on licenses to certain patent rights and other intellectual property from third parties that are important or necessary to the development, manufacture or commercialization of our drug candidates and certain of these third parties from which we have been granted licenses themselves rely on licenses from other third parties. These and other licenses may not provide exclusive rights to use such intellectual property in all relevant fields of use or in all territories in which we may wish to develop or commercialize our future approved drugs. As a result, we may not be able to develop, export or sell our drug products outside of the fields or territories as stipulated by the license agreements or prevent competitors from developing and commercializing competitive drug products in territories included in all of our licenses.

In addition, we may not have the right to control the preparation, filing, prosecution, maintenance, enforcement or defense of patents and patent applications covering the drug candidates that we license from third parties such as AstraZeneca and X4 Therapeutics Inc. Therefore, we cannot be certain that these patents and patent applications will be prepared, filed, prosecuted, maintained, enforced and defended in a manner consistent with the best interests of our business. If our licensing partners fail to prosecute, maintain, enforce or defend such patents or patent applications, or lose rights to those patents or patent applications, the rights we have licensed may be reduced or eliminated, and our right to develop and commercialize any of our drug products that are subject of such licensed rights could be adversely affected.

Our licensing partners may have relied on third-party consultants or collaborators or on funds from third parties, or on upstream licenses from third parties, such that our licensing partners are not the sole and exclusive owners of the intellectual property rights we in-license. This could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects.

Despite our best efforts, our licensing partners might conclude that we have materially breached our license agreements and might therefore terminate the license agreements, thereby terminating our ability to develop and commercialize drug products covered by these license agreements. If any of our licensing partners go bankrupt, some or all of our rights under the licensing agreements may be terminated during the bankruptcy proceeding. In such scenario, or if these licenses are terminated, or if the underlying patents fail to provide the intended exclusivity, competitors would have the freedom to seek regulatory approval of, and to market, products identical to ours. In addition, we may seek to obtain additional licenses from our licensing partners in a manner that may be more favorable to the licensing partners, including by agreeing to terms that could enable third parties (potentially including our competitors) to receive licenses to a portion of the intellectual property that is subject to our existing licenses.

Any of these events could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects. For details, see "Business – Collaboration and Licensing Arrangements."

We rely on third parties to conduct a certain number of our pre-clinical studies and clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, we may not be able to obtain regulatory approval for or commercialize our drug candidates, or experience delay in doing any of the foregoing, and our business could be substantially harmed.

We have relied upon and plan to continue to rely upon third-party CROs to generate, monitor or manage data for our ongoing pre-clinical and clinical programs. We rely on these parties for execution of our pre-clinical studies and clinical trials, and control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol, legal and regulatory requirements and scientific standards, and our reliance on the CROs does not relieve us of our regulatory responsibilities. We, our CROs for our clinical programs and our clinical investigators are required to comply with GCPs, which are regulations and guidelines enforced by the NMPA and other comparable regulatory authorities in mainland China, Taiwan and the U.S. for all of our drugs in clinical development. If we or any of our CROs or clinical investigators fail to comply with applicable GCPs, the clinical data generated in our clinical trials may be deemed unreliable and the NMPA or comparable regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. In addition, our pivotal clinical trials must be conducted with product produced under GMP regulations. Our failure to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process.

If any of our relationships with these third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs on commercially reasonable terms, or at all. In addition, our CROs are not our employees. Except for remedies available to us under our agreements with such CROs, we cannot control whether or not they devote sufficient time and resources to our ongoing clinical and non-clinical programs. If CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they or our clinical investigators obtain is compromised due to failure to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated and we may not be able to obtain regulatory approval for or successfully commercialize our drug candidates. As a result, our results of operations and the commercial prospects for our drug candidates would be harmed, our costs could increase and our ability to generate revenues could be delayed.

Switching or adding CROs involves additional cost and delays, which can materially influence our ability to meet our desired clinical development timelines. There can be no assurance that we will not encounter similar challenges or delays in the future or that these delays or challenges will not have a material adverse effect on our business, financial condition and prospects.

Our future revenues are dependent on our ability to work effectively with collaborators to develop our drug candidates, including obtaining regulatory approval. Our arrangements with collaborators will be critical to successfully bringing products to market and commercializing them. We rely on collaborators in various respects, including to undertake research and development programs and conduct clinical trials, manage or assist with the regulatory filings and approval process and to assist with our commercialization efforts. We do not control our collaborators. Therefore, we cannot ensure that these third parties will adequately and timely perform all of their obligations to us. If third parties fail to complete the remaining studies successfully, or at all, it could delay, adversely affect or prevent regulatory approval. In addition, the use of third-party service providers requires us to disclose our proprietary information to these parties, which could increase the risk that this information will be misappropriated. We cannot guarantee the satisfactory performance of any of our collaborators and if any of our collaborators breach or terminate their agreements with us, we may not be able to successfully commercialize the licensed drug which could materially and adversely affect our business, financial condition, cash flows and results of operations.

We expect to rely on third parties to supply active pharmaceutical ingredients (APIs) and/or manufacture our drug products when approved, and our business could be harmed if those third parties fail to provide us with sufficient quantities of the APIs or the drug product or fail to do so at acceptable quality levels or prices.

We currently use third parties for our manufacturing process and for the clinical supply of our drug candidates, some of which are among our five largest suppliers during the Track Record Period. We expect to continue to rely on third-parties to supply APIs for us to manufacture the approved drugs in the future. Reliance on third-party manufacturers would expose us to the following risks:

- we may be unable to identify manufacturers on acceptable terms or at all because the number of potential manufacturers is limited and the NMPA, FDA, TFDA or other comparable regulatory authorities must evaluate and/or approve any manufacturers as part of their regulatory oversight of our drug candidates. This evaluation would require new testing and cGMP-compliance inspections by the NMPA, FDA, TFDA or other comparable regulatory authorities;

- our third-party manufacturers might be unable to timely manufacture our drug candidates or produce the quantity and quality required to meet our clinical and commercial needs, if any;

- manufacturers are subject to ongoing periodic unannounced inspection by the regulatory authorities to ensure strict compliance with cGMP and other government regulations. We do not have control over third-party manufacturers' compliance with these regulations and requirements;

- we may not own, or may have to share, the intellectual property rights to any improvements made by our third-party manufacturers in the manufacturing process for our drug candidates;

- manufacturers may not properly obtain, protect, maintain, defend or enforce our intellectual property rights or may use our intellectual property or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential liability;

- manufacturers may infringe, misappropriate or otherwise violate the patent, trade secret or other intellectual property rights of third parties;

- raw materials and components used in the manufacturing process, particularly those for which we have no other source or supplier, may not be available or may not be suitable or acceptable for use due to material or component defects; and

- our contract manufacturers and critical reagent suppliers may be subject to inclement weather, as well as natural or human-made disasters.

Each of these risks could delay or prevent R&D activities, result in higher costs, or adversely impact commercialization of our future approved drug candidates. In addition, we will rely on third parties to perform tests on our drug candidates according to specification prior to delivery to patients. If these tests are not appropriately done and test data are not reliable, patients could be put at risk of serious harm, and regulatory authorities could place significant restrictions on our Company until deficiencies are remedied.

We had a limited number of suppliers during the Track Record Period and the loss of one or more of our key suppliers could disrupt our operations.

In 2019 and 2020 and the three months ended March 31, 2021, our purchases from our five largest suppliers in the aggregate accounted for 46.8%, 52.5% and 46.7% of our total purchases during the same year or period, respectively. During the Track Record Period, we had a small number of suppliers, and the largest purchase amounts related to upfront payments for drug in-licensing and acquisition arrangements, which were not recurring in nature. Our other major purchases were fees paid to CROs and CDMOs we engaged to manage, conduct and/or support our pre-clinical research and clinical trials. We expect to continue our purchases from these suppliers as we fund the continuing research and development activities of our Core Product Candidates and other drug candidates in our pipeline. We believe that we have long and stable relationships with our existing large third-party suppliers. However, the stability of

operations and business strategies of our suppliers are beyond our control, and we cannot assure you that we will be able to secure a stable relationship and high-quality outsourced services with our large suppliers. If any of our large suppliers terminates its business relationship with us, we may encounter difficulty in finding a replacement that can provide services of equal quality at a similar price. If this occurs, our operations may be significantly disrupted.

Our employees, collaborators, service providers, independent contractors, principal investigators, consultants, vendors and CROs may engage in misconduct or other improper activities, and we may be unable to detect, deter and prevent all instances of misconduct.

We are exposed to the risk that our employees, collaborators, independent contractors, principal investigators, consultants, vendors and CROs may engage in fraudulent or other illegal activity with respect to our business. Misconduct by these employees could include intentional, reckless and/or negligent conduct or unauthorized activity that violates:

- regulations of the NMPA, FDA, TFDA or other regulatory authorities, including those laws requiring the reporting of true, complete and accurate information;
- manufacturing standards; or
- laws that require the true, complete and accurate reporting of financial information or data.

In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Misconduct by these parties could also involve individually identifiable information, including, without limitation, the improper use of information obtained in the course of clinical trials, or illegal misappropriation of drug product, which could result in regulatory sanctions and serious harm to our reputation. We may not be able to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, possible exclusion from the NRDL, contractual damages, reputational harm, diminished profits and future earnings and curtailment of our operations.

If we fail to comply with our obligations in the agreements under which we obtain or in-license intellectual property rights from third parties, we could be required to pay monetary damages or could lose license rights that are important to our business.

We have entered into and may in the future enter into additional license agreements with third parties providing us with rights to various third-party intellectual property, including rights in patents, patent applications and copyrights. These license agreements may impose diligence, development or commercialization timelines and milestone payment, royalty, insurance and other obligations on us. If we fail to comply with our obligations under any of our current or future license agreements, our counterparties may have the right to terminate these agreements, in which event we might not be able to develop, manufacture or market any drug or drug candidate that is covered by the licenses provided for under these agreements or we may face claims for monetary damages or other penalties under these agreements. Such an occurrence could diminish the value of these products and our business. Termination of the licenses provided for under these agreements or reduction or elimination of our rights under these agreements may result in our having to negotiate new or reinstated agreements with less favorable terms, or cause us to lose our rights under such agreements to important intellectual property or technology or our rights to develop and commercialize our drug candidates. In addition, such an event may cause us to experience significant delays in the development and commercialization of our drug candidates or incur liability for damages. If any such license is terminated, our competitors or other third parties could have the freedom to seek regulatory approval of, and to market, products and technologies identical or competitive to ours and we may be required to cease our development and commercialization of certain of our drug candidates.

In addition, we may need to obtain additional licenses from licensors and others to advance our research or allow commercialization of drug candidates we may develop. In connection with obtaining such licenses, we may agree to amend our existing licenses in a manner that may be more favorable to the licensors, including by agreeing to terms that could enable third parties, including our competitors, to receive licenses to a portion of the intellectual property that is subject to our existing licenses and to compete with our drug candidates and technology. It is possible that we may be unable to obtain any additional licenses at a reasonable cost or on reasonable terms, if at all. In that event, we may be required to expend significant time and resources to redesign our drug candidates or the methods for manufacturing them or to develop or license replacement technology, all of which may not be feasible on a technical or commercial basis. If we are unable to do so, we may be unable to develop or commercialize the affected drug candidates, which could materially and adversely affect our business, financial condition, results of operations, and prospects significantly.

Disputes may arise regarding intellectual property subject to a license agreement, including:

- the scope of rights owned by relevant licensors or granted under the license agreement and other interpretation- related issues;
- our or our licensors' obligation to obtain, maintain and defend intellectual property and to enforce intellectual property rights against third parties;
- the extent to which our technology, drug candidates and processes infringe, misappropriate or otherwise violate intellectual property of the licensors that is not subject to the license agreements;
- the sublicensing of patent and other intellectual property rights under our license agreements;
- our diligence, financial or other obligations under the license agreement and what activities satisfy those diligence obligations;
- the inventorship and ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and us and our partners; and
- the priority of invention of patented technology.

In addition, the agreements under which we license intellectual property or technology from third parties are, and any such future license agreements are likely to be, complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our diligence, financial or other obligations under the relevant agreement, either of which could have a material adverse effect on our business, financial condition, results of operations, and prospects. Moreover, if disputes over intellectual property that we have licensed or any other dispute described above related to our license agreements prevent or impair our ability to maintain our licensing arrangements on commercially acceptable terms, we may be unable to successfully develop and commercialize the affected drug candidates. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

RISKS RELATING TO EXTENSIVE GOVERNMENT REGULATION

All material aspects of the research, development, manufacturing and commercialization of pharmaceutical products are heavily regulated and the approval process is usually lengthy, costly and inherently unpredictable. Any failure to comply with existing or future regulations and industry standards or any adverse actions by the drug-approval authorities against us could negatively impact our reputation and our business, financial condition, results of operations and prospects.

All jurisdictions in which we intend to conduct our pharmaceutical-industry activities regulate these activities in great depth and detail. We intend to focus our activities in China while pursuing global opportunities. These geopolitical areas all strictly regulate the pharmaceutical industry, and in doing so they employ broadly similar regulatory strategies, including regulation of product development and approval, manufacturing, and marketing, sales and distribution of products. However, there are differences in the regulatory regimes – some minor, some significant – that make for a more complex and costly regulatory compliance burden for a company like us that plans to operate in each of these regions.

The process of obtaining regulatory approvals and maintaining compliance with appropriate laws and regulations requires the expenditure of substantial time and financial resources. Any recently enacted and future legislation may increase the difficulty and cost of us to obtain regulatory approval of, and commercialize, our drug candidates, and affect the prices we may obtain. Changes in government regulations or in practices relating to the pharmaceutical industry such as a relaxation in regulatory requirements or the introduction of simplified approval procedures which would lower the entry barrier for potential competitors, or an increase in regulatory requirements which may increase the difficulty for us to satisfy such requirements, may have a material adverse impact on our business, financial condition, results of operations and prospects. Failure to comply with the applicable requirements at any time during the drug development process or approval process, or after approval, may subject us to administrative or judicial sanctions. These sanctions could include but are not limited to a regulator's refusal to approve pending applications, withdrawal of an approval, license revocation, a clinical hold, voluntary or mandatory product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement or civil or criminal penalties. Any occurrence of the foregoing could therefore materially and adversely affect our business, financial condition, results of operations and prospects. The regulatory approval processes of the NMPA, FDA, TFDA and other comparable regulatory authorities are lengthy, time-consuming and inherently unpredictable. If we are ultimately unable to obtain regulatory approval for our drug candidates in our targeted markets, our business will be substantially harmed.

The time required to obtain approval by the NMPA, FDA, TFDA and other comparable regulatory authorities is unpredictable but typically takes ten to 15 years following the commencement of pre-clinical studies and clinical trials and depends on numerous factors, including the substantial discretion of the regulatory authorities.

Our drug candidates could fail to receive regulatory approval for many reasons, including:

- failure to begin or complete clinical trials due to disagreements with regulatory authorities;
- failure to demonstrate that a drug candidate is safe and effective or, if it is a biologic, that it is safe, pure and potent for its proposed indication;
- failure of clinical trial results to meet the level of statistical significance required for approval;
- data integrity issues related to our clinical trials;
- disagreement with our interpretation of data from pre-clinical studies or clinical trials;
- our failure to conduct a clinical trial in accordance with regulatory requirements or our clinical trial protocols; and
- clinical sites, investigators or other participants in our clinical trials deviating from a trial protocol, failing to conduct the trial in accordance with regulatory requirements, or dropping out of a trial.

The NMPA, FDA, TFDA or a comparable regulatory authority may require more information, including additional pre-clinical or clinical data, to support approval, which may delay or prevent approval and our commercialization plans, or we may decide to abandon the development program. Additionally, clinical trials conducted in one country may not be accepted by regulatory authorities in other countries, and regulatory approval in one country does not mean that regulatory approval will be obtained in any other country. Approval procedures vary among countries and can involve additional product testing and validation and additional administrative review periods. Seeking regulatory approvals in various jurisdictions could result in significant delays, difficulties and costs for us and may require additional pre-clinical studies or clinical trials which would be costly and time consuming. Regulatory requirements can vary widely from country to country and could delay or prevent the introduction of our products in those countries. Satisfying these and other regulatory requirements is costly, time consuming, uncertain and subject to unanticipated delays. In addition, our failure to obtain regulatory approval in any country may delay or have negative effects on the process for regulatory approval in other countries. While we plan to leverage our Collaboration Partners' data and FDA approvals to obtain approvals in other jurisdictions, we cannot assure you that we can also satisfy all regulatory requirements. If we experience delays in the completion of, or the termination of, a clinical trial of any of our drug candidates, the commercial prospects of that drug candidate will be harmed, and our ability to generate product sales revenues from any of those drug candidates will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down our drug candidate

development and approval process, and jeopardize our ability to commence product sales and generate related revenues for that drug candidate. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our drug candidates. Any of these occurrences may materially and adversely impact our business, financial condition and prospects.

We are subject to stringent privacy laws, information security policies and contractual obligations related to data privacy and security, and we may be exposed to risks related to our management of the medical data of subjects enrolled in our clinical trials and other personal or sensitive information.

We routinely receive, collect, generate, store, process, transmit and maintain medical data treatment records and other personal details of subjects enrolled in our clinical trials, along with other personal or sensitive information. As such, we are subject to the relevant local, state, national and international data protection and privacy laws, directives, regulations and standards that apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal data in the various jurisdictions in which we operate and conduct our clinical trials, as well as contractual obligations. These data protection and privacy law regimes continue to evolve and may result in ever-increasing public scrutiny and escalating levels of enforcement and sanctions and increased costs of compliance. Failure to comply with any of these laws could result in enforcement action against us, including fines, imprisonment of company officials and public censure, claims for damages by customers and other affected individuals, damage to our reputation and loss of goodwill, any of which could have a material adverse effect on our business, financial condition, results of operations or prospects.

Such data protection and privacy laws and regulations generally require clinical trial sponsors and operators and their personnel to protect the privacy of their enrolled subjects and prohibit unauthorized disclosure of personal information. If such institutions or personnel divulge the subjects' private or medical records without their consent, they will be held liable for damage caused thereby. We have taken measures to maintain the confidentiality of the medical records and personal data of subjects enrolled in our clinical trials we collected, including encrypting such information in our information technology system so that it cannot be viewed without proper authorization, and setting internal rules requiring our employees to maintain the confidentiality of our subjects' medical records. However, these measures may not be always effective. For example, our information technology systems could be breached through hacking activities, and personal information could be leaked due to theft or misuse of personal information arising from misconduct or negligence. In addition, our clinical trials frequently also involve professionals from third party institutions working on-site with our staff and enrolled subjects. We cannot ensure that such persons will always comply with our data privacy measures. Furthermore, any change in such laws and regulations could affect our ability to use medical data and subject us to liability for the use of such data for previously permitted purposes. Any failure to protect the confidentiality of patients' medical records and personal data, or any restriction on or liability as a result of, our use of medical data, could have a material adverse effect on our business, financial condition and results of operations.

Even after we obtain regulatory approval for the marketing and distribution of our drug candidates, our products will continue to remain subject to ongoing or additional regulatory obligations and continued regulatory review, which may result in significant additional expenses, and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our future approved drugs.

If any of our drug candidates is approved in the future, it will be subject to ongoing or additional regulatory requirements for manufacturing, labelling, packaging, storage, advertising, promotion, sampling, record-keeping, conduct of post-marketing studies, and submission of safety, efficacy, and other post-market information, including requirements of regulatory authorities in China and other jurisdictions.

Any approvals that we receive for our drug candidates may be subject to limitations on the approved indicated uses for which the drug may be marketed or to the conditions of approval, which could adversely affect the drug's commercial potential or contain requirements for potentially costly post-marketing testing and surveillance to monitor the safety and efficacy of the drug candidates. The NMPA, FDA, TFDA or a comparable regulatory authority may also require a risk evaluation mitigation strategy program as a condition of approval of our drug candidates or following approval. In addition, if the NMPA, FDA, TFDA or a comparable regulatory authority approves our drug candidates, we will have to comply with requirements, including, for example, submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with cGMP and GCP, for any clinical trials that we conduct subsequent to the approval.

The NMPA, FDA, TFDA and other regulatory authorities strictly regulate the marketing, labelling, advertising and promotion of products that are placed on the market. Drugs may be promoted only for their approved indications and for use in accordance with the provisions of the approved label. The NMPA, FDA, TFDA and other regulatory authorities actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability.

Even if we are able to commercialize any approved drug candidates, the drugs may become subject to national and provincial or other third-party reimbursement practices or unfavorable pricing regulations, which could materially and adversely our business.

The regulations that govern regulatory approvals, pricing and reimbursement for new therapeutic products vary widely from country to country. In China and some markets outside China, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we might obtain regulatory approval for a drug in a particular country, but then be subject to price regulations that delay our commercial launch of the drug or negatively impact our revenues.

Our ability to commercialize any approved drug candidates successfully will also depend in part on the extent to which reimbursement for these drugs and related treatments will be available from government health administration authorities, private health insurers and other organizations. A primary trend in the global healthcare industry is cost containment. Government authorities and these third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications.

Increasingly, third-party payors are requiring that companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. We cannot be sure that reimbursement will be available for any approved drug candidate that we commercialize and, if reimbursement is available, what the level of reimbursement will be. Reimbursement may impact the demand for, or the price of, any approved drug candidate that we commercialize. Obtaining or maintaining reimbursement for approved drug candidates may be particularly difficult because of the higher prices often associated with drugs administered under the supervision of a physician. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any drug candidate that we in-license or successfully develop.

Our and/or others' failure to make filings or obtain or renew certain approvals, licenses, permits and certificates required for our business may materially and adversely affect our business, financial condition and results of operations.

Pursuant to the relevant laws, regulations and relevant regulatory practice by governmental, we and/or other parties related to our operations, such as landlords or managers of premises on or local science parks in which we operate, are required to make various filings with, or obtain and maintain various approvals, licenses, permits and certificates from, relevant authorities to operate our business. Some of these approvals, permits, licenses and certificates are subject to periodic renewal and/or reassessment by the relevant authorities, and the standards of such renewal and/or reassessment may change from time to time. Any failure to make filings or obtain or renew any approvals, licenses, permits and certificates necessary for our operations may result in enforcement actions thereunder, including fines or orders issued by the relevant regulatory authorities causing operations to cease, and may include corrective measures requiring capital expenditure or remedial actions, which in the future could materially and adversely affect our business, financial condition and results of operations. There is also no assurance that the relevant authorities would not take any enforcement action against us. In the event that such enforcement action is taken, our business operations could be materially and adversely disrupted.

Furthermore, if the interpretation or implementation of existing laws and regulations changes, or new regulations come into effect requiring us and/or other such related parties to make any additional filings or obtain any additional approvals, permits, licenses or certificates that were previously not required to operate our existing businesses, we cannot assure you that we and/or other such related parties will successfully make such filings on time or obtain such approvals, permits, licenses or certificates. Our or these parties' failure to make the additional

filings or obtain the additional approvals, permits, licenses or certificates may restrict the conduct of our business, decrease our revenues and/or increase our costs, which could materially reduce our profitability and prospects.

If safety, efficacy or other issues arise with any drug or medical product used in combination with or to facilitate the use of our drug candidates, we may be unable to market such drug candidate or may experience significant regulatory delays.

Our strategy to develop combination therapies depends on the safety and efficacy of each component drug within each combination therapy. In relation to our development of combination therapies, we had entered into the Junshi Agreement and the Roche Agreement, neither of which provides for any product liability in relations to the compound involved in the development of the respective combination therapies. If the NMPA, FDA, TFDA or another comparable regulatory agency revokes or denies its approval of a component therapeutic, in either the clinical design, clinical administration, therapy approval or commercialization stage, we will be forced to terminate or redesign the clinical trials, experience significant regulatory delays or stop our commercialization efforts. In addition, we may fail our commercialization effort because products that facilitate the use of our drug candidates incur safety, efficacy or availability issues. The lack of regulations presents uncertainties to our commercialization efforts and may have an adverse effect on our business and results of operations.

The illegal and/or parallel imports and counterfeit pharmaceutical products may reduce demand for our future approved drug candidates and could have a negative impact on our reputation and business.

The illegal importation of competing products from countries where government price controls or other market dynamics result in lower prices may adversely affect the demand for our future approved drug candidates and, in turn, may adversely affect our sales and profitability in China and other countries where we commercialize our products. Unapproved foreign imports of prescription drugs are illegal under current laws of China. However, illegal imports may continue to occur or even increase as the ability of patients to obtain these lower-priced imports continues to grow. Furthermore, cross-border imports from lower-priced markets (parallel imports) into higher-priced markets could harm sales of our future drug products and exert commercial pressure on pricing within one or more markets. In addition, competent government authorities may expand consumers' ability to import lower-priced versions of our future approved products or competing products from outside China or other countries where we operate. Any future legislation or regulations that increase consumer access to lower-priced medicines from outside China or other countries where we operate could have a material adverse effect on our business.

We may be restricted from transferring our scientific data abroad.

On March 17, 2018, the General Office of the State Council promulgated the Measures for the Management of Scientific Data (《科學數據管理辦法》), or the Scientific Data Measures, which provide a broad definition of scientific data and relevant rules for the management of scientific data. According to the Scientific Data Measures, enterprises in China must seek governmental approval before any scientific data involving a state secret or individual privacy may be transferred abroad or to foreign parties. Further, any researcher conducting research funded at least in part by the Chinese government is required to submit relevant scientific data for management by the entity to which such researcher is affiliated before such data may be published in any foreign academic journal. If and to the extent our research and development of drug candidates will be subject to the Scientific Data Measures and any relevant laws as required by the relevant government authorities, we cannot assure you that we can always obtain relevant approvals for sending scientific data (such as the results of our pre-clinical studies or clinical trials conducted within China) abroad. If we are unable to obtain necessary approvals in a timely manner, or at all, our research and development of drug candidates may be hindered, which may materially and adversely affect our business, results of operations, financial condition and prospects. If the relevant government authorities consider the transmission of our scientific data to be in violation of the requirements under the Scientific Data Measures, we may be subject to fines and other administrative penalties imposed by those government authorities.

If we participate in expanded access programs, compassionate use programs, current regulatory discrepancies among competent authorities of different countries may lead to increased risk of adverse drug reactions and serious adverse events arising from the use of our products.

Expanded access programs are regulatory programs that facilitate access to investigational drugs for the treatment of patients with serious or immediately life-threatening diseases or conditions that lack therapeutic alternatives. Currently, there is no unified approach or standard practice to regulate expanded access programs among competent authorities in different countries for access to investigational drugs. In China, currently there is no officially approved regulation to oversee expanded access programs. In the U.S., expanded access programs are limited to patients who have a life-threatening disease or serious disease or condition, who may gain access to an investigational medical product for treatment outside of clinical trials when no comparable or satisfactory alternative therapy options are available.

The regulatory discrepancy for expanded access programs among competent authorities in different countries may lead to uneven patient entry criteria and protocols for expanded access programs. This may create increased risk of serious adverse events because of enrolled patients' advanced disease or comorbidities. In addition, because the products in expanded access programs are investigational drugs, many of which are still in experimental stages and have not received marketing approval, patients in expanded access programs may exhibit adverse drug reactions from using these products. If we participate in expanded access programs, we may be subject to the risk of enrolled patients exhibiting adverse drug reactions

or serious adverse events arising from the use of our products. These occurrences can potentially lead to clinical holds of our ongoing clinical trials or complicate the determination of the safety profile of a drug candidate under regulatory review for commercial marketing. Changes in government regulations or in practices relating to the pharmaceutical and biopharmaceutical industries, including healthcare reform in China, and compliance with new regulations may result in additional costs.

RISKS RELATING TO MANUFACTURING AND COMMERCIALIZATION OF OUR DRUG CANDIDATES

We have limited experience in manufacturing pharmaceutical products, which is a highly exacting and complex process, and our business could be materially and adversely affected if we encounter problems in manufacturing our future drug products.

We have limited experience in manufacturing of our products for commercial use. Moreover, the manufacturing of pharmaceutical products is highly complex. Problems may arise during manufacturing for a variety of reasons, including but not limited to:

- equipment malfunction;
- failure to follow specific protocols and procedures;
- changes in product specification;
- low quality or insufficient supply of APIs;
- delays in the construction of new facilities or the expansion of our existing manufacturing facilities as a result of changes in manufacturing production sites and limits to manufacturing capacity due to regulatory requirements;
- changes in the types of products produced;
- advances in manufacturing techniques;
- physical limitations that could inhibit continuous supply; and
- man-made or natural disasters and other environmental factors.

Products with quality issues may have to be discarded, resulting in product shortages or additional expenses. This could lead to, among other things, increased costs, lost revenue, damage to customer relationships, time and expense spent investigating the cause and, depending on the cause, similar losses with respect to other batches or products. If problems are not discovered before the product is released to the market, recall and product liability costs may also be incurred. We face additional manufacturing risks in relation to the CDMOs that we may engage from time to time. See the section headed "– Risks Relating to Our Reliance on

Third Parties – We expect to rely on third parties to supply active pharmaceutical ingredients (APIs) and/or manufacture our drug products when approved, and our business could be harmed if those third parties fail to provide us with sufficient quantities of the APIs or the drug product or fail to do so at acceptable quality levels or prices" in this prospectus.

Manufacturing methods and formulations are sometimes altered through the development of drug candidates from clinical trials to approval, and further to commercialization, in an effort to optimize manufacturing processes and results. Such changes carry the risk that they will not achieve these intended objectives. Any of these changes could cause the drug candidates to perform differently and affect the results of planned clinical trials or other future clinical trials conducted with the altered materials. This could delay the commercialization of drug candidates and require bridging studies or the repetition of one or more clinical trials, which may result in increases in clinical trial costs, delays in drug approvals and jeopardize our ability to commence product sales and generate revenue.

We may also encounter problems with achieving adequate or clinical-grade products that meet the NMPA, FDA, TFDA or other comparable regulatory agency standards or specifications, maintaining consistent and acceptable production costs. We may also experience shortages of qualified personnel, raw materials or key contractors, and experience unexpected damage to our facilities or equipment. In these cases, we may be required to delay or suspend our manufacturing activities. We may be unable to secure temporary, alternative manufacturers for our drugs with the terms, quality and costs acceptable to us, or at all. Such an event could delay our clinical trials and/or the availability of our products for commercial sale. Moreover, we may spend significant time and costs to remedy these deficiencies before we can continue production at our manufacturing facilities.

In addition, the quality of our products, including drug candidates manufactured by us for research and development purposes and, in the future, drugs manufactured by us for commercial use, depends significantly on the effectiveness of our quality control and quality assurance, which in turn depends on factors such as the production processes used in our manufacturing facilities, the quality and reliability of equipment used, the quality of our staff and related training programs and our ability to ensure that our employees adhere to our quality control and quality assurance protocol. However, we cannot assure you that our quality control and quality assurance procedures will be effective in consistently preventing and resolving deviations from our quality standards. We are, however, working on improving our documentation procedures for quality control and quality assurance activities. Any significant failure or deterioration of our quality control and quality assurance protocol could render our products unsuitable for use, or not in compliance with the relevant requirements of the GMP and/or harm our market reputation and relationship with business partners. Any such developments may have a material adverse effect on our business, financial condition and results of operations.

If we are not able to obtain, or experience delays in obtaining, required regulatory approvals, we will not be able to commercialize our drug candidates, and our ability to generate revenue will be materially impaired.

To obtain regulatory approvals for the commercial sale of any drug candidate for a target indication, we must demonstrate in pre-clinical studies and well-controlled clinical trials, and, with respect to approval in China, to the satisfaction of the NMPA that the drug candidate is safe and effective for use for that target indication and that the manufacturing facilities, processes and controls are adequate. In addition to pre-clinical and clinical data, the NDA or biologics license application must include significant information regarding the chemistry, manufacturing and controls for the drug candidate. Obtaining approval of an NDA is a lengthy, expensive and uncertain process, and approval may not be obtained. The NMPA may accept or reject the submission for filing. We cannot be certain that any submissions will be accepted for filing and review by the NMPA.

We have limited experience in filing for regulatory approval for our drug candidates, and we have not yet demonstrated the ability to receive regulatory approval for our drug candidates. As a result, our ability to successfully obtain regulatory approval for our drug candidates may involve more inherent risk, take longer, and cost more than it would if we were a company with experience in obtaining regulatory approvals.

We also plan to commercialize our products in other markets such as Europe, North America and Southeast Asia. Regulatory authorities outside of China, such as the FDA and TFDA also have requirements for approval of drugs for commercial sale with which we must comply prior to marketing in those areas. Regulatory requirements and approval processes can vary widely from country to country and could delay or prevent the introduction of our drug candidates. Clinical trials conducted in one country may not be accepted by regulatory authorities in other countries, and obtaining regulatory approval in one country does not mean that regulatory approval will be obtained in any other country. Seeking foreign regulatory approval could require additional nonclinical studies or clinical trials, which could be costly and time- consuming. The foreign regulatory approval process may include all of the risks associated with obtaining the NMPA approval. For all of these reasons, we may not obtain foreign regulatory approvals on a timely basis, if at all.

The actual market size of our drug candidates might be smaller than expected and our future approved drug candidates may fail to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success.

Our future approved drug candidates may fail to gain sufficient market acceptance by physicians, patients, third-party payors and others in the medical community. For example, current cancer treatments like chemotherapy and radiation therapy are well established in the medical community, and doctors may continue to rely on these treatments to the exclusion of our drug candidates that are in clinical trials for the same or similar cancer indications. In

addition, physicians, patients and third-party payors may prefer other novel products to ours. The degree of market acceptance of our drug candidates, if approved for commercial sale, will depend on a number of factors, including:

- the clinical indications for which our drug candidates are approved;
- physicians, hospitals, cancer treatment centers and patients considering our drug candidates as a safe and effective treatment;
- the potential and perceived advantages of our drug candidates over alternative treatments;
- the prevalence and severity of any side effects;
- product labeling or product insert requirements of regulatory authorities;
- limitations or warnings contained in the labeling approved by regulatory authorities;
- the timing of market introduction of our drug candidates as well as competitive drugs;
- the cost of treatment in relation to alternative treatments;
- the availability of adequate coverage, reimbursement and pricing by third-party payors and government authorities;
- the willingness of patients to pay out-of-pocket in the absence of coverage and reimbursement by third-party payors and government authorities; and
- the effectiveness of our sales and marketing efforts.

If any approved drug candidates that we commercialize fail to achieve market acceptance in the medical community, we will not be able to generate significant revenue. Even if our future approved drug candidates achieve market acceptance, we may not be able to maintain that market acceptance over time if new products or technologies are introduced that are more favorably received than our drug candidates, are more cost-effective or render our drug candidates obsolete.

We have no experience in launching and marketing drug candidates. If we are unable to maintain sufficient marketing and sales capabilities, we may not be able to generate product sales revenue as planned.

We have no track record in commercialization, and if we are unable to build sufficient sales and marketing capabilities, we may be unsuccessful to raise awareness and sell our drug candidates successfully. We have not yet demonstrated an ability to launch and commercialize any of our drug candidates. As a result, our ability to successfully commercialize our drug candidates may involve more inherent risk, take longer, and cost more than it would if we were a company with experience launching and marketing drug candidates.

The market opportunities for our drugs and drug candidates may be limited to those patients who are ineligible for or have failed prior treatments and may be small.

We are initially seeking approval of some of our drug candidates' certain indications, such as HCC, urothelial cancer, lung cancer, and solid tumors as a therapy for patients who have progressed after other approved treatments. Subsequently, for those drugs that prove to be sufficiently beneficial, if any, we may seek approval as a first-line therapy, but there is no guarantee that our drug candidates will be approved in that setting. Both of our Core Product Candidates are primarily being developed as first- and second-lines of treatment of their respective target indications.

Our projections of both the number of people who have the cancers we are targeting, as well as the subset of people with these cancers who have the potential to benefit from treatment with our drug candidates, are based on our beliefs and estimates and may prove to be inaccurate.

Further, new studies may change the estimated incidence or prevalence of these diseases. The number of patients may turn out to be lower than expected. Additionally, the potentially addressable patient population for our drugs and drug candidates may be limited or may not be amenable to treatment with our drugs and drug candidates. Even if we obtain significant market share for our drug candidates, because the potential target populations are small, we may never achieve profitability without obtaining regulatory approval for additional indications, including use as a first-or second-line therapy.

We intend to manufacture at least a portion of our approved drug candidates ourselves. Delays in commencing and completing construction of, and receiving regulatory approvals for our manufacturing facilities, or damage to, destruction of or interruption of production at such facilities, could delay our development plans or commercialization efforts.

We are currently planning to build manufacturing facilities in Shanghai, which may encounter unanticipated delays and expenses due to a number of factors, including regulatory requirements. If the commencement or completion of construction, or receiving of regulatory evaluation and/or approval of our planned facilities are delayed, we may not be able to manufacture sufficient quantities of our drug candidates and our drugs, if approved, which would limit our development and commercialization activities and our opportunities for growth. Cost overruns associated with constructing or maintaining our facilities could require us to raise additional funds from other sources.

Failure to comply with applicable regulations could also result in sanctions being imposed on us, including fines, injunctions, civil penalties, a requirement to suspend or put on hold one or more of our clinical trials, failure of regulatory authorities to grant marketing approval of our drug candidates, delays, suspension or withdrawal of approvals, supply disruptions, license revocation, seizures or recalls of drug candidates or drugs, operating restrictions and criminal prosecutions, any of which could materially and adversely affect our business.

In addition to the similar manufacturing risks described in "– Risks Relating to Our Reliance on Third Parties," if our manufacturing facilities or the equipment in them is damaged or destroyed, we may not be able to quickly or inexpensively replace our manufacturing capacity or replace it at all. In the event of a temporary or protracted loss of the facilities or equipment, we might not be able to transfer manufacturing to a third party. Even if we could transfer manufacturing to a third party, the shift would likely be expensive and time-consuming, particularly since the new facility would need to comply with the necessary regulatory requirements and we would need regulatory agency approval before selling any drugs manufactured at that facility. Such an event could delay our clinical trials or reduce our product sales if and when we are able to successfully commercialize one or more of our drug candidates. Any interruption in manufacturing operations at our manufacturing facilities could result in our inability to satisfy the demands of our clinical trials or commercialization. Any disruption that impedes our ability to manufacture our drug candidates or drugs in a timely manner could materially and adversely affect our business, financial condition and operating results.

We may be subject, directly or indirectly, to applicable anti-kickback, false-claim, physician payment transparency, or fraud and abuse laws, or similar healthcare and security laws and regulations in the U.S., China and other jurisdictions, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm, and diminished profits and future earnings.

Healthcare providers, physicians and others play a primary role in the recommendation and prescription of any products for which we obtain regulatory approval. If we obtain the NMPA or the FDA or other comparable regulatory authorities' approval for any of our drug candidates and begin commercialization, our operations may be subject to fraud and abuse laws in the PRC, the U.S. and other jurisdictions, including, without limitation, the PRC Anti-Unfair Competition Law, the PRC Criminal Law, the Federal Anti-Kickback Statute and the Federal False Claims Act, and physician payment sunshine laws and regulations. These laws may impact, among other things, our proposed sales, marketing and education programs. In addition, we may be subject to patient privacy regulation by both the federal government and the states in which we conduct our business.

If any of the physicians or other providers or entities with whom we expect to do business are found to be not in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government-funded healthcare programs, which may also adversely affect our business.

If we fail to comply with applicable anti-bribery laws, our reputation may be harmed and we could be subject to penalties and significant expenses that have a material adverse effect on our business, financial condition and results of operations.

We are subject to the anti-bribery laws of various jurisdictions. As our business has expanded, the applicability of the relevant anti-bribery laws to our operations has increased. Our procedures and controls to monitor anti-bribery compliance may fail to protect us from reckless or criminal acts committed by our employees or agents. If we, due to either our own deliberate or inadvertent acts or those of others, fail to comply with applicable anti-bribery laws, our reputation could be harmed and we could incur criminal or civil penalties, other sanctions and/or significant expenses, which could have a material adverse effect on our business, including our financial condition, results of operations, cash flows and prospects.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

If we and our licensing partners are unable to obtain and maintain adequate patent and other intellectual property protection for our drug candidates throughout the world, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us, and our ability to successfully develop and commercialize any of our drug candidates or technologies would be materially adversely affected.

We seek to protect the drug candidates and technology that we consider commercially important by filing patent applications in China and other jurisdictions, relying on trade secrets or pharmaceutical regulatory protection or employing a combination of these methods. For further information on our patent portfolio, see "Business – Intellectual Property." If we or our licensors are unable to obtain and maintain patent and other intellectual property protection with respect to our drug candidates and technologies, our business, financial condition, results of operations and prospects could be materially harmed.

The patent prosecution process is expensive, time-consuming and complex, and we may not be able to file, prosecute, maintain, defend, enforce or license all necessary or desirable patents and patent applications at a reasonable cost or in a timely manner in all desirable jurisdictions. As a result, we may not be able to prevent competitors or other third parties from developing and commercializing competitive drugs in all such fields and jurisdictions. Furthermore, the patent position of pharmaceutical and biopharmaceutical companies generally is highly uncertain, involves complex legal and factual questions, and has been the subject of much litigation in recent years. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Our pending and future patent applications may not result in patents being issued which protect our technology or product candidates or which effectively prevent others from commercializing competitive technologies and product candidates.

The requirements for patentability differ in certain jurisdictions, particularly developing countries. For example, methods of treatment of diseases are not patentable subject matters in China. Many jurisdictions have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, many jurisdictions limit the enforceability of patents against government agencies or government contractors. In these jurisdictions, the patent owner may have limited remedies, which could materially diminish the value of such patents. If we or any of our licensors are forced to grant a license to third parties with respect to any patent or patent application relevant to our business, our competitive position may be materially impaired and our business, financial condition, results of operations and prospects may be adversely affected.

It is also possible that we will fail to identify patentable aspects of our research and development output in time to obtain patent protection. Although we enter into non-disclosure and confidentiality agreements with parties who have access to confidential or patentable aspects of our research and development output, such as our employees, corporate collaborators, outside scientific collaborators and contract manufacturers, any of these parties may breach such agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to obtain patent protection. In addition, publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the U.S. and other jurisdictions are typically not published until 18 months after filing, or in some cases, not at all. Therefore, we cannot be certain that we were the first to make the inventions claimed in our patents or pending patent applications, or that we were the first to file for patent protection of such inventions. Furthermore, China and, in 2013 the U.S. have adopted the "first-to-file" system under which the first inventor to file a patent application will be awarded the patent if all other patentability requirements are met. Under the first-to-file system, third parties may be granted a patent relating to a technology which we invented.

In addition, under the PRC patent law, any organization or individual that applies for a patent in a foreign country for an invention or utility model accomplished in China is required to file in advance to China National Intellectual Property Administration (CNIPA), for confidentiality examination. Otherwise, if an application is later filed in China, the patent right will not be granted.

The coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance. Even if patent applications we own currently or in the future issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us, or otherwise provide us with any competitive advantage. Any patents that we hold or in-license may be challenged, narrowed, circumvented, or invalidated by third parties. In addition, the patent position of biopharmaceutical and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions, and has been the subject of much litigation in recent years. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Consequently, we do not know whether any of our platform advances and product candidates will be protectable or remain protected by valid and enforceable patents. Our competitors or other third parties may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner.

Furthermore, although various extensions may be available, the life of a patent and the protection it affords is limited. Even if we successfully obtain patent protection for an approved drug candidate, it may face competition from generic or biosimilar medications once the patent has expired. Manufacturers of generic or biosimilar drugs may challenge the scope, validity or enforceability of our patents in court or before a patent office, and we may not be successful in enforcing or defending those intellectual property rights and, as a result, may not be able to develop or market the relevant product exclusively, which would have a material adverse effect on any potential sales of that product. The applied and issued patents of our licensing partners for our drug candidates are expected to expire on various dates as described in "Business – Intellectual Property" in this prospectus. Upon the expiration of these and our future applied and issued patents, we will not be able to assert such patent rights against potential competitors and our business and results of operations may be adversely affected.

Given the amount of time required for the development, testing and regulatory review of new drug candidates, patents protecting such drug candidates might expire before or shortly after such drug candidates are commercialized. As a result, our patents and patent applications may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours, which could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects. Additionally, patent rights we own or license currently or in the future may be subject to a reservation of rights by one or more third parties.

Our current or any future patent applications may not be successful and any patent rights we or our licensing partners have may be challenged and invalidated even after issuance, which would materially adversely affect our ability to successfully commercialize any product or technology.

The patent position of pharmaceutical and biopharmaceutical companies is generally highly uncertain, involves complex legal and factual questions, and has been the subject of much litigation in recent years. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Our pending and future owned and licensed patent applications may not result in the issuance of patents at all, and even if were granted patents, they may not be issued in a form, or with a scope of claims, that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us or otherwise provide us with any competitive advantage. In addition, the coverage claimed in a patent application can be significantly reduced before the patent is issued, its scope can be reinterpreted after issuance and changes in either the patent laws or interpretation of the patent laws in China, the U.S. and other jurisdictions may diminish the value of our patent rights or narrow the scope of our patent protection. Any patents that we own or in-license may be challenged, narrowed, circumvented or invalidated by third parties. We cannot predict whether the patent applications we are currently pursuing and may pursue in the future will successfully result in the issuance of any patents in any particular jurisdiction or whether the claims of any issued patents will provide sufficient protection from competitors or other third parties.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patent rights may be challenged in the courts or patent offices in China, the U.S. and other jurisdictions. We or our licensing partners may be subject to claims that former employees, collaborators or other third parties have an interest in our patents or other intellectual property or become involved in opposition, derivation, revocation, reexamination, post-grant and *inter partes* review, or interference proceedings challenging our patent rights or the patent rights of others. If we or our licensing partners are unsuccessful in any interference proceedings or other priority or validity disputes (including any patent oppositions) to which our or the in-licensed intellectual properties are subject, we may lose valuable intellectual property rights through the loss of one or more patents or our patent claims may be narrowed, invalidated, or held unenforceable. In addition, if we or our licensing partners are unsuccessful in any inventorship disputes to which we or they are subject, we may lose valuable intellectual property rights, such as exclusive ownership. If we or our licensing partners are unsuccessful in any interference proceeding or other priority or inventorship dispute, we may be required to obtain and maintain licenses from third parties, including parties involved in any such interference proceedings or other priority or inventorship disputes. Such licenses may not be available on commercially reasonable terms or at all, or may be non-exclusive. If we are unable to obtain and maintain such licenses, we may need to cease the development, manufacture and commercialization of one or more of our drug candidates. The loss of exclusivity or the narrowing of our or our licensing partners' patent claims could limit our ability to stop others from using or commercializing similar or identical drug products. Any of the foregoing could result in a material adverse effect on our business, financial condition, results of operations or prospects. Even if we are successful in an interference proceeding or other similar priority or inventorship disputes, it could result in substantial costs and be a distraction to our management and other employees.

Despite measures we or our licensing partners take to obtain patent protection with respect to our major drug candidates and technologies, any of such issued patents could be challenged or invalidated. For example, if we or one of our licensors were to initiate legal proceedings against a third party to enforce a patent covering one of our drug candidates, the defendant could counterclaim that our patent is invalid or unenforceable. In patent litigations in the U.S., for example, defendant counterclaims alleging invalidity or unenforceability are commonplace, and there are numerous grounds upon which a third party can assert invalidity or unenforceability of a patent. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, lack of written description or non-enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld material information from the relevant patent office, or made a misleading statement, during prosecution. Third parties may also raise similar patent invalidity claims before administrative bodies in China, the U.S. or in other jurisdictions, even outside the context of litigation. Such mechanisms include ex parte re-examination, inter parties review, post-grant review, interference proceedings, derivation, invalidation, revocation and equivalent proceedings in non-U.S. jurisdictions, such as opposition proceedings. The outcome following legal assertions of invalidity and unenforceability is unpredictable. Such proceedings could result in revocation of or amendment to our patents in such a way that they no longer adequately cover and protect our drug candidates. Even if a third party does not prevail on a legal assertion of invalidity or unenforceability, our patent claims may be construed in a manner that would limit our ability to enforce such claims against such third party and others.

Additionally, patent rights we may own or license currently or in the future may be subject to a reservation of rights by one or more third parties. For example, under the U.S. law, when new technologies are developed with the U.S. government funding, the U.S. government generally obtains certain rights in any resulting patents, including a non-exclusive license authorizing the government to use the invention for non-commercial purposes. These rights may also permit the U.S. government to disclose our confidential information to third parties and to exercise march-in rights to use or allow third parties to use our licensed technology that was developed using the U.S. government funding. The U.S. government can exercise its march-in rights if it determines that action is necessary because we fail to achieve practical application of the U.S. government-funded technology, or if it determines that action is necessary to alleviate health or safety needs, to meet requirements of federal regulations, or to give preference to the U.S. industry. In addition, our rights in such government-funded inventions may be subject to certain requirements to manufacture products embodying such inventions in the U.S. Any exercise by the government or other third parties of such rights could harm our competitive position, business, financial condition, results of operations, and prospects. Furthermore, the recipient of such U.S. government funding is required to comply with certain government regulations, including timely disclosing the inventions claimed in such patent rights to the U.S. government and timely electing title to such inventions. If we fail to meet these obligations, it may lead to a loss of rights or the unenforceability of relevant patents or patent applications. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects.

We may not be able to protect our intellectual property rights throughout the world or prevent unfair competition by third parties.

Filing, prosecuting, maintaining and defending patents on drug candidates in all countries throughout the world could be prohibitively expensive for us, and our intellectual property rights in different countries can have a different scope and strength. In addition, the laws of certain countries do not protect intellectual property rights to the same extent as the laws of other countries. Consequently, we may not be able to prevent third parties from practicing our inventions or from selling or importing drugs made using our inventions in all countries. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own drugs and, further, may export otherwise infringing drugs to other countries where we have patent protection, but where enforcement rights are relatively weaker. These drugs may compete with our drug candidates, and our patent rights or other intellectual property rights may not be effective or adequate to prevent them from competing.

Many companies have encountered problems in registering, protecting and defending intellectual property rights in certain jurisdictions, including China. For example, we may not be able to register our exclusive licenses for our in-licensed products in China. While this does not impact our contractual rights under our licensing agreements, we may experience difficulties enforcing our exclusive rights against third parties if our licensors were to breach the licensing agreements and license such parties to use those products in China. Furthermore, the legal systems of some countries do not favor the enforcement of patents, trade secrets and other intellectual property, particularly those relating to biopharmaceutical products, which could make it difficult in those jurisdictions for us to stop the infringement, misappropriation or other violation of our patents or other intellectual property rights, or the marketing of competing drugs in violation of our proprietary rights.

Additionally, many countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, many countries limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of such patent. If any of the forgoing occurs, any patents relevant to our business, our competitive position may be impaired, and our business, financial condition, results of operations and prospects may be adversely affected.

We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful.

Competitors or other third parties may challenge the validity and enforceability of our patents and/or those of our licensing partners, or infringe, misappropriate or otherwise violate our other intellectual property rights. In addition, our patents or the patents of our licensing partners may become involved in inventorship or priority disputes. To counter infringement, misappropriation or any other unauthorized use, litigation may be necessary in the future to enforce or defend our intellectual property rights, to protect our trade secrets or to determine the validity and scope of our own intellectual property rights or the proprietary rights of others. In an infringement proceeding, a court may decide that a patent owned or in-licensed by us is invalid or unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our owned and in-licensed patents do not cover the technology in question. An adverse result in any litigation proceeding could put one or more of our owned or in-licensed patents at risk of being invalidated or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. Litigation and other proceedings in connection with any of the foregoing claims can be expensive and time-consuming and, even if resolved in our favor, may cause us to incur significant expenses and could distract management and our scientific and technical personnel from their normal responsibilities. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Any claims that we assert against perceived infringers and other violators could also provoke these parties to assert counterclaims against us alleging that we infringe, misappropriate or otherwise violate their intellectual property rights. Many of our current and potential competitors have the ability to dedicate substantially greater resources to enforce and defend their intellectual property rights than we can.

Moreover, if the breadth or strength of protection provided by our patents, patent applications and in-licensed patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize our drug candidates. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and patent applications are due to be paid to the CNIPA, USPTO and other governmental patent agencies in several stages over the lifetime of a patent. The CNIPA, USPTO and various other governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application and maintenance process. We are also dependent on our licensors to take the necessary action to comply with these requirements with respect to our licensed intellectual property. Although an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. In any such event, our competitors might be able to enter the market, which would have a material adverse effect on our business.

Changes in patent laws of China, the U.S. or other jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect our drug candidates.

As is the case with other pharmaceutical and biopharmaceutical companies, our success is heavily dependent on obtaining, maintaining, enforcing and defending intellectual property, particularly patents. Obtaining and enforcing patents in the pharmaceutical and biopharmaceutical industry involves technological and legal complexity, and obtaining and enforcing pharmaceutical and biopharmaceutical patents is costly, time-consuming and inherently uncertain. Changes in either the patent laws or their interpretation in China, the U.S. or other jurisdictions may increase the uncertainties and costs surrounding the prosecution of our patents, diminish our ability to protect our inventions, obtain, maintain, defend, and enforce our intellectual property rights and, more generally, affect the value of our intellectual property or narrow the scope of our patent rights.

In China, intellectual property laws are constantly evolving, with efforts being made to improve intellectual property protection in China. For example, the Standing Committee of the National People's Congress (SCNPC) promulgated the Amendment to the PRC Patent Law (effective from June 1, 2021), which introduces patent extensions to eligible innovative drug patents and patent term adjustment. Patents owned by third parties may be extended, which may in turn affect our ability to commercialize our products without facing infringement risks. It may also enable the patent owner to submit applications for a patent term extension or enable CNIPA to adjust the patent term. The length of any such extension or adjustment is uncertain. If we are required to delay commercialization for an extended period of time, technological advances may develop and new products may be launched, which may in turn render our products non-competitive. We cannot guarantee that any other changes to PRC intellectual property laws would not have a negative impact on our intellectual property protection.

Recently enacted U.S. laws have changed the procedures through which patents may be obtained and by which the validity of patents may be challenged. For example, the Leahy-Smith America Invents Act, or the Leahy-Smith Act, includes a number of significant changes to the U.S. patent law. These changes include provisions that affect the way patent applications are prosecuted, redefine prior art, provide more efficient and cost-effective avenues for competitors to challenge the validity of patents, and enable third-party submission of prior art to the USPTO during patent prosecution and additional procedures to attack the validity of a patent by USPTO-administered post-grant proceedings, including post-grant review, *inter partes* review and derivation proceedings. Assuming that other requirements for patentability are met, prior to March 2013, in the U.S., the first to invent the claimed invention was entitled to the patent, while outside the U.S., the first to file a patent application was entitled to the patent. After March 2013, under the Leahy-Smith Act, the U.S. transitioned to a first-to-file system in which, assuming that the other statutory requirements for patentability are met, the first inventor to file a patent application will be entitled to the patent on an invention regardless of whether a third party was the first to invent the claimed invention. As such, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications in the U.S. and the enforcement or defense of our issued patents, each of which could have a material adverse effect on our business, financial condition, results of operations and prospects. Recent U.S. Supreme Court rulings have also changed the law surrounding patent eligibility and narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents once obtained, if any. Depending on decisions by the U.S. Congress, the federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways that could weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future. There could be similar changes in the laws of foreign jurisdictions that may impact the value of our patent rights or our other intellectual property rights all of which could have a material adverse effect on our patent rights and our ability to protect, defend and enforce our patent rights in the future, as well as on our competitive position, business, financial conditions, results of operations and prospects.

FIRRMA may restrict our ability to acquire technologies and assets in the U.S. that are material to our commercial success.

The U.S. Congress has passed legislation that will expand the jurisdiction and powers of the Committee on Foreign Investment in the U.S. ("**CFIUS**"), the U.S. interagency committee that conducts national security reviews of foreign investment. President Trump signed the Foreign Investment Risk Review Modernization Act ("**FIRRMA**") in August 2018. Pursuant to the FIRRMA, investments in companies that deal in "critical technology" are subject to filing requirements and, in some instances, review and approval by the CFIUS. The term "critical technology" includes, among others, technology subject to the U.S. export controls and certain "emerging and foundational technology," a term that is still being defined but that is expected to include a range of the U.S. biotechnology. If an investment by a foreign entity in a U.S. business dealing in "critical technology" meets certain thresholds, a filing with the CFIUS is

mandatory. While the FIRRMA currently grants CFIUS jurisdiction on only controlling and certain non-controlling investments made by foreign persons in the U.S. businesses in research and development in biotechnology, the CFIUS's jurisdiction may be further expanded in the future, which may place additional limitations on strategic collaborations with our current U.S. partners, which could detrimentally affect our capacity to acquire foreign assets in the U.S. that may be material to our commercial success.

We may face intense competition from manufacturers of generic or biosimilar drugs after the expiration of patent protection periods.

Although various extensions may be available, the life of a patent and the protection it affords is limited. Even if we successfully obtain patent protection for an approved drug candidate, it may face competition from generic or biosimilar medications once the patent has expired. Manufacturers of generic or biosimilar drugs may challenge the scope, validity or enforceability of our patents in court or before a patent office, and we may not be successful in enforcing or defending those intellectual property rights and, as a result, may not be able to develop or market the relevant product exclusively, which would have a material adverse effect on any potential sales of that product. Our issued patents for our drug candidates are expected to expire on various dates as described in "Business – Intellectual Property" of this Prospectus. Upon the expiration of these patents, we will not be able to assert such patent rights against potential competitors and our business and results of operations may be adversely affected.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed. We may be subject to claims that our employees, consultants or advisers have wrongfully used or disclosed alleged trade secrets of their former employers, and we may be subject to claims asserting ownership of what we regard as our own intellectual property.

In addition to our issued patents and pending patent applications, we rely on trade secrets and confidential information, including unpatented know-how, technology and other proprietary information, to maintain our competitive position and to protect our drug candidates. We seek to protect our trade secrets and confidential information, in part, by entering into non-disclosure and confidentiality agreements with parties that have access to trade secrets or confidential information, such as our employees, corporate collaborators, outside scientific collaborators, sponsored researchers, contract manufacturers, consultants, advisers and other third parties. However, we may not be able to prevent the unauthorized disclosure or use of our trade secrets and confidential information by the parties to these agreements. Monitoring unauthorized uses and disclosures is difficult and we do not know whether the steps we have taken to protect our proprietary technologies will be effective. Any of the parties with whom we enter into confidentiality agreements may breach or violate the terms of any such agreements and may disclose our proprietary information, and we may not be able to obtain adequate remedies for any such breach or violation. As a result, we could lose our trade secrets and third parties could use our trade secrets to compete with our drug candidates and technology. Additionally, we cannot guarantee that we have entered into such agreements with each party that may have or has had access to our trade secrets or proprietary

technology and processes. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts in China, the U.S. and other jurisdictions are less willing or unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them from using that technology or information to compete with us and our competitive position would be harmed.

Furthermore, many of our employees, consultants, and advisers, including our senior management, may currently be, or were previously employed at other pharmaceutical or biopharmaceutical companies, including our competitors or potential competitors. Some of these employees, consultants, and advisers, including each member of our senior management, may have executed proprietary rights, non-disclosure and non-competition agreements in connection with such previous employment. Although we try to ensure that our employees, consultants and advisors do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these individuals have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's current or former employer. We are not aware of any threatened or pending claims related to these matters or concerning the agreements with our senior management, but in the future litigation may be necessary to defend against such claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or be required to obtain licenses to such intellectual property rights, which may not be available on commercially reasonable terms or at all. An inability to incorporate such intellectual property rights would materially and adversely affect our business and may prevent us from successfully commercializing our drug candidates. In addition, we may lose personnel as a result of such claims and any such litigation or the threat thereof may adversely affect our ability to hire employees or contract with independent contractors. A loss of key personnel or their work product could hamper or prevent our ability to commercialize our drug candidates and technology, which would have a material adverse effect on our business, results of operations, financial condition and prospects. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to our employees and management. In addition, while we typically require our employees, consultants and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who in fact develops intellectual property that we regard as our own. Furthermore, even when we obtain agreements assigning intellectual property to us, the assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, each of which may result in claims by or against us related to the ownership of such intellectual property to determine the ownership of what we regard as our intellectual property. Furthermore, individuals executing agreements with us may have pre-existing or competing obligations to a third party, such as an academic institution, and thus an agreement with us may be ineffective in perfecting ownership of inventions developed by that individual. If we fail in prosecuting or defending any such claims, in addition to paying

monetary damages, we may lose valuable intellectual property rights. Even if we are successful in prosecuting or defending any of the foregoing claims, litigation could result in substantial costs and be a distraction to our management and scientific personnel.

In addition, we may in the future be subject to claims by former employees, consultants or other third parties asserting an ownership right in our owned or licensed patents or patent applications. An adverse determination in any such submission or proceeding may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar drug candidates or technology, without payment to us, or could limit the duration of the patent protection covering our drug candidates and technology. Such challenges may also result in our inability to develop, manufacture or commercialize our drug candidates without infringing third-party patent rights. In addition, if the breadth or strength of protection provided by our owned or licensed patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future drug candidates. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects.

We may not be successful in obtaining or maintaining necessary rights for our development pipeline through in-licenses and acquisitions.

Because our programs may involve additional drug candidates that require the use of proprietary rights held by third parties, the growth of our business may depend in part on our ability to acquire and maintain licenses or other rights to use these proprietary rights. We may be unable to acquire or in-license any compositions, methods of use, or other intellectual property rights from third parties that we identify. The licensing and acquisition of third-party intellectual property rights is a competitive area, and a number of more established companies are also pursuing strategies to license or acquire third-party intellectual property rights that we may consider attractive or necessary. These established companies may have a competitive advantage over us due to their size, cash resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third party intellectual property rights on terms that would allow us to make an appropriate return on our investment or at all. If we are unable to successfully obtain rights to required third-party intellectual property rights or maintain the existing intellectual property rights we have, we may have to abandon development of the relevant program or drug candidate, which could have a material adverse effect on our business, financial condition, results of operations and prospects for growth.

If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest and our business may be adversely affected.

The registered or unregistered trademarks or trade names that we own or license may be challenged, infringed, circumvented, declared generic, lapsed or determined to be infringing on or dilutive of other marks. If third parties succeed in registering or developing common law rights in trademarks similar or identical to our trademarks, and if we are not successful in challenging such rights, we may not be able to use these trademarks to develop brand recognition of our products. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. As our products mature, our reliance on our trademarks to differentiate us from our competitors will increase, and as a result, if we are unable to prevent third parties from adopting, registering or using trademarks and trade dress that infringe, dilute or otherwise violate our trademark rights, or engaging in conduct that constitutes unfair competition, defamation or other violation of our rights, our business could be materially adversely affected.

Claims that our drug candidates or the sale or use of our future products infringes, misappropriates or otherwise violates the patent or other intellectual rights of third parties could result in costly litigation, the outcome of which would be uncertain, or could require substantial time and money to resolve, even if litigation is avoided.

Our commercial success depends upon our ability to develop, manufacture, market and sell our drug candidates without infringing, misappropriating or otherwise violating the intellectual property rights of others. The biotechnology industry is characterized by extensive litigation regarding patents and other intellectual property rights. We cannot guarantee that our drug candidates or any uses of our drug candidates do not and will not in the future infringe third-party patents or other intellectual property rights. It is also possible that we failed to identify, or may in the future fail to identify, relevant patents or patent applications held by third parties that cover our drug candidates. Additionally, pending patent applications which have been published can, subject to certain limitations, be later amended in a manner that could cover our products or their use.

Third parties might allege that we are infringing their patent rights or that we have misappropriated their trade secrets, or that we are otherwise violating their intellectual property rights, whether with respect to the manner in which we have conducted our research, use or manufacture of the compounds we have developed or are developing. Such third parties might resort to litigation against us or other parties we have agreed to indemnify, which litigation could be based on either existing intellectual property or intellectual property that arises in the future.

Parties making infringement, misappropriation, or other intellectual property claims against us may obtain injunctive or other equitable relief, which could block our ability to further develop and commercialize one or more of our product candidates. Defense of these claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of management and employee resources from our business. In addition, even if we believe any third-party intellectual property claims are without merit, there is no assurance that a court would find in our favor on questions of validity, enforceability, priority, or non-infringement. A court of competent jurisdiction could hold that such third party patents are valid, enforceable, and infringed, which could materially and adversely affect our ability to commercialize any of our products or technologies covered by the asserted third-party patents. In order to successfully challenge the validity of any such third-party U.S. patents in federal court, we would need to overcome a presumption of validity. As this burden is a high one requiring us to present clear and convincing evidence as to the invalidity of any such U.S. patent claim, there is no assurance that a court of competent jurisdiction would invalidate the claims of any such U.S. patent.

In order to avoid or settle potential claims with respect to any patent or other intellectual property rights of third parties, we may choose or be required to seek a license from a third party and be required to pay license fees or royalties or both, which could be substantial. These licenses may not be available on acceptable terms, or at all. Even if we were able to obtain a license, the rights may be non-exclusive, which could result in our competitors gaining access to the same intellectual property, and it could require us to make substantial licensing and royalty payments. Ultimately, we could be prevented from commercializing future approved drugs, or be forced, by court order or otherwise, to cease some or all aspects of our business operations, if, as a result of actual or threatened patent or other intellectual property claims, we are unable to enter into licenses on acceptable terms. Further, we could be found liable for significant monetary damages as a result of claims of intellectual property infringement, including treble or even up to fivefold damages and attorneys' fees if we are found to willfully infringe a third party's patent.

Defending against claims of patent infringement, misappropriation of trade secrets or other violations of intellectual property rights could be costly and time consuming, regardless of the outcome. Thus, even if we were to ultimately prevail, or to settle at an early stage, such litigation could burden us with substantial unanticipated adverse impacts on our business.

Intellectual property rights do not necessarily address all potential threats.

As is the case with other pharmaceutical companies, our success is heavily dependent on intellectual property, particularly patents and trademarks of our trade name. As of the Latest Practicable Date, we owned 68 patents (including in-licensed patents with global rights), had filed 116 patent applications for our drug and we were also the registered owner of three

domain names. See "Business – Intellectual Property" for more details. The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations, and may not adequately protect our business or permit us to maintain our competitive advantage. For example:

- others may be able to make products that are similar to any drug candidates we may develop or utilize similar technology that are not covered by the claims of the patents that we own or license now or in the future;

- we or any future collaborators might not have been the first to make the inventions covered by the issued patent or pending patent application that we own or may license in the future;

- we or any future collaborators might not have been the first to file patent applications covering certain of our or their inventions;

- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing, misappropriating or otherwise violating our intellectual property rights;

- it is possible that our pending patent applications or those that we may own in the future will not lead to issued patents;

- patents that may be issued from our pending patent applications may be held invalid or unenforceable, including as a result of legal challenges by our competitors;

- our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;

- we may not develop additional proprietary technologies that are patentable;

- the patents of others may materially and adversely affect our business; and

- we may choose not to file a patent for certain trade secrets or know-how, and a third party may subsequently file a patent covering such intellectual property.

Should any of these events occur, they could have a material adverse effect on our business, financial condition, results of operations and prospects.

RISKS RELATING TO OUR FINANCIAL POSITION AND NEED FOR ADDITIONAL CAPITAL

We have incurred significant net losses since our inception, and expect to continue to incur net losses for the foreseeable future and may not be able to generate sufficient revenue to achieve profitability. Potential investors are at risk of losing substantially all of their investments in our Shares.

Investment in pharmaceutical drug development is highly speculative. Drug development entails substantial upfront capital expenditures and significant risk that a drug candidate fails to obtain regulatory approval or become commercially viable. We continue to incur significant expenses related to our ongoing operations. We have incurred losses in each period since our inception. In 2019, 2020 and the three months ended March 31, 2021, we had a loss for the year/period of RMB133.9 million, RMB706.6 million and RMB123.5 million, respectively. Substantially all of our losses incurred during the Track Record Period resulted from costs incurred in connection with our research and development programs, administrative expenses and fair value losses on convertible redeemable preferred shares.

We expect to continue to incur significant losses for the foreseeable future, and we expect our operating losses to increase as we continue to expand our development of, and seek regulatory approvals for, our drug candidates, and continue to build up our manufacturing capability, commercialization and sales workforce in anticipation of the future roll-out of our drug candidates. Typically, it takes many years to develop one new drug from the drug-discovery stage to when it is available for treating patients. In addition, we will continue to incur costs associated with operating as a public company and in support of our growth as a development-stage or commercial-stage biopharmaceutical company. The size of our future net losses will depend, in part, on the number and scope of our drug development programs and the associated costs of those programs, the cost of commercializing any approved products, our ability to generate revenues, and the timing and amount of milestones and other payments we make or receive with or through arrangements with third parties. If any of our drug candidates fails in clinical trials or does not obtain regulatory approval, or if approved, fails to achieve market acceptance, we may never become profitable. Even if we become profitable in the future, we may not be able to remain profitable in subsequent periods. Our failure to become and remain profitable would decrease the value of our Company and could impair our ability to raise capital, maintain our research and development efforts, expand our business, or continue our operations. As a result, you may lose substantially all or part of your investment.

Our results of operations, financial condition, and prospects may be adversely affected by fair value changes and credit risk associated with our financial assets at fair value through profit or loss.

During the Track Record Period, we had certain financial assets at fair value through profit or loss. We are exposed to risks in relation to the financial assets, which may adversely affect our net changes in their fair value. The financial assets at fair value through profit or loss are stated at fair value, and net changes in their fair value are recorded as other gains or losses,

and therefore directly affect our results of operations. We cannot assure you that market conditions and regulatory environment will create fair value gains and we will not incur any fair value losses on our financial assets at fair value through profit or loss in the future. If we incur such fair value losses, our results of operations, financial condition and prospects may be adversely affected.

We had net operating cash outflow during the Track Record Period.

We had net cash used in operating activities of RMB82.8 million, RMB117.6 million and RMB29.7 million in 2019 and 2020 and the three months ended March 31, 2021, respectively. While we believe we have sufficient working capital to fund our current operations for the next 12 months, we expect that we may continue to experience net cash outflows from our operating activities for the foreseeable future. If we are unable to maintain adequate working capital, we may default on our payment obligations such the milestone payments under our licensing agreements, be unable to meet our capital expenditure requirements, be forced to scale back our operations, and/or experience other negative impacts on our operations, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

We may need additional capital to meet our operating cash requirements, and financing may not be available on terms acceptable to us, or at all.

We believe our current cash and cash equivalents and the estimated net proceeds from the Global Offering will be sufficient to meet our anticipated cash needs for at least the next 12 months from the date of this Prospectus. We may, however, require additional cash resources to meet our continued operating cash requirements in the future, especially to fund our research and development activities. Our cash operating costs mainly consist of (i) research and development costs including employee costs, licensing fees and third party contracting costs and (ii) workforce employment costs. In 2019, 2020 and the three months ended March 31, 2021, we incurred total cash operating costs of RMB92.2 million, RMB130.2 million and RMB40.3 million, respectively. For further details of our cash operating costs, please see "Financial Information–Cash Operating Costs." We expect our cash operating costs will increase significantly in light of our expanding clinical trial programs. If the financial resources available to us after the Listing are insufficient to satisfy our cash requirements, we may seek additional funding through equity offerings, debt financings, collaborations and licensing arrangements. It is uncertain whether financing will be available in the amounts or on terms acceptable to us, if at all. If we were not able to obtain additional capital to meet our cash requirements in the future, our business, financial condition, results of operations and prospects could be materially and adversely affected.

We have a limited operating history, which may make it difficult to evaluate our current business and predict our future performance.

We are a development-stage biopharmaceutical company. Our operations to date have focused on conducting pre-clinical studies and clinical trials of our drug candidates, establishing our intellectual property portfolio, organizing and staffing, business planning, and raising capital. As of the Latest Practicable Date, we had no product approved for commercial sale. Our limited operating history, particularly in light of the rapidly evolving biopharmaceutical industry, may make it difficult to evaluate our current business and reliably predict our future performance. We may encounter unforeseen expenses, difficulties, complications, delays and other business uncertainties. If we do not address these business uncertainties and difficulties successfully, our business will suffer. These risks may cause potential investors to lose substantially all or part of their investment.

We may need additional financing to fund our operations, and if we are unable to obtain such financing, we may be unable to complete the development and commercialization of our drug candidates.

Our drug candidates will require the completion of clinical development, regulatory review, significant marketing efforts and substantial investment before they can provide us with product sales revenue. Our operations have consumed substantial amounts of cash since inception. Our operating activities used RMB82.8 million, RMB117.6 million, and RMB29.7 million of cash in 2019 and 2020 and the three months ended March 31, 2021, respectively. We expect to continue to spend substantial amounts on advancing the clinical development of our drug candidates, and launching and commercializing any approved drug candidates for which we receive regulatory approval. Our existing cash and cash equivalents may not be sufficient to enable us to complete all development or commercially launch all of our current drug candidates for the currently anticipated indications and to invest in additional research and development programs. Accordingly, we will require further funding through public or private offerings, debt financing, collaboration, and licensing arrangements or other sources. Our forecast of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties, and actual results could vary as a result of a number of factors, including the factors discussed elsewhere in this "Risk Factors" section. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we currently expect. Our future funding requirements will depend on many factors, including:

- the progress, timing, scope and costs of our clinical trials, including the ability to timely enroll patients in our planned and potential future clinical trials;
- the outcome, timing and cost of regulatory approvals of our drug candidates;
- the costs related to discovery and early development of additional drug candidates;

- the cost and timing of development and completion of commercial-scale internal or outsourced manufacturing activities;
- the number and characteristics of drug candidates that we may develop;
- the manufacturing requirements and capabilities related to clinical development and future commercialization for any approved drug candidates;
- selling and marketing costs associated with any future drug candidates that may be approved, including the cost and timing of expanding our marketing and sales capabilities;
- the amount and timing of any profit sharing, milestone and royalty payments we receive from or pay to our current or future collaborators;
- the terms and timing of any potential future collaborations, licensing or other arrangements that we may establish;
- cash requirements of any future development of other pipeline drug candidates; and
- our headcount growth and associated costs.

However, if the commercialization of our drug candidates is delayed or terminated, or if the expenses associated with drug development and commercialization increase substantially, we may need to obtain additional financing to fund our operations. Adequate additional funding may not be available to us on acceptable terms, or at all. If we were unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce or eliminate our research and development programs or future commercialization efforts. Our inability to obtain additional funding when we need it could materially and adversely affect our business.

Raising additional capital may cause dilution to our shareholders, restrict our operations or require us to relinquish rights to our technologies or drug candidates.

We may seek additional funding through a combination of equity offerings, debt financings, collaborations and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms may include liquidation or other preferences that may adversely affect your rights as a holder of our Shares. Incurring additional debt could result in increased fixed payment obligations and could also result in certain additional restrictive covenants, such as limitations on our ability to incur additional debt or issue additional equity, limitations on our ability to acquire or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. In addition, issuance of additional equity securities, or the possibility of such issuance, may cause the market price of our Shares to decline. In the event that we enter into collaborations or licensing arrangements in order to raise capital, we may be required to accept unfavorable terms, including relinquishing or

licensing to a third party on unfavorable terms our rights to technologies or drug candidates that we otherwise would seek to develop or commercialize ourselves or potentially reserve for future arrangements when we might be able to achieve more favorable terms.

Our results of operations, financial condition and prospects may be adversely affected by fair value changes in our convertible redeemable preferred shares.

During the Track Record Period, we issued convertible redeemable preferred shares, which are designated as financial liabilities. In 2019 and 2020 and the three months ended March 31, 2020 and 2021, we had net fair value losses in convertible redeemable preferred shares of RMB39.8 million, RMB569.6 million, RMB37.3 million and RMB68.9 million, respectively. We expect to recognize additional loss from the fair value changes of the convertible redeemable preferred shares after March 31, 2021 to the Listing Date, which is subject to uncertainties with respect to the valuation of convertible redeemable preferred shares. Despite our efforts to use valuation techniques for which sufficient data are available to measure fair value and to maximize the use of relevant observable inputs, we still use certain unobservable inputs in the valuation of our convertible redeemable preferred shares, which add to the uncertainty of the fair value of our convertible redeemable preferred shares. After the automatic conversion of the convertible redeemable preferred shares into Shares upon the Listing, which will result in a net asset position, we do not expect to recognize any further loss or gain on fair value changes from the convertible redeemable preferred shares post Listing. If we continue to incur such fair value losses, our results of operations, financial condition and prospects may be adversely affected.

We incurred net liabilities during the Track Record Period.

We were in a net current asset position during the Track Record Period, but had net liabilities of RMB459.0 million, RMB1,105.0 million and RMB1,232.3 million as of December 31, 2019 and 2020 and March 31, 2021, respectively, primarily attributable to our convertible redeemable preferred shares which we recorded as non-current liabilities, which amounted to RMB758.0 million, RMB1,719.6 million and RMB2,602.9 million as of December 31, 2019 and 2020 and March 31, 2021, respectively. Although we expect our net liability position to be reversed after the automatic conversion of the convertible redeemable preferred shares into Shares upon the Listing, a net liabilities position can expose us to the risk of shortfalls in liquidity. This in turn would require us to seek adequate financing from sources such as external debt, which may not be available on terms favorable or commercially reasonable to us or at all. Any difficulty or failure to meet our liquidity needs as and when needed can have a material adverse effect on our prospects.

RISKS RELATING TO OUR OPERATIONS

Our future success depends on our ability to retain key executives and to attract, train, retain and motivate qualified and highly skilled personnel especially R&D and clinical related staff.

We depend on principal members of our management and scientific teams. Our employment agreements with our executive officers do not prevent our executives from terminating their employment with us at any time. We do not maintain key-person insurance for any of our executives or other employees. The loss of the services of any of these persons could impede the achievement of our research, development and commercialization objectives.

To incentivize valuable employees, especially R&D and clinical related staff that are key to our R&D efforts, to remain at our Group, in addition to salary and cash incentives, we have provided share incentives that vest over time. The value to employees of these equity grants that vest over time may be significantly affected by movements in the market price of our Shares that are beyond our control, and may at any time be insufficient to counteract more lucrative offers from other companies. Although we have employment agreements with our key employees, any of our employees could leave our employment at any time, with or without notice.

Recruiting and retaining qualified scientific, technical, clinical, manufacturing, and sales and marketing personnel in the future will also be critical to our success. The loss of the services of our executive officers or other key employees and consultants could impede the achievement of our research, development and commercialization objectives and seriously harm our ability to successfully implement our business strategy.

Furthermore, replacing executive officers, key employees, experienced R&D staff or consultants may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, obtain regulatory approval of and commercialize products like those we develop. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key personnel or consultants on acceptable terms given the competition among numerous pharmaceutical and biopharmaceutical companies for similar personnel. To compete effectively, we may need to offer higher compensation and other benefits, which could materially and adversely affect our financial condition and results of operations. In addition, we may not be successful in training our professionals to keep pace with technological and regulatory standards. Any inability to attract, motivate, train or retain qualified scientists, physicians or other technical personnel may have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

Negative publicity may adversely affect our reputation, business and growth prospect.

Any negative publicity concerning us, our affiliates or any entity that shares the "Abbisko" name, even if untrue, could adversely affect our reputation and business prospects. We cannot assure you that negative publicity about us or any of our affiliates or any entity that shares the "Abbisko" name would not damage our brand image or have a material adverse effect on our business, results of operations and financial condition. In addition, referrals and word of mouth have significantly contributed to our ability to establish new partnerships. As a result, any negative publicity about us or any of our affiliates or any entity that shares the "Abbisko" name could adversely affect our ability to maintain our existing collaboration arrangements or attract new partners.

We have significantly increased the size and capabilities of our organization, and we may experience difficulties in managing our growth.

We had 144 employees as at the Latest Practicable Date. As our development and commercialization plans and strategies evolve, we must add a significant number of additional managerial, operational, manufacturing, sales, marketing, financial and other personnel. Our recent growth and any future growth will impose significant added responsibilities on members of management, including:

- identifying, recruiting, integrating, maintaining and motivating additional employees;

- managing our internal development efforts effectively, including the clinical and regulatory authority review process for our drug candidates, while complying with our contractual obligations to contractors and other third parties; and

- improving our operational, financial and management controls, reporting systems, and procedures.

Our future financial performance and our ability to commercialize our drug candidates will depend, in part, on our ability to effectively manage our recent growth and any future growth, and our management may also have to divert a disproportionate amount of its attention away from day-to-day activities in order to devote a substantial amount of time to managing these growth activities.

If we are not able to effectively manage our growth and further expand our organization by hiring new employees and expanding our groups of consultants and contractors as needed, we may not be able to successfully implement the tasks necessary to further develop and commercialize our drug candidates and, accordingly, may not achieve our research, development and commercialization goals.

Increased labor costs could result in exceeding expenses, slow our growth and adversely affect our profitability.

Since our operations are labor-intensive and our operations, to a certain extent, require the use of technical skills and know-how of our employees, our success depends in part on our ability to attract, retain and motivate a sufficient number of qualified employees. We have implemented a number of initiatives in an effort to attract, retain and motivate our qualified and competent staff. There is no assurance that these measures will be effective or that supply of skilled labor in local markets will be sufficient to fulfil our needs. Competition for competent and skilled labor is intensive in the industry. Our failure to hire and retain enough skilled employees could delay the anticipated pre-clinical studies or clinical trials timeframe or receipt of regulatory approvals to commercialize our drug candidates, or result in our expenses exceeding our initial budget. Any of the foregoing changes could have a material adverse effect on our business, profitability and prospects.

Further, most of our workforce is employed in China where the average labor cost has been steadily increasing over the past years as a result of inflation, government-mandated wage increases and other changes in labor laws and local economics. In particular, further changes in the labor laws, rules and regulations may be promulgated by the PRC government in the future and our operations may be materially and adversely affected if such laws, rules or regulations impose additional burden on the employers. The labor cost will continue to increase in the future which is in line with the economic growth in China. Competition for employees would require us to pay higher wages, which would result in higher labor costs.

Business disruptions could seriously harm our future revenue and financial condition and increase our costs and expenses.

Our operations, and those of our CROs, CMOs, suppliers and other contractors and consultants, could be subject to natural or man-made disasters or business interruptions which is beyond our control. In particular, we currently rely on CROs for conducting research and development of our drug candidates, and such collaborations may be affected by government shutdowns or funding withdrawals. The occurrence of any of these business disruptions could seriously harm our operations and financial condition and could increase our costs and expenses. In addition, we currently also rely on CMOs to produce and process supplies of our drug candidates for clinical use.

Our collaborations with CMOs, our operation of our new manufacturing facilities (upon construction completed) and our ability to obtain supplies for manufacturing our drug candidates or future approved drugs could be disrupted if the operations of these collaborators, suppliers or our new manufacturing facilities are affected by a man-made or natural disaster or other business interruption. In addition, damage or extended periods of interruption to our corporate, development, research or manufacturing facilities due to fire, natural disaster, power loss, communications failure, unauthorized entry or other events could cause us to cease or delay development or commercialization of some or all of our drug candidates. Our insurance might not cover all losses under such circumstances and our business and financial condition may be seriously harmed by such delays and interruption.

We may be involved in lawsuits, claims, administrative proceedings or other legal proceedings against us, which could adversely affect our business, financial conditions, results of operations and reputation.

We may be involved in lawsuits, claims, administrative proceedings or other legal proceedings arising in the ordinary course of business or pursuant to governmental or regulatory enforcement activity from time to time. Litigation and governmental proceedings can be expensive, lengthy and disruptive to normal business operations, and can require extensive management attention and resources, regardless of their merit. Furthermore, any litigations, legal disputes, claims or administrative proceedings which are initially not of material importance may escalate and become important to us due to a variety of factors, such as the facts and circumstances of the cases, the likelihood of loss, the monetary amount at stake, and the parties involved.

Additionally, our insurance might not cover claims brought against us, might not provide sufficient payments to cover all of the costs to resolve one or more such claims, and might not continue to be available on terms acceptable to us. In particular, any claim could result in unanticipated liability to us if the claim is outside the scope of the indemnification arrangement we have with third parties, they do not abide by the indemnification arrangement as required, or the liability exceeds the amount of any applicable indemnification limits or available insurance coverage. While we intend to defend the aforementioned matters vigorously, we cannot predict the results of complex legal proceedings and an unfavorable resolution of a lawsuit or proceeding could materially adversely affect our business, results of operations, financial conditions and reputation.

If we engage in acquisitions, joint ventures or strategic partnerships, this may increase our capital requirements, dilute our shareholders, cause us to incur debt or assume contingent liabilities, may have a material adverse effect on our ability to manage our business and may not be successful.

From time to time, to pursue our growth strategy, we may evaluate various acquisitions, joint ventures and strategic partnerships, including licensing or acquiring complementary products, intellectual property rights, technologies or businesses. Any completed, in-process or potential acquisition or strategic partnership may entail numerous risks, including:

- increased operating expenses and cash requirements;
- the assumption of additional indebtedness or contingent or unforeseen liabilities;
- the issuance of our equity securities;
- assimilation of operations, intellectual property and products of an acquired company, including difficulties associated with integrating new personnel;

- the diversion of our management's attention from our existing product programs and initiatives in pursuing such a strategic merger or acquisition;

- retention of key employees, the loss of key personnel, and uncertainties in our ability to maintain key business relationships;

- risks and uncertainties associated with the other party to such a transaction, including the prospects of that party and their existing drugs or drug candidates and regulatory approvals; and

- our inability to generate revenue from acquired technology and/or products sufficient to meet our objectives in undertaking the acquisition or even to offset the associated acquisition and maintenance costs.

We may not be able to identify attractive targets, and we have limited experience in acquisitions. In addition, we may not be able to successfully acquire the targets identified despite spending a significant amount of time and resources on pursuing such acquisition. Furthermore, integration of an acquired company, its intellectual property or technology into our own operations is a complex, time-consuming and expensive process. The successful integration of an acquisition may require, among other things, that we integrate and retain key management, sales and other personnel, integrate the acquired technologies or services from both an engineering and a sales and marketing perspective, integrate and support preexisting supplier, distribution and customer relationships, coordinate research and development efforts, and consolidate duplicate facilities and functions. The geographic distance between companies, the complexity of the technologies and operations being integrated, and the disparate corporate cultures being combined may increase the difficulties of integrating an acquired company or technology. In addition, it is common in our industry for competitors to attract customers and recruit key employees away from companies during the integration phase of an acquisition. In addition, if we undertake acquisitions, we may issue dilutive securities, assume or incur debt obligations, incur large one-time expenses, and acquire intangible assets that could result in significant future amortization expense.

We may also face risks associated with acquisitions in China due to the various regulated frameworks such as the Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors, and the Anti-Monopoly Law of PRC and the Provisions on Thresholds for Prior Notification of Concentrations of Undertakings issued by the State Council, the Regulations on Implementation of Security Review System for the Merger and Acquisition of Domestic Enterprise by Foreign Investors, issued by the MOFCOM. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time-consuming, and any required approval and filing processes may delay or inhibit our ability to complete such transactions. Our ability to expand our business or maintain or expand our market share through future acquisitions would as such be materially and adversely affected.

If we fail to effectively manage our anticipated growth or execute on our growth strategies, our business, financial condition, results of operations and prospects could suffer.

We aim to continue to advance our clinical and pre-clinical candidates drug candidates to market, and continue to discover new oncology therapies leveraging our in-house expertise and R&D capabilities. For more information, see "Business – Our Strategies." Pursuing our growth strategies has resulted in, and will continue to result in, substantial demands on capital and other resources. In addition, managing our growth and executing on our growth strategies will require, among other things, our ability to continue to innovate and develop advanced technology in the highly competitive global and Chinese biopharmaceutical market, effective coordination and integration of our facilities and teams across different sites, successful hiring and training of personnel, effective cost control, sufficient liquidity, effective and efficient financial and management control, effective quality control, and management of our suppliers to leverage our purchasing power. Any failure to execute on our growth strategies or realize our anticipated growth could adversely affect our business, financial condition, results of operations and prospects.

If we or our CROs or CDMOs fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could have a material adverse effect on the success of our business.

We are subject to numerous environmental, health and safety laws and regulations, including but not limited to the treatment and discharge of pollutants into the environment and the use of toxic and hazardous chemicals in the process of our business operations. In addition, our construction projects can only be put into operation after the relevant administrative authorities in charge of environmental protection and health and safety have examined and approved the relevant facilities in certain jurisdictions. We cannot assure you that we will be able to obtain all the regulatory approvals for our construction projects in a timely manner, or at all. Delays or failures in obtaining all the requisite regulatory approvals for our construction projects may affect our abilities to develop, manufacture and commercialize our pipeline products as we plan. As requirements imposed by such laws and regulations may change and more stringent laws or regulations may be adopted, we may not be able to comply with, or accurately predict any potential substantial cost of complying with, these laws and regulations. If we fail to comply with environmental protection, and health and safety laws and regulations, we may be subject to rectification orders, substantial fines, potentially significant monetary damages, or production suspensions in our business operations. As a result, any failure by us to control the use or discharge of hazardous substances could have a material and adverse impact on our business, financial condition, results of operations and prospects.

In addition, we cannot fully eliminate the risk of accidental contamination, biological or chemical hazards or personal injury at our facilities during the process of discovery, testing, development and manufacturing of biopharmaceuticals. In the event of such accident, we could be held liable for damages and clean-up costs which, to the extent not covered by existing insurance or indemnification, could materially and adversely affect our business. Other adverse

effects could result from such liability, including reputational damage. We may also be forced to close or suspend operations at certain of our affected facilities temporarily, or permanently. As a result, any accidental contamination, biological or chemical hazards or personal injury could have a material and adverse impact on our business, financial condition, results of operations and prospects. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us. In addition, we may be required to incur substantial costs to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or production efforts. Failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions. Any of the foregoing could materially adversely affect our business, financial condition, results of operations and prospects.

We may be subject to natural disasters, acts of war or terrorism or other factors beyond our control. Natural disasters, epidemics, pandemics, acts of war or terrorism or other factors beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the regions where we conduct our business.

Our operations may be under the threat of natural disasters such as floods, earthquakes, sandstorms, snowstorms, fire or drought, the outbreak of a widespread health epidemic, such as swine flu, avian influenza, severe acute respiratory syndrome, or SARS, Ebola, Zika, COVID-19, or other events, such as power, water or fuel shortages, failures, malfunction and breakdown of information management systems, unexpected maintenance or technical problems, or are susceptible to potential wars or terrorist attacks.

The occurrence of a disaster or a prolonged outbreak of an epidemic illness or other adverse public health developments in China or elsewhere in the world could materially disrupt our business and operations. For example, since the end of December 2019, the COVID-19 pandemic has affected many people globally, caused temporary suspension of productions and shortage of labor and raw materials in affected regions, and disrupted local and international travel and economy. The exacerbation, continuance or reoccurrence of COVID-19 has already caused and may continue to cause an adverse and prolonged impact on the economic, geopolitical and social conditions in China and other affected countries. The existing clinical trials and the commencement of new clinical trials could also be substantially delayed or prevented by any delay or failure in patient recruitment or enrollment in our or our collaborators' trials as a result of the outbreak of COVID-19 or other outbreaks. These factors could cause delay of clinical trials, regulatory submissions, and required approvals of our drug candidates, and could cause us to incur additional costs. If our employees or employees of our business partners are suspected of being infected with an epidemic disease, our operations may be disrupted because we or our business partners must quarantine some or all of the affected employees or disinfect the operating facilities. If we are not able to effectively develop and commercialize our drug candidates as a result of protracted clinical trials of enrolled patients, elevated public health safety measures, and/or failure to recruit and conduct patient follow-up, we may not be able to generate revenue from sales of our drug candidates as planned.

Our internal information technology and other infrastructure, or those used by our CROs or other contractors or consultants, may fail or suffer security breaches.

Despite the implementation of security measures, our information technology systems and those of our current or future CROs, consultants and other service providers are vulnerable to damage from cyberattacks, computer viruses, malicious codes, unauthorized access, employee theft or misuse, natural disasters, fire, power loss, terrorism, war, and telecommunication and electrical failures, among other things. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our research and development programs. For example, our data may not be backed up in a timely manner and the loss of clinical trial data from ongoing or future clinical trials for any of our drug candidates could result in delays in regulatory approval efforts and significantly increase costs to recover or reproduce the data. To the extent that any disruption or security breach were to result in a loss of or damage to data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the further development of our drug candidates could be delayed.

In the ordinary course of our business, we collect and store sensitive data, including, among other things, legally protected patient health information, personally identifiable information about our employees, intellectual property and proprietary business information. Disruptions in our on-site systems and by our outsourced vendors could have a material adverse impact on us and our business, including loss of data and damage to equipment, among other things.

We could be subject to risks caused by misappropriation, misuse, leakage, falsification, system malfunction or intentional or accidental release or loss of information maintained in the information systems and networks of our Company and our vendors, including but not limited to personal information of our employees and patients, and company, vendor and the other users of our vendors' confidential data.

If a material breach of our information technology systems or those of our vendors occurs, the market perception of the effectiveness of our security measures could be harmed and our reputation and credibility could be damaged. We could be subject to regulatory actions or claims made by individuals and groups in private litigation involving privacy issues related to data collection and use practices and other data privacy laws and regulations. As we engage in more electronic transactions with payers and patients, and collect and store an increasing volume of data, the related security risks will increase and we will need to expend additional resources to protect our technology and information systems.

We are subject to the risks of doing business globally, including risks relating to political and economic instability and changes in diplomatic and trade relationships, which may materially and adversely affect our business and results of operations.

Because we operate in China, the U.S. and other jurisdictions, our business is subject to risks associated with doing business globally. Accordingly, our business and financial results in the future could be adversely affected due to a variety of factors, including:

- changes in a specific country's or region's political and cultural climate or economic condition;
- unexpected changes in laws and regulatory requirements in local jurisdictions;
- efforts to develop an international sale, marketing and distribution organization may increase our expenses, divert our management's attention from the acquisition or development of drug candidates or cause us to forgo profitable licensing opportunities in these geographies;
- the occurrence of economic weakness, including inflation or political instability;
- the burden of complying with a variety of foreign laws including difficulties in effective enforcement of contractual provisions in local jurisdictions;
- inadequate intellectual property protection in certain jurisdictions;
- enforcement of anti-corruption and anti-bribery laws;
- trade-protection measures, import or export licensing requirements and fines, penalties or suspension or revocation of export privileges;
- delays resulting from difficulty in obtaining export licenses, tariffs and other barriers and restrictions, potentially longer payment cycles, greater difficulty in accounts receivable collection and potentially adverse tax treatment;
- the effects of applicable local tax regimes and potentially adverse tax consequences; and
- significant adverse changes in local currency exchange rates.

Furthermore, we are subject to general geopolitical risks in foreign countries where we operate, such as political and economic instability and changes in diplomatic and trade relationships, which could cause our results to fluctuate and our revenue to decline. The occurrence of any one or more of these risks of doing business internationally, individually or in the aggregate, could materially and adversely affect our business and results of operations.

Fluctuations in exchange rates could result in foreign currency exchange losses and could materially reduce the value of your investment.

The change in the value of RMB against the Hong Kong dollar and other currencies may fluctuate and is affected by, among other things, changes in China's political and economic conditions and China's foreign exchange policies. Substantially all of our costs are denominated in RMB and US dollars, most of our assets are cash and cash equivalents primarily denominated in RMB and US dollars, and our proceeds from the Global Offering will be denominated in Hong Kong dollars. Any significant change in the exchange rates of the Hong Kong dollar against RMB or US dollars against RMB may materially and adversely affect the value of and any dividends payable on, our Shares in Hong Kong dollars.

We have limited insurance coverage, and any claims beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources.

We maintain insurance policies that are required under the PRC laws and regulations as well as based on our assessment of our operational needs and industry practice, including insurance for our new facilities. In line with industry practice in the PRC, we have elected not to maintain certain types of insurance. Our insurance coverage may be insufficient to cover any claims that we may have. Any liability or damage to, or caused by, our facilities or our personnel beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources and may negatively impact our drug development and overall operations.

We may be subject to fines due to the lack of registration of our leases.

Pursuant to the Measures for Administration of Lease of Commodity Properties (《商品房屋租賃管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) on December 1, 2010 and became effective on February 1, 2011, both lessors and lessees are required to file the lease agreements for registration and obtain property leasing filing certificates for their leases. As of the Latest Practicable Date, two of our lease agreements as tenant had not been registered. We may be required by relevant government authorities to file these lease agreements for registration within a time limit, and may be subject to a maximum fine for non-registration of no more than RMB10,000.

RISKS RELATING TO DOING BUSINESS IN CHINA

The pharmaceutical industry in China is highly regulated and such regulations are subject to change, which may affect approval and commercialization of our drug candidates.

We currently conduct most of our operations in China. The pharmaceutical industry in China is subject to comprehensive government regulation and supervision, encompassing the approval, registration, manufacturing, packaging, licensing and marketing of new drugs. In recent years, the regulatory framework in China regarding the pharmaceutical industry has undergone significant changes, and we expect that it will continue to undergo significant changes. Any such changes or amendments may result in increased compliance costs on our business or cause delays in or prevent the successful development or commercialization of our drug candidates in China and reduce the benefits we believe are available to us from developing and manufacturing drugs in China.

Changes in the political and economic policies of the PRC government may materially and adversely affect our business, financial condition and results of operations and may result in our inability to sustain our growth and expansion strategies.

Due to our extensive operations in China, our business, results of operations, financial condition and prospects may be influenced to a significant degree by economic, political, legal and social conditions in China. China's economy differs from the economies of developed countries in many respects, including with respect to the amount of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. While the PRC economy has experienced significant growth over the past 40 years, growth has been uneven across different regions and among various economic sectors of China. The PRC government has implemented various measures to encourage economic development and guide the allocation of resources. Some of these measures may benefit the overall PRC economy, but may have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by government control over capital investments or changes in tax regulations that are currently applicable to us. In addition, in the past the PRC government implemented certain measures, including interest rate increases, to control the pace of economic growth. These measures may cause decreased economic activity in China, which may adversely affect our business and results of operation. More generally, if the business environment in China deteriorates from the perspective of domestic or international investment, our business in China may also be adversely affected.

On July 2, 2021, the CDE launched a Draft for Guiding Principles for Clinical Research and Development of Anti-tumor Drugs Oriented by Clinical Value (《以臨床價值為導向的抗腫瘤藥物臨床研發指導原則(徵求意見稿)》), or the Draft Rule, for anti-tumor drugs, which states that the fundamental purpose of the drug market is to address the needs of patients, and emphasizes that drug research and development should be based on patient needs and clinical value. The Draft Rule discourages repetitive research and development of "me-too drugs" (drugs with identical mechanisms of actions) and disorderly waste. If the Draft Rule becomes

effective, and if we are unable to comply with, or are deemed to be in violation of its detailed provisions and principles, our clinical development activities and overall business operations may be materially adversely affected.

There are uncertainties regarding the interpretation and enforcement of PRC laws, rules and regulations.

A large portion of our operations are conducted in China through our PRC subsidiaries, and are governed by PRC laws, rules and regulations. Our PRC subsidiaries are subject to laws, rules and regulations applicable to foreign investment in China. The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions may be cited for reference but have limited precedential value.

In 1979, the PRC government began to promulgate a comprehensive system of laws, rules and regulations governing economic matters in general. The overall effect of legislation over the past four decades has significantly enhanced the protections afforded to various forms of foreign investment in China. However, China has not developed a fully integrated legal system, and recently enacted laws, rules and regulations may not sufficiently cover all aspects of economic activities in China or may be subject to significant degrees of interpretation by PRC regulatory agencies. In particular, because these laws, rules and regulations are relatively new and often give the relevant regulator significant discretion in how to enforce them, and because of the limited number of published decisions and the nonbinding nature of such decisions, the interpretation and enforcement of these laws, rules and regulations involve uncertainties and can be inconsistent and unpredictable. In addition, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all, and which may have a retroactive effect. As a result, we may not be aware of our violation of these policies and rules until after the occurrence of the violation.

Additionally, the NMPA's reform of the drug-approval system may face implementation challenges in recent years. The timing and full impact of such reforms is uncertain and could prevent us from commercializing our drug candidates in a timely manner.

In addition, any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention. Since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than we would in more developed legal systems. These uncertainties may impede our ability to enforce the contracts we have entered into and could materially and adversely affect our business, financial condition and results of operations.

We may rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business.

We are a holding company incorporated in the Cayman Islands, and we may rely on dividends and other distributions on equity paid by our PRC subsidiaries for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders or to service any debt we may incur. If any of our PRC subsidiaries incurs debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us. Under PRC laws and regulations, our PRC subsidiaries may pay dividends only out of their respective accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, our PRC subsidiaries are required to set aside at least 10% of its accumulated after-tax profits each year, if any, to fund a certain statutory reserve fund, until the aggregate amount of such fund reaches 50% of its registered capital. Such reserve funds cannot be distributed to us as dividends.

In response to the persistent capital outflow in China and RMB's depreciation against the U.S. dollar, the People's Bank of China, or PBOC, and the State Administration of Foreign Exchange of the PRC (SAFE) promulgated a series of capital control measures, including stricter vetting procedures for domestic companies to remit foreign currency for overseas investments, dividends payments and shareholder loan repayments. The PRC government may continue to strengthen its capital controls, and more restrictions and substantial vetting process may be put forward by the SAFE for cross-border transactions falling under both the current account and the capital account. Any limitation on the ability of our PRC subsidiaries to pay dividends or make other kinds of payments to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends to our investors or other obligations to our suppliers, or otherwise fund and conduct our business.

Uncertainties exist with respect to the interpretation and implementation of the PRC Foreign Investment Law, which may impose new burdens on us.

The PRC Foreign Investment Law, or the FIL, was enacted by the NPC on March 15, 2019 and became effective on January 1, 2020, which replaces a trio of previous laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-invested Enterprise Law, together with their implementation rules and ancillary regulations. This law has become the legal foundation for foreign investment in the PRC. The FIL embodies an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments. The Implementation Rules to the Foreign Investment Law were promulgated by the State Council on December 26, 2019 and became effective on January 1, 2020. However, uncertainties exist with respect to

interpretation and implementation of the FIL and its Implementation Rules, which may adversely impact our corporate governance practice and increase our compliance costs. For instance, the FIL imposes information reporting requirements on foreign investors or foreign-invested enterprises. Failure to take timely and appropriate measures to cope with any of these or other regulatory compliance requirements under the FIL may lead to rectification obligations, penalties or other regulatory sanctions on us.

More stringent restrictions on the remittance of RMB into and out of the PRC and governmental control over currency conversion may limit our ability to pay dividends and other obligations, and affect the value of your investment.

The PRC government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of China. Shortages in availability of foreign currency may then restrict the ability of our PRC subsidiaries to remit sufficient foreign currency to our offshore entities for our Hong Kong subsidiary to pay dividends or make other payments or otherwise to satisfy our foreign-currency-denominated obligations. The RMB is currently convertible under the "current account," which includes dividends, trade and service-related foreign exchange transactions, but not under the "capital account," which includes foreign direct investment and foreign currency debt, including loans we may secure for our onshore subsidiaries. Currently, our PRC subsidiaries may purchase foreign currency for settlement of "current account transactions," including payment of dividends to us, without the approval of SAFE by complying with certain procedural requirements. However, the relevant PRC governmental authorities may limit or eliminate our ability to purchase foreign currencies in the future for current account transactions. Since a portion of our revenue is expected to be denominated in RMB, any existing and future restrictions on currency exchange may limit our ability to utilize revenue generated in RMB to fund our business activities outside of the PRC or pay dividends in foreign currencies to holders of our Shares. Foreign exchange transactions under the capital account remain subject to limitations and require approvals from, or registration with, SAFE and other relevant PRC governmental authorities. This could affect our ability to obtain foreign currency through debt or equity financing for our subsidiaries.

Our business benefits from certain financial incentives and preferential policies granted by local governments. Expiration of, or changes to, these incentives, tax preferences or policies would have an adverse effect on our results of operations.

In the past, local governments in China granted certain financial incentives from time to time to our PRC subsidiaries as part of their efforts to encourage research and development activities. We recorded government grants of RMB3.8 million, RMB7.3 million, RMB0.1 million and nil in 2019 and 2020 and the three months ended March 31, 2020 and 2021, respectively, which represent subsidies from local governments to compensate for our expenditures on research and clinical trials. The local governments have the discretion in deciding the timing, amount and criteria of government financial incentives and thus we cannot predict with certainty whether or how much financial incentive will be granted to us even if we apply for such funding. We generally do not have the ability to influence local governments

in making these decisions. Government authorities may also decide to reduce or eliminate incentives or may amend or terminate the relevant financial incentive policies at any time. In addition, some of the government financial incentives are granted to us on a project basis and subject to the satisfaction of certain conditions, including compliance with the applicable financial incentive agreements and completion of the specific projects therein. We cannot guarantee that we will satisfy all relevant conditions, and if we fail to satisfy any such conditions, we may be deprived of the relevant incentives. We cannot assure you of the continued availability of the government incentives currently enjoyed by us. Any reduction or elimination of incentives would have an adverse effect on our results of operations.

We are subject to PRC tax laws and regulations.

We are subject to periodic examinations on fulfillment of our tax obligation under the PRC tax laws and regulations by PRC tax authorities. Although we believe that in the past we had acted in compliance with the requirements under the relevant PRC tax laws and regulations in all material aspects and had established effective internal control measures in relation to accounting regularities, we cannot assure you that future examinations by PRC tax authorities would not result in fines, other penalties or actions that could adversely affect our business, financial condition and results of operations, as well as our reputation. Furthermore, the PRC government from time to time adjusts or changes its tax laws and regulations. Such adjustments or changes, together with any uncertainty resulting therefrom, could have an adverse effect on our business, financial condition and results of operations.

It may be difficult to effect service of process upon us or our management that reside in China or to enforce against them or us in China any judgments obtained from foreign courts.

Most of our operating subsidiaries are incorporated in China. Some of our management reside in China. Almost all of our assets are located in China. Therefore, it may not be possible for investors to effect service of process upon us or our management inside China. China has not entered into treaties or arrangements providing for the recognition and enforcement of judgments made by courts of most other jurisdictions. On July 14, 2006, Hong Kong and China entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements Between Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the "Arrangement"), pursuant to which a party with an enforceable final court judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in China. Similarly, a party with an enforceable final judgment rendered by a Chinese court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of such judgment in Hong Kong. A choice of court agreement in writing is defined

as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a Chinese court is expressly designated as the court having sole jurisdiction for the dispute.

On January 18, 2019, the Supreme People's Court and the government of the Hong Kong Special Administrative Region entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "New Arrangement"), which seeks to establish a mechanism with further clarification on and certainty for recognition and enforcement of judgments in a wider range of civil and commercial matters between Hong Kong Special Administrative Region and the China. The New Arrangement discontinued the requirements for a choice of court agreement for bilateral recognition and enforcement. The New Arrangement will only take effect after the promulgation of a judicial interpretation by the Supreme People's Court and the completion of the relevant legislative procedures in the Hong Kong Special Administrative Region. The New Arrangement will, upon its effectiveness, supersede the Arrangement. Therefore, before the New Arrangement becomes effective it may be difficult or impossible to enforce a judgment rendered by a Hong Kong court in China if the parties in the dispute do not agree to enter into a choice of court agreement in writing. As a result, it may be difficult or impossible for investors to effect service of process against our assets or management in China in order to seek recognition and enforcement of foreign judgments in China.

Furthermore, China does not have treaties or agreements providing for the reciprocal recognition and enforcement of judgments awarded by courts of the U.S., the United Kingdom, or most other western countries. Hence, the recognition and enforcement in China of judgments of a court in any of these jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or even impossible.

Any failure by the Shareholders or beneficial owners of our Shares to comply with PRC foreign exchange or other regulations relating to offshore investment activities could restrict our ability to distribute profits, restrict our overseas and cross-border investment activities and subject us to liability under PRC laws.

SAFE has promulgated several regulations associated with offshore investment such as Circular of the State Administration of Foreign Exchange on the Administration of Foreign Exchange Involved in Overseas Investment, Financing and Roundtrip Investment through Special Purpose Vehicles Conducted by domestic Residents in China via Special-Purpose Companies (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) or SAFE Circular 37, issued and effective on July 4, 2014, the Notice of the State Administration of Foreign Exchange on Issuing the Provisions on the Foreign Exchange Administration of the Overseas Direct Investments (《國家外匯管理局關於發佈<境內機構境外直接投資外匯管理規定>的通知》) (SAFE Circular 30). Failure to comply with the various SAFE regulations might result in liability under PRC laws for evasion of applicable foreign exchange restriction, including (1) the requirement by the SAFE to return the foreign exchange

remitted overseas within a period of time specified by the SAFE, with a fine of up to 30% of the total amount of foreign exchange remitted overseas and deemed to have been evasive, and (2) in circumstances involving serious violations, a fine of no less than 30% of and up to the total amount of remitted foreign exchange deemed evasive.

There remains uncertainty as to the interpretation and implementation of the latest SAFE rules at practice level. We are committed to complying with and to ensuring that our Shareholders who are subject to the regulations will comply with the relevant SAFE rules and other regulations; however, due to the inherent uncertainty in the implementation of the regulatory requirements by PRC authorities, such registration might not be always practically available in all circumstances as prescribed in those regulations. In addition, we may not always be fully aware or informed of the identities of our beneficiaries who are PRC nationals or entities, and may not be able to compel them to comply with relevant SAFE rules and other regulations. We cannot assure you that all of our Shareholders or beneficiaries will at all times comply with, or in the future make or obtain any applicable registrations or approvals required by SAFE rules or other regulations. We cannot assure you that the SAFE or its local branches will not release explicit requirements or interpret the relevant PRC laws and regulations otherwise. Failure by any such shareholders to comply with SAFE rules or other regulations may result in restrictions on the foreign exchange activities of our PRC subsidiaries and may also subject the relevant PRC resident or entity to penalties under the PRC foreign exchange administration regulations.

We face uncertainty relating to PRC laws and regulations relating to transfers by a non-resident enterprise of assets of a PRC resident enterprise.

On February 3, 2015, the State Taxation Administration of the PRC (STA) issued the Public Announcement on Several Issues Concerning Enterprise Income Tax for Indirect Transfer of Assets by Non-Resident Enterprises (《關於非居民企業間接轉讓財產企業所得稅若干問題的公告》), or Circular 7, which supersedes certain provisions in the Notice on Strengthening the Administration of Enterprise Income Tax on non-Resident Enterprises (《關於加強非居民企業股權轉讓企業所得稅管理的通知》), or Circular 698, which was previously issued by the State Administration of Taxation on December 10, 2009, as well as certain other rules providing clarification on Circular 698. Circular 7 provides comprehensive guidelines relating to, and heightened the PRC tax authorities' scrutiny over, indirect transfers by a non-resident enterprise of assets (including equity interests) of a PRC resident enterprise, or PRC Taxable Assets.

For example, Circular 7 specifies that when a non-resident enterprise transfers PRC Taxable Assets indirectly by disposing of equity interests in an overseas holding company which directly or indirectly holds such PRC Taxable Assets, the PRC tax authorities are entitled to reclassify the nature of an indirect transfer of PRC Taxable Assets by disregarding the existence of such overseas holding company and considering the transaction to be a direct transfer of PRC Taxable Assets, if such transfer is deemed to have been conducted for the purposes of avoiding PRC enterprise income taxes and without any other reasonable commercial purpose.

Except as provided in Circular 7, transfers of PRC Taxable Assets under the following circumstances shall be automatically deemed as having no reasonable commercial purpose, and are subject to PRC enterprise income tax: (i) more than 75% of the value of the equity interest of the overseas enterprise is directly or indirectly attributable to the PRC Taxable Assets; (ii) more than 90% of the total assets (cash excluded) of the overseas enterprise are directly or indirectly composed of investment in China at any time during the year prior to the indirect transfer of PRC Taxable Assets, or more than 90% of the income of the overseas enterprise is directly or indirectly from China during the year prior to the indirect transfer of PRC Taxable Assets; (iii) the overseas enterprise and its subsidiaries directly or indirectly hold PRC Taxable Assets and have registered with the relevant authorities in the host countries (regions) in order to meet the local legal requirements in relation to organization forms, yet prove to be inadequate in their ability to perform their intended functions and withstand risks as their alleged organization forms suggest; or (iv) the income tax from the indirect transfer of PRC Taxable Assets payable abroad is lower than the income tax in China that may be imposed on the direct transfer of such PRC Taxable Assets.

Circular 7 contains certain exemptions, including (i) the Public Market Safe Harbor described below; and (ii) where there is an indirect transfer of PRC Taxable Assets, but if the non-resident enterprise had directly held and disposed of such PRC Taxable Assets, the income from the transfer would have been exempted from enterprise income tax in the PRC under an applicable tax treaty or arrangement. However, it remains unclear whether any exemptions under Circular 7 will be applicable to the transfer of our Shares that do not qualify for the Public Market Safe Harbor or to any future acquisition by us outside of the PRC involving PRC Taxable Assets, or whether the PRC tax authorities will reclassify such transactions by applying Circular 7. Therefore, the PRC tax authorities may deem any transfer of our Shares that do not qualify for the Public Market Safe Harbor by our Shareholders that are non-resident enterprises, or any future acquisition by us outside of the PRC involving PRC Taxable Assets, to be subject to the foregoing regulations, which may subject our Shareholders or us to additional PRC tax reporting obligations or tax liabilities.

Provisions of Circular 7, which impose PRC tax liabilities and reporting obligations, do not apply to "non-resident enterprise acquiring and disposing of the equity interests of the same offshore listed company in a public market," or the Public Market Safe Harbor, which is determined by whether the parties, number and price of the shares acquired and disposed are not previously agreed upon, but determined in accordance with general trading rules in the public securities markets, according to one implementing rule for Circular 698. In general, transfers of the Shares by Shareholders on the Stock Exchange or other public market would not be subject to the PRC tax liabilities and reporting obligations imposed under the Circular 7 if the transfers fall under the Public Market Safe Harbor. As stated in "Information about this Prospectus and the Global Offering" in this prospectus, potential investors should consult their professional advisors if they are in any doubt as to the tax implications of subscribing for, purchasing, holding, disposing of and dealing in the Shares.

Under the EIT Law, we may be classified as a "resident enterprise" of China. This classification could result in unfavorable tax consequences to us and our non-PRC shareholders.

Under the EIT Law, an enterprise established outside of China with "de facto management bodies" within China is considered a "resident enterprise," meaning that it can be treated in a manner similar to a Chinese enterprise for PRC enterprise income tax purposes. A tax circular issued by STA on April 22, 2009, or Circular 82, regarding the standards used to classify resident enterprises clarified that dividends and other distributions paid by such resident enterprises which are considered to be PRC source income will be subject to PRC withholding tax, currently at a rate of 10%, when received or recognized by non-PRC resident enterprise shareholders. This circular also subjects such resident enterprises to various reporting requirements with the PRC tax authorities. The implementing rules of the EIT Law define "de facto management bodies" as "management bodies that exercise substantial and overall management and control over the production and operations, personnel, accounting and properties" of the enterprise. In addition, Circular 82 specifies that certain China-invested enterprises controlled by Chinese enterprises or Chinese group enterprises will be classified as resident enterprises if the following are located or resident in China: (i) senior management personnel and departments that are responsible for daily production, operation and management; (ii) financial and personnel decision-making bodies; (iii) key properties, accounting books, company seal and minutes of board meetings and shareholders' meetings; and (iv) half or more of senior management or directors having voting rights. On July 27, 2011, the PRC State Administration of Taxation issued Administrative Measures of Enterprise Income Tax of Chinese-Controlled Offshore Incorporated Resident Enterprises (Trial), or Bulletin 45, which became effective on September 1, 2011, to provide further guidance on the implementation of Circular 82. Bulletin 45 clarifies certain issues related to determining PRC resident enterprise status, including which competent tax authorities are responsible for determining offshore incorporated PRC resident enterprise status, as well as post-determination administration.

Currently, most of the members of our management team are, and the management team of some of our offshore shareholders may be, located in China. However, Circular 82 and Bulletin 45 only apply to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreign corporations like us. In the absence of detailed implementing regulations or other guidance determining that offshore companies controlled by PRC individuals or foreign corporations like us are PRC resident enterprises, we do not currently consider our Company or any of our overseas subsidiaries to be a PRC resident enterprise.

Despite the foregoing, the STA may take the view that the determining criteria set forth in Circular 82 and Bulletin 45 reflect the general position on how the "de facto management body" test should be applied in determining the tax resident status of all offshore enterprises. Additional implementing regulations or guidance may be issued determining that our Cayman Islands holding company is a "resident enterprise" for PRC enterprise income tax purposes. If the PRC tax authorities determine that our Cayman Islands holding company or any of our

non-PRC subsidiaries is a resident enterprise for PRC enterprise income tax purposes, a number of unfavorable PRC tax consequences could follow. First, we and our non-PRC subsidiaries may be subject to enterprise income tax at a rate of 25% on our worldwide taxable income, as well as to PRC enterprise income tax reporting obligations. Second, although under the EIT Law and its implementing rules and Bulletin 45 dividends paid by a PRC tax resident enterprise to an offshore incorporated PRC tax resident enterprise controlled by a PRC enterprise or enterprise group would qualify as tax-exempted income, we cannot assure that dividends paid by our PRC subsidiaries to us will not be subject to a 10% withholding tax, as the PRC foreign-exchange control authorities and tax authorities have not yet issued guidance with respect to the processing of outbound remittances to entities that are treated as resident enterprises for PRC enterprise income tax purposes but not controlled by a PRC enterprise or enterprise group like us. Finally, under the EIT Law and its implementing rules issued by PRC tax authorities dividends paid by us to our non-PRC shareholders may be subject to a withholding tax of 10% for non-PRC enterprise shareholders and 20% for non-PRC individual shareholders, and gains recognized by our non-PRC shareholders may be subject to PRC tax of 10% for non-PRC enterprise shareholders and 20% for non-PRC individual shareholders. Any PRC tax liability on dividends or gain described above may be reduced under applicable tax treaties. However, it is unclear whether, if our Cayman Islands holding company is considered a PRC resident enterprise, non-PRC shareholders would be able to obtain in practice the benefit of income tax treaties entered into between PRC and their countries. Similarly, these unfavorable consequences could apply to our other offshore companies if they are classified as a PRC resident enterprise.

Government control of currency conversion of and regulations on loans to, and direct investment in, PRC entities by offshore holding companies may delay or prevent us from making loans or additional contributions to our PRC subsidiaries, which could restrict our ability to utilize the proceeds from the Global Offering effectively and affect our ability to fund and expand our business.

The PRC government imposes controls on the convertibility of foreign currencies into Renminbi. Under China's existing foreign-exchange regulations, foreign-exchange transactions under capital accounts continue to be subject to significant foreign-exchange controls and require the registration with, and approval of, PRC governmental authorities. In particular, if one subsidiary receives foreign-currency loans from us or other foreign lenders, these loans must be registered with SAFE or its local counterparts. If we finance such subsidiary by means of additional capital contributions, these capital contributions must be filed with or approved by certain government authorities, including the MOFCOM or its local counterparts and the State Administration for Industry and Commerce (now known as the State Administration for Market Regulation ("**SAMR**")) through the Enterprise Registration System (企業登記系統) and the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) and the SAFE.

On March 30, 2015, SAFE released the Notice on the Reform of the Management Method for the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》), or SAFE Circular 19, which came into force from June 1, 2015. On June 9, 2016, SAFE further promulgated the Circular on the Reform and Standardization of the Management Policy of the Settlement of Capital Projects (《關於改革和規範資本項目結匯管理政策的通知》), or SAFE Circular 16. SAFE Circular 19 has made certain adjustments to some regulatory requirements on the settlement of foreign exchange capital of foreign-invested enterprises. Under SAFE Circular 19 and SAFE Circular 16, the settlement of foreign exchange by foreign invested enterprises shall be governed by the policy of foreign exchange settlement on a discretionary basis. However, SAFE Circular 19 and SAFE Circular 16 also reiterate that the settlement of foreign exchange shall only be used for its own operation purposes within the business scope of the foreign invested enterprises and following the principles of authenticity. Considering that SAFE Circular 19 and SAFE Circular 16 are relatively new, it is unclear how they will be implemented, and there exist high uncertainties with respect to its interpretation and implementation by authorities. For example, under SAFE Circular 19 and SAFE Circular 16, we may still not be allowed to convert foreign-currency-registered capital of our PRC subsidiaries which are foreign-invested enterprises into RMB capital for securities investments or other finance and investment except for principal-guaranteed bank products. Further, SAFE Circular 19 and SAFE Circular 16 restrict a foreign-invested enterprise from using Renminbi converted from its registered capital to provide loans to a its non-affiliated company. On October 23, 2019, SAFE released the Circular on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》), or SAFE Circular 28, according to which non-investment foreign-invested enterprises are permitted to make domestic equity investments with their capital funds provided that such investments do not violate the Negative List and the target investment projects are genuine and in compliance with laws. On April 10, 2020, SAFE promulgated the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《關於優化外匯管理支持涉外業務發展的通知》), or SAFE Circular 8, eligible enterprises are allowed to make domestic payments by using their capital funds, foreign loans and the income under capital accounts of overseas listing, without providing evidentiary materials concerning authenticity of each expenditure, provided that their capital use shall be authentic and in line with provisions, and conform to the prevailing administrative regulations on the use of income under capital accounts. Considering that SAFE Circular 28 and SAFE Circular 8 are often principle-oriented and subject to the detailed interpretations by the enforcement bodies to further apply and enforce such laws and regulations in practice, it is unclear how they will be implemented, and there exist substantial uncertainties with respect to its interpretation and implementation by government authorities and banks.

Violations of SAFE Circular 19 and SAFE Circular 16 could result in severe monetary or other penalties. We cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans or capital contributions by us to our PRC subsidiaries, and

conversion of such loans or capital contributions into Renminbi. If we fail to complete such registrations or obtain such approvals, our ability to capitalize or otherwise fund our PRC operations may be negatively affected, which could adversely affect our ability to fund and expand our business.

The political relationships between China and other countries or regions may affect our business operations.

During the Track Record Period, we have formed partnerships with entities in foreign countries and regions and initiated or plan to initiate clinical trials, in the U.S., Taiwan and certain other countries and regions. Establishing new collaboration partnerships globally is key to our future growth. Our business is therefore subject to constantly changing international economic, regulatory, social and political conditions, and local conditions in those foreign countries and regions. As a result, China's political relationships with those foreign countries and regions may affect the prospects of maintaining existing or establishing new collaboration partnerships.

There can be no assurance that such collaborators or business partners will not alter their perception of us or their preferences as a result of adverse changes to the state of political relationships between China and the relevant foreign countries or regions. Since mid-2018, political tension has increased between China and the U.S. There can be no assurance that potential collaboration partners will not alter their perception of us or their preferences as a result of such adverse changes between China and relevant foreign countries or regions. Any tensions and political concerns between China and the relevant foreign countries or regions may adversely affect our business, financial condition, results of operations, cash flows and prospects. It also remains unclear what actions, if any, the U.S. government will take with respect to other existing international trade agreements. If the U.S. were to withdraw from or materially modify certain international trade agreements to which it is a party, especially with respect to intellectual properties transfer, our business, financial condition and results of operations could be negatively impacted.

RISKS RELATING TO THE GLOBAL OFFERING

No public market currently exists for our Shares; an active trading market for our Shares may not develop and the market price for our Shares may decline or became volatile, especially taking into account that all of our existing Shareholders have entered into a lock-up undertaking for six months from the Listing Date.

No public market currently exists for our Shares. The initial Offer Price for our Shares to the public will be the result of negotiations between our Company and the Joint Global Coordinators (on behalf of the Underwriters), and the Offer Price may differ significantly from the market price of the Shares following the Global Offering. We have applied to the Stock Exchange for the listing of, and permission to deal in, the Shares. In addition, each existing Shareholder, including our Pre-IPO Investors have entered into lock up undertakings in favour of our Company and/or the Joint Sponsors pursuant to which they are subject to lock-up

arrangements ending on the date which is six months from the Listing Date, subject to certain exceptions. Therefore, immediately upon completion of the Global Offering and assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme, approximately 91.45% of our Shares will be subject to lock-up undertakings (assuming an Offer Price of HK$12.31, being the mid-point of the Offer Price range). As a result, a listing on the Hong Kong Stock Exchange does not guarantee that an active and liquid trading market for our Shares will develop, especially during the period when a significant portion of our Shares are subject to lock-up undertakings, or if it does develop, that it will be sustained following the Global Offering, or that the market price of the Shares will rise following the Global Offering.

The price and trading volume of our Shares may be volatile, which could lead to substantial losses to investors.

The price and trading volume of our Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. In particular, the business and performance and the market price of the shares of other companies engaging in similar business may affect the price and trading volume of our Shares. In addition to market and industry factors, the price and trading volume of our Shares may be highly volatile for specific business reasons, such as the results of clinical trials of our drug candidates, the results of our applications for approval of our drug candidates, regulatory developments affecting the pharmaceutical industry, healthcare, health insurance and other related matters, fluctuations in our revenue, earnings, cash flows, investments and expenditures, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Stock Exchange with significant operations and assets in China have experienced price volatility in the past, and it is possible that our Shares may be subject to changes in price not directly related to our performance.

There will be a gap of several days between pricing and trading of our Shares, and the price of our Shares when trading begins could be lower than the Offer Price.

The Offer Price of our Shares sold in the Global Offering is expected to be determined on the Price Determination Date. However, the Shares will not commence trading on the Stock Exchange until they are delivered, which is expected to be five Business Days after the Price Determination Date. As a result, investors may not be able to sell or otherwise deal in the Shares during that period. Accordingly, holders of our Shares are subject to the risk that the price of the Shares when trading begins could be lower than the Offer Price as a result of adverse market conditions or other adverse developments that may occur between the time of sale and the time trading begins.

Future sales or perceived sales of our Shares in the public market by major Shareholders following the Global Offering could materially and adversely affect the price of our Shares.

Prior to the Global Offering, there has not been a public market for our Shares. Future sales or perceived sales by our existing Shareholders of our Shares after the Global Offering could result in a significant decrease in the prevailing market price of our Shares. Only a limited number of the Shares currently outstanding will be available for sale or issuance immediately after the Global Offering due to contractual and regulatory restrictions on disposal and new issuance. Nevertheless, after these restrictions lapse or if they are waived, future sales of significant amounts of our Shares in the public market or the perception that these sales may occur could significantly decrease the prevailing market price of our Shares and our ability to raise equity capital in the future.

You will incur immediate and significant dilution and may experience further dilution if we issue additional Shares or other equity securities in the future, including pursuant to the share incentive schemes.

The Offer Price of the Offer Shares is higher than the net tangible asset value per Share immediately prior to the Global Offering. Therefore, purchasers of the Offer Shares in the Global Offering will experience an immediate dilution in pro forma net tangible asset value. In order to expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of the Offer Shares may experience dilution in the net tangible asset value per share of their Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per Share at that time. Furthermore, we may issue Shares pursuant to the share incentive schemes, which would further dilute Shareholders' interests in our Company.

We do not expect to pay dividends in the foreseeable future after the Global Offering.

We currently intend to retain most, if not all, of our available funds and any future earnings after the Global Offering to fund the development and commercialization of our pipeline drug candidates. As a result, we do not expect to pay any cash dividends in the foreseeable future. Therefore, you should not rely on an investment in our Shares as a source for any future dividend income.

Our Board has complete discretion as to whether to distribute dividends. Even if our Board decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions (if any) received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our Board. Accordingly, the return on your investment in our Shares will likely depend entirely upon any future price appreciation of our Shares. There is no guarantee that our Shares will appreciate

in value after the Global Offering or even maintain the price at which you purchased the Shares. You may not realize a return on your investment in our Shares and you may even lose your entire investment in our Shares.

We have significant discretion as to how we will use the net proceeds of the Global Offering, and you may not necessarily agree with how we use them.

Our management may spend the net proceeds from the Global Offering in ways you may not agree with or that do not yield a favorable return to our shareholders. We plan to use the net proceeds from the Global Offering to, among other things, conduct clinical trials in China and other jurisdictions on our drug candidates and to expand our sales and marketing staff in preparation for the approval and commercialization of our drug candidates. For details, see "Use of Proceeds." However, our management will have discretion as to the actual application of our net proceeds. You are entrusting your funds to our management, whose judgment you must depend on, for the specific uses we will make of the net proceeds from this Global Offering.

Our Single Largest Group of Shareholders has had and will continue to have substantial influence over the outcome of shareholder actions in our Company. The interests of our single largest group of Shareholders may not be aligned with the interests of our other Shareholders.

Upon completion of the Share Subdivision and Global Offering, the Single Largest Group of Shareholders will hold 23.43% of our total issued and outstanding Shares (assuming that all of the Preferred Shares have been converted into the Shares on a one-to-one basis and the Over-allotment Option is not exercised). As a result, the Single Largest Group of Shareholders, will have significant influence over our business, including decisions regarding mergers, consolidations, liquidations and the sale of all or substantially all of our assets, election of directors and other significant corporate actions.

They may take actions that are not in the best interest of us or our other Shareholders. This concentration of ownership may discourage, delay or prevent a change in control of our company, which could have the effect of depriving our other Shareholders of the opportunity to receive a premium for their shares as part of a sale of our company and may reduce the price of the Shares. This concentrated control will limit your ability to influence corporate matters and could discourage others from pursuing any potential merger, takeover or other change of control transactions that other holders of our ordinary shares may view as beneficial.

We are a Cayman Islands company and, because judicial precedent regarding the rights of shareholders is more limited under the laws of the Cayman Islands than other jurisdictions, you may have difficulties in protecting your shareholder rights.

Our corporate affairs are governed by our Memorandum and Articles and by the Cayman Companies Act and common law of the Cayman Islands. The rights of Shareholders to take legal action against our Directors and us, actions by minority Shareholders and the fiduciary responsibilities of our Directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interests of minority shareholders differ in some respects from those established under statutes and judicial precedent in existence in the jurisdictions where minority Shareholders may be located. See the section headed "Summary of the Constitution of our Company and Cayman Companies Act" in this prospectus.

As a result of all of the above, minority Shareholders may have difficulties in protecting their interests under the laws of the Cayman Islands through actions against our management, Directors or our largest Shareholder, which may provide different remedies to minority Shareholders when compared to the laws of the jurisdiction in which such shareholders are located.

Facts, forecasts and statistics in this prospectus relating to the pharmaceutical industry may not be fully reliable.

Facts, forecasts and statistics in this prospectus relating to the pharmaceutical industry in and outside China are obtained from various sources that we believe are reliable, including official government publications as well as a report prepared by Frost & Sullivan that we commissioned. However, we cannot guarantee the quality or reliability of these sources. Neither we, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters nor our or their respective affiliates or advisers have verified the facts, forecasts and statistics nor ascertained the underlying economic assumptions relied upon in those facts, forecasts and statistics obtained from these sources. Due to possibly flawed or ineffective collection methods or discrepancies between published information and factual information and other problems, the statistics in this prospectus relating to the pharmaceutical industry in and outside China may be inaccurate and you should not place undue reliance on them. We make no representation as to the accuracy of such facts, forecasts and statistics obtained from various sources. Moreover, these facts, forecasts and statistics involve risk and uncertainties and are subject to change based on various factors and should not be unduly relied upon.

You should read the entire prospectus carefully, and we caution you not to place any reliance on any information contained in press articles or other media regarding us or the Global Offering.

Subsequent to the date of this prospectus but prior to the completion of the Global Offering, there may be press and media coverage regarding us and the Global Offering, which may contain, among other things, certain financial information, projections, valuations and other forward-looking information about us and the Global Offering. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this prospectus, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this prospectus only and should not rely on any other information.

You should rely solely upon the information contained in this prospectus, the Global Offering and any formal announcements made by us in Hong Kong when making your investment decision regarding our Shares. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our Shares, the Global Offering or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such data or publication. Accordingly, prospective investors should not rely on any such information, reports or publications in making their decisions as to whether to invest in our Global Offering. By applying to purchase our Shares in the Global Offering, you will be deemed to have agreed that you will not rely on any information other than that contained in this prospectus.

In preparation for the Global Offering, our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and certificates of exemption from strict compliance with the relevant provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance:

MANAGEMENT PRESENCE IN HONG KONG

According to Rule 8.12 of the Listing Rules, our Company must have sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Since our headquarters and all of our business operations are not principally located, managed or conducted in Hong Kong, our Company does not, and for the foreseeable future, will not, have executive Directors who are ordinarily resident in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, our Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 8.12 of the Listing Rules. Our Company has made the following arrangements to maintain effective communication between the Stock Exchange and us:

(i) both of our Company's authorized representatives, Mr. Yeh Richard, our executive Director, and Ms. Chan Yin Wah (陳燕華), one of our joint company secretaries will act as our Company's principal channel of communication with the Stock Exchange. Accordingly, the authorized representatives of our Company will be able to meet with the relevant members of the Stock Exchange on reasonable notice and will be readily contactable by telephone and email;

(ii) each of the authorized representatives of our Company has means of contacting all Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange proposes to contact a Director with respect to any matter;

(iii) each Director has provided his/her phone number and e-mail address to the authorized representatives of our Company and the Stock Exchange, and in the event that any Director expects to travel or otherwise be out of the office, he/she will provide the phone number of the place of his/her accommodation to the authorized representatives;

(iv) each of the Directors of our Company not ordinarily residing in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and will be able to meet with the relevant members of the Stock Exchange within a reasonable period of time;

(v) our Company has, in compliance with Rule 3A.19 of the Listing Rules, appointed Somerley Capital Limited as our compliance adviser (the "**Compliance Adviser**"), who will also act as an additional channel of communication with the Stock Exchange for the period commencing from the Listing Date to the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date. The Compliance Adviser will maintain constant contact with the authorized representatives, Directors and senior management through various means, including regular meetings and telephone discussions whenever necessary. Our authorized representatives, Directors and other officers of our Company will provide promptly such information and assistance as the Compliance Adviser may reasonably require in connection with the performance of the Compliance Adviser's duties as set forth in Chapter 3A of the Listing Rules;

(vi) any meeting between the Stock Exchange and the Directors will be arranged through the authorized representatives or the Compliance Adviser or directly with the Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any changes in our authorized representatives and our Compliance Adviser; and

(vii) we will also retain legal advisers to advise on on-going compliance requirements as well as other issues arising under the Listing Rules and other applicable laws and regulations of Hong Kong after Listing.

JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules further provides that the Hong Kong Stock Exchange considers the following academic or professional qualifications to be acceptable:

(a) a member of The Hong Kong Institute of Chartered Secretaries;

(b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and

(c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

In assessing the "relevant experience," the Hong Kong Stock Exchange will consider the individual's:

(i) length of employment with the issuer and other issuers and the roles he/she played;

(ii) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(iii) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(iv) professional qualifications in other jurisdictions.

Our Company has appointed Ms. Tian Huimin (田慧敏) ("**Ms. Tian**") as one of the joint company secretaries. Ms. Tian has extensive experience in corporate management and operations matters but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. Chan Yin Wah (陳燕華) ("**Ms. Chan**"), a fellow member of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators), who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Ms. Tian for an initial period of three years from the Listing Date to enable Ms. Tian to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Ms. Chan will work closely with Ms. Tian to jointly discharge the duties and responsibilities as company secretary and assist Ms. Tian to acquire the relevant experience as required under Rules 3.28 and 8.17 of the Listing Rules. Ms. Tian will also be assisted by (a) Compliance Adviser of our Company, particularly in relation to compliance with the Listing Rules; and (b) the Hong Kong legal advisors of our Company, on matters concerning our Company's ongoing compliance with the Listing Rules and the applicable laws and regulations. In addition, Ms. Tian will endeavour to attend relevant trainings and familiarize herself with the Listing Rules.

Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with the requirements of Rules 3.28 and 8.17 of the Listing Rules. Pursuant to the Guidance Letter HKEX-GL108-20, the waiver will be for a fixed period of time ("**Waiver Period**") and on the following conditions: (i) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 and is appointed as a joint company

secretary throughout the Waiver Period; and (ii) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer. This means that such waiver will be revoked immediately if and when Ms. Chan ceases to be appointed as a joint company secretary or ceases to provide such assistance, and can also be revoked if there are material breaches of the Listing Rules by our Company.

Before the expiration of the initial three years' period, the qualifications and experience of Ms. Tian will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance of Ms. Chan will continue. We will liaise with the Hong Kong Stock Exchange to enable it to assess whether Ms. Tian, having benefited from the assistance of Ms. Chan for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

WAIVER AND EXEMPTION IN RELATION TO THE 2019 SHARE INCENTIVE PLAN

Rule 17.02(1)(b) of the Listing Rules requires a listing applicant to, inter alia, disclose in the prospectus full details of all outstanding options and their potential dilution effect on the shareholdings upon listing as well as the impact on the earnings per share arising from the exercise of such outstanding options.

Paragraph 27 of Appendix 1A to the Listing Rules requires a listing applicant to disclose, inter alia, particulars of any capital of any member of the group which is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee, or an appropriate negative statement, provided that where options have been granted or agreed to be granted to all the members or debenture holders or to any class thereof, or to employees under a share option scheme, it shall be sufficient, so far as the names and addresses are concerned, to record that fact without giving the names and addresses of the grantees.

Under section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the prospectus must state the matters specified in Part I of the Third Schedule.

Under paragraph 10 of Part I of the Third Schedule, the number, description and amount of any shares in or debentures of the company which any person has, or is entitled to be given, an option to subscribe for, together with the particulars of the option, that is to say, (a) the period during which it is exercisable; (b) the price to be paid for shares or debentures subscribed for under it; (c) the consideration (if any) given or to be given for it or for the right to it; and (d) the names and addresses of the persons to whom it or the right to it was given or, if given to existing shareholders or debenture holders as such, the relevant shares or debentures must be specified in the prospectus.

As of Latest Practicable Date, our Company had granted options under the 2019 Share Incentive Plan to 145 grantees, including 3 Directors, 3 members of the senior management, 3 consultants, a former Director, other grantees who have been granted options to subscribe for 120,000 ordinary shares (to be adjusted to 1,200,000 Shares upon Share Subdivision), and 134 other employees and former employees of our Group (including 128 employees and six (6) former employees of our Group) (who were granted options to subscribe for 441,216 ordinary shares, 790,000 ordinary shares, 43,000 ordinary shares, 5,000 ordinary shares, 165,952 ordinary shares and 1,555,531 ordinary shares, respectively (to be adjusted to 4,412,160 Shares, 7,900,000 Shares, 430,000 Shares, 50,000 Shares, 1,659,520 Shares and 15,555,310 Shares upon the Share Subdivision)), to subscribe for an aggregate of 3,000,699 ordinary shares (to be adjusted to 30,006,990 Shares upon the Share Subdivision), representing approximately 4.27% of the total number of Shares in issue immediately after completion of the Share Subdivision and Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme), on the terms set out in the section headed "Statutory and General Information – D. 2019 Share Incentive Plan" in Appendix IV in this Prospectus. No option under the 2019 Share Incentive Plan has been granted to other connected persons of the Company.

We have applied to (i) the Stock Exchange for a waiver from strict compliance with the requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix 1A to the Listing Rules and (ii) the SFC for an exemption from strict compliance with paragraph 10(d) of Part I of the Third Schedule pursuant to section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in connection with the disclosure of certain details relating to the share options and certain grantees in this Prospectus on the ground that the waiver and the exemption will not prejudice the interest of the investing public and strict compliance with the above requirements would be unduly burdensome for our Company for the following reasons:

(a) we have granted options under the 2019 Share Incentive Plan to a total of 145 grantees, including 3 Directors, 3 members of the senior management, 3 consultants, a former Director, other grantees who have been granted options to subscribe for 120,000 ordinary shares (to be adjusted to 1,200,000 Shares upon Share Subdivision), and 134 other employees and former employees of our Group (including 128 employees and six (6) former employees of our Group) (who were granted options to subscribe for 441,216 ordinary shares, 790,000 ordinary shares, 43,000 ordinary shares, 5,000 ordinary shares, 165,952 ordinary shares and 1,555,531 ordinary shares, respectively (to be adjusted to 4,412,160 Shares, 7,900,000 Shares, 430,000 Shares, 50,000 Shares, 1,659,520 Shares and 15,555,310 Shares upon the Share Subdivision)), to subscribe for an aggregate of 3,000,699 ordinary shares (to be adjusted to 30,006,990 Shares upon the Share Subdivision), representing approximately 4.27% of the total number of Shares in issue immediately after completion of the Share Subdivision and Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme);

(b) our Directors consider that it would be unduly burdensome to disclose in the Prospectus full details of all the share options granted by the Company to each of the grantees, which would require substantial number of pages of additional disclosure that does not provide any material information to the investing public and would significantly increase the cost and time required for information compilation and prospectus preparation;

(c) material information on the share options has been disclosed in the Prospectus to provide prospective investors with sufficient information to make an informed assessment of the potential dilutive effect and impact on earnings per Share of the share options in making their investment decision, and such information includes:

(i) a summary of the latest terms of the 2019 Share Incentive Plan;

(ii) the aggregate number of Shares subject to the share options and the percentage of the Shares of which such number represents;

(iii) the dilutive effect and the impact on earnings per Share upon full exercise of the outstanding share options immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme);

(iv) full details of the share options granted to the Directors and members of the senior management, consultants, a former Director and other grantees who have been granted options to subscribe for 120,000 ordinary shares (to be adjusted to 1,200,000 Shares upon Share Subdivision) of the Company or more are disclosed in the Prospectus, and such details include all the particulars required under Rule 17.02(1)(b) of the Listing Rules, paragraph 27 of Appendix 1A to the Listing Rules and paragraph 10 of Part 1 of the Third Schedule;

(v) with respect to the share options granted by the Company under the 2019 Share Incentive Plan to employees, other than those referred to in subparagraph (iv) above, details including the aggregate number of such grantees and the number of Shares subject to the share options, the consideration paid for the grant of the share options and the exercise period and the exercise price for the share options; and

(vi) should the Stock Exchange and the SFC grant a waiver and exemption, the particulars of the waiver and exemption, respectively; and the above disclosure is consistent with the conditions ordinarily expected by the Stock Exchange in similar circumstances as set out in Guidance Letter HKEx-GL11-09 issued in July 2009 and updated in March 2014 by the Stock Exchange;

(d) our Directors consider that non-compliance with the above disclosure requirements would not prevent the Company from providing potential investors with sufficient information for an informed assessment of the activities, assets, liabilities, financial position, management and prospects of the Group; and

(e) a full list of all the grantees containing all details as required under Rule 17.02(1)(b) of the Listing Rules, paragraph 27 of Appendix 1A to the Listing Rules and paragraph 10 of Part I of the Third Schedule will be made available for public inspection in accordance with the section headed "Documents Delivered to the Registrar of Companies and Available for Inspection – Documents Available for Inspection" in Appendix V to this Prospectus.

The Stock Exchange has granted us a waiver from strict compliance with the relevant requirements under the Listing Rules subject to the conditions that disclosure in respect of the information referred to in paragraph (c) above has been made in this Prospectus.

The SFC has granted us a certificate of exemption under Section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule, subject to the conditions that:

(a) full details of the share options granted to the Directors, members of the senior management, consultants, a former Director, and other grantees who have been granted options to subscribe for 120,000 ordinary shares (to be adjusted to 1,200,000 Shares upon Share Subdivision) of the Company or more and other connected persons of the Company be disclosed in the Prospectus, and such details include all the particulars required under paragraph 10 of Part 1 of the Third Schedule;

(b) with respect to the share options granted by the Company under the 2019 Share Incentive Plan to employees, other than those referred to in (a) above, the following details, including (i) the aggregate number of such grantees and the number of Shares subject to the share options; (ii) the consideration paid for the grant of the share options; and (iii) the exercise period and the exercise price for the share options be disclosed in this Prospectus;

(c) a full list of all the grantees (including the persons referred to in sub-paragraph (a) above) who have been granted share options to acquire Shares under the 2019 Share Incentive Plan, containing all the details as required under paragraph 10 of Part 1 of the Third Schedule, be made available for public inspection in accordance with the section headed "Documents Delivered to the Registrar of Companies and Available for Inspection – Documents Available for Inspection" in Appendix V to this Prospectus; and

(d) the particulars of the exemption be set forth in this Prospectus and the Prospectus of the Company will be issued on or before September 30, 2021.

EXEMPTION FROM STRICT COMPLIANCE WITH SECTION 342(1) OF THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE AND PARAGRAPH 27 OF PART I AND PARAGRAPH 31 OF PART II OF THE THIRD SCHEDULE TO THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

According to section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from compliance with the relevant requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interests of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

According to Rule 4.04(1) of the Listing Rules, the Accountants' Report contained in the Prospectus must include, inter alia, the results of the Company in respect of each of the three financial years immediately preceding the issue of the Prospectus or such shorter period as may be acceptable to the Stock Exchange.

Section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires all prospectuses to include matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (the "**Third Schedule**"), and set out the reports specified in Part II of the Third Schedule.

Paragraph 27 of Part I of the Third Schedule requires a company to include in its prospectus a statement as to the gross trading income or sales turnover (as the case may be) of the company during each of the three financial years immediately preceding the issue of the prospectus, including an explanation of the method used for the computation of such income or turnover and a reasonable breakdown between the more important trading activities.

Paragraph 31 of Part II of the Third Schedule further requires a company to include in its prospectus a report by the auditors of the company with respect to (i) the profits and losses of the company for each of three financial years immediately preceding the issue of the prospectus and (ii) the assets and liabilities of the company of each of the three financial years immediately preceding the issue of the prospectus.

Our Company is a Biotech Company as defined under Chapter 18A of the Listing Rules and is seeking a listing under Chapter 18A of the Listing Rules. Rule 18A.03(3) of the Listing Rules requires that a Biotech Company must have been in operation in its current line of business for at least two financial years prior to listing under substantially the same management. Rule 18A.06 of the Listing Rules requires that a Biotech Company must comply with Rule 4.04 of the Listing Rules modified so that references to "three financial years" or "three years" in Rule 4.04 shall instead be references to "two financial years" or "two years", as the case may be. Further, pursuant to Rule 8.06 of the Listing Rules, the latest financial period reported on by the reporting accountants for a new applicant must not have ended more than six months from the date of the listing document.

In compliance with the abovementioned requirements under the Listing Rules, the accountants' report of our Company set out in Appendix I to this Prospectus is currently prepared to cover the two financial years ended December 31, 2019 and 2020 and the three months ended March 31, 2021.

As such, we have applied to the SFC for a certificate of exemption from strict compliance with section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the requirements of paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule regarding the inclusion of the accountants' report covering the full three financial years immediately preceding the issue of this Prospectus on the following grounds:

(a) our Company is primarily engaged in the discovery, development, manufacturing and commercialization of biotech products, and falls within the scope of Biotech Company as defined under Chapter 18A of the Listing Rules. Our Company will fulfill the additional conditions for listing required under Chapter 18A of the Listing Rules;

(b) as of the Latest Practicable Date, we have not generated any revenue from product sales. Major financing activities conducted by the Company since its incorporation include the Pre-IPO Investments, the details of which have been fully disclosed in the section headed "History, Restructuring and Corporate Structure – Pre-IPO Investments" in this Prospectus;

(c) given that our Company is only required to disclose its financial results for each of the two financial years ended December 31, 2019 and 2020 and the three months ended March 31, 2021 under Chapter 18A of the Listing Rules and preparation of the financial results for the year ended December 31, 2018 would require additional work to be performed by our Company and our auditors, strict compliance with section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the requirements of paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule would be unduly burdensome for our Company;

(d) notwithstanding that the financial results set out in this Prospectus are only for the two financial years ended December 31, 2019 and 2020 and the three months ended March 31, 2021 in accordance with Chapter 18A of the Listing Rules, other information required to be disclosed under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance has been adequately disclosed in this Prospectus pursuant to the relevant requirements; and

(e) the accountants' report covering the two financial years ended December 31, 2019 and 2020 and the three months ended March 31, 2021 (as set out in Appendix I to this Prospectus), together with other disclosures in this Prospectus, have already provided adequate and reasonable up-to-date information in the circumstances for the potential investors to make an informed assessment of the business, assets and liabilities, financial position, management and prospects and to form a view on the track record of our Company. Therefore, the exemption would not prejudice the interest of the investing public.

The SFC has granted a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with section 342(1)(b) in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule on the conditions that (a) particulars of the exemption be set forth in this Prospectus and (b) the Prospectus of the Company will be issued on or before September 30, 2021 that particulars of the exemption are set out in this Prospectus.

CORNERSTONE SUBSCRIPTION BY EXISTING SHAREHOLDERS AND THEIR CLOSE ASSOCIATES

Rule 9.09 of the Listing Rules provides that there must be no dealing in the securities for which listing is sought by any core connected person of an issuer (except as permitted by Rule 7.11 of the Listing Rules) from 4 clear business days before the expected hearing date until listing is granted.

Rule 10.04 of the Listing Rules provides that a person who is an existing shareholder of the issuer may only subscribe for or purchase securities for which listing is sought if no securities will be offered to them on a preferential basis and no preferential treatment will be given to them in the allocation of securities.

Paragraph 5(2) of Appendix 6 to the Listing Rules provides, inter alia, that without the prior written consent of the Stock Exchange, no allocations will be permitted to directors or existing shareholders of the applicant or their close associates, whether in their own names or through nominees, unless any actual or perceived preferential treatment arising from their ability to influence the applicant during the allocation process can be addressed.

Our Company has applied for a waiver from strict compliance with strict requirements under Rules 9.09 and 10.04 of, and a consent under paragraph 5(2) of Appendix to, the Listing Rules, to allow LAV Star Limited, LAV Star Opportunities Limited and LAV Amber Limited, all of which are close associates of LAV Entities to subscribe for Shares in the Global Offering, subscribing as cornerstone investors. LAV Entities and LAV Star Limited, LAV Star Opportunities Limited and LAV Amber Limited will become substantial Shareholders of the Company following the allocation to LAV Star Limited, LAV Star Opportunities Limited and LAV Amber Limited of the Offer Shares in the International Offering.

Our Company has applied for a waiver from strict compliance with the requirements under Rule 10.04 of, and a consent under paragraph 5(2) of Appendix 6 to, the Listing Rules, to allow each of:

(a) Epsomite Gem Investments Ltd, an existing shareholder of the Company;

(b) Aranda Investments Pte. Ltd, which is a close associate of Elbrus Investments, an existing shareholder of the Company;

(c) BlackRock Global Funds – World Healthscience Fund, which is a close associate of BlackRock Health Sciences Master Unit Trust and BlackRock Health Sciences Trust II, existing shareholders of the Company;

(d) Janchor Partners Pan-Asian Master Fund, an existing shareholder of the Company;

(e) Lake Bleu Prime Healthcare Master Fund Limited, which is a close associate of LBC Sunshine Healthcare Fund L.P., an existing shareholder of the Company; and

(f) OrbiMed Genesis Master Fund, L.P., OrbiMed New Horizons Master Fund, L.P. and Worldwide Healthcare Trust Plc, existing shareholders of the Company (together with LAV Star Limited, LAV Star Opportunities Limited and LAV Amber Limited, the "**Participating Shareholders**").

The Stock Exchange has granted the requested waivers and consents subject to the conditions that:

(A) we will comply with the public float requirements of Rule 8.08(1) and 18A.07 of the Listing Rules;

(B) the Offer Shares to be subscribed by and allocated to the Participating Shareholders under the Global Offering will be at the same Offer Price and in respect of Participating Shareholders subscribing by way of cornerstone investment, on substantially the same terms as other cornerstone investors (including being subject to a six-month lock up arrangement following Listing);

(C) no preferential treatment has been, nor will be, given to the Participating Shareholders by virtue of their relationship with the Company in any allocation in the placing tranche, other than the preferential treatment of assured entitlement under the cornerstone investment (in respect of Participating Shareholders subscribing as cornerstone investors) which follows the principles set out in the Guidance Letter HKEX-GL51-13, that, the cornerstone investment agreements of the Participating Shareholders do not contain any material terms which are more favorable to them than those in other cornerstone investment agreements; and

(D) details of the subscription of the Offer Shares by the Participating Shareholders in the Global Offering as cornerstone investors will be disclosed in this prospectus and the allotment results announcement of our Company.

For further information about the cornerstone investments of the Participating Shareholders, please refer to the section headed "The Cornerstone Investors" in this prospectus.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This Prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus 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 Prospectus misleading.

GLOBAL OFFERING

This Prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this Prospectus contains the terms and conditions of the Hong Kong Public Offering.

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this Prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this Prospectus, and any information or representation not contained herein and therein must not be relied upon as having been authorized by our Company, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and any of the Underwriters, any of their respective directors, agents, employees or advisers or any other party involved in the Global Offering.

The Listing is sponsored by the Joint Sponsors and the Global Offering is managed by the Joint Global Coordinators. Pursuant to the Hong Kong Underwriting Agreement, the Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement, subject to agreement on the Offer Price. The International Offering is expected to be fully underwritten by the International Underwriters subject to the terms and conditions of the International Underwriting Agreement, which is expected to be entered into on or about the Price Determination Date.

The Offer Price is expected to be determined between the Joint Global Coordinators (on behalf of the Underwriters) and our Company on the Price Determination Date. The Price Determination Date is expected to be on or around Wednesday, October 6, 2021 and, in any event, not later than Tuesday, October 12, 2021 (unless otherwise determined between the Joint Global Coordinators (on behalf of the Underwriters) and our Company). If, for whatever reason, the Offer Price is not agreed between the Joint Global Coordinators and our Company on or before Tuesday, October 12, 2021, the Global Offering will not become unconditional and will lapse immediately.

See the section headed "Underwriting" in this Prospectus for further information about the Underwriters and the underwriting arrangements.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The application procedures for the Hong Kong Offer Shares are set forth in "How to Apply for Hong Kong Offer Shares" in this Prospectus.

STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING

Details of the structure of the Global Offering, including its conditions, are set forth in the section headed "Structure of the Global Offering" in this Prospectus.

SELLING RESTRICTIONS ON OFFERS AND SALE OF SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his/her acquisition of Offer Shares to, confirm that he/she is aware of the restrictions on offers for the Offer Shares described in this Prospectus.

No action has been taken to permit a public offering of the Offer Shares in any jurisdiction other than in Hong Kong, or the distribution of this Prospectus in any jurisdiction other than Hong Kong. Accordingly, this Prospectus may not be used for the purpose of, and does not constitute an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this Prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the listing of, and permission to deal in, (a) the Shares in issue (including the Shares to be converted from Preferred Shares); (b) the Shares to be issued pursuant to the Global Offering (including the Over-allotment Option); and (c) the Shares to be issued under the Post-IPO RSU Scheme and the Post-IPO Share Option Scheme. Dealings in the Shares on the Stock Exchange are expected to commence on Wednesday, October 13, 2021. No part of our Shares or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought. All Offer Shares will be registered on the Hong Kong Share Register of our Company in order to enable them to be traded on the Stock Exchange.

Under section 44B (1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the Shares on the Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by the Stock Exchange.

OVER-ALLOTMENT OPTION AND STABILISATION

Details of the arrangements relating to the Over-allotment Option and stabilisation are set out in the section headed "Structure of the Global Offering" in this Prospectus. Assuming that the Over-allotment Option is exercised in full, the Company may be required to issue up to an additional 21,108,000 new Shares.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Settlement Day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS. Investors should seek the advice of their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

SHARE REGISTER AND STAMP DUTY

Our principal register of members will be maintained in the Cayman Islands by our principal registrar, Maples Fund Services (Cayman) Limited, in the Cayman Islands. Our Hong Kong Share Register will be maintained by the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, in Hong Kong. All Offer Shares issued pursuant to applications made in the Hong Kong Public Offering and the International Offering will be registered on the Hong Kong register of members of our Company in Hong Kong. Dealings in the Shares registered in our Hong Kong register of members will be subject to Hong Kong stamp duty. For further details of Hong Kong stamp duty, please seek professional tax advice.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, holding and dealing in the Shares or exercising any rights attached to them. It is emphasised that none of the Company, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective affiliates, directors, supervisors, employees, agents or advisers or any other party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of holders of the Shares resulting from the subscription, purchase, holding or disposal of the Shares or exercising any rights attached to them.

EXCHANGE RATE CONVERSION

Solely for your convenience, this Prospectus contains translations of certain Renminbi amounts into Hong Kong dollars, of Renminbi amounts into U.S. dollars and of Hong Kong dollars into U.S. dollars at specified rates. Unless we indicate otherwise, the translation of Renminbi into Hong Kong dollars, of Renminbi into U.S. dollars and of Hong Kong dollars into U.S. dollars, and vice versa, in this Prospectus was made at the following rates:

HK$7.7593 to US$1.00

RMB6.3956 to US$1.00

RMB0.8243 to HK$1.00

No representation is made that any amounts in Renminbi, Hong Kong dollars or U.S. dollars can be or could have been at the relevant dates converted at the above rates or any other rates or at all.

LANGUAGE

If there is any inconsistency between the English version of this Prospectus and the Chinese translation of this Prospectus, the English version of this Prospectus shall prevail unless otherwise stated. However, if there is any inconsistency between the names of any of the entities mentioned in the English Prospectus that are not in the English language and are English translations, the names in their respective original languages shall prevail.

ROUNDING

Any discrepancies in any table or chart in this Prospectus between total and sum of amounts listed therein are due to rounding.

DIRECTORS

Name	Address	Nationality
Chairman and executive Director		
Dr. XU Yao-Chang	No. 5, Lane 1298, Kang Qiao Road, Pu Dong New District, Shanghai, PRC	American
Executive Directors		
Dr. YU Hongping	Room 903, No. 19, Lane 2066, Yu Qiao Road, Pu Dong New District, Shanghai, PRC	Canadian
Dr. CHEN Zhui	1302, Building 3, 39 Yin Xiao Road, Shanghai, PRC	American
Mr. YEH Richard	Room 21C, Tower 9 Marinella 9 Welfare Road Aberdeen, Hong Kong	Canadian
Non-executive Directors		
Dr. XIA Gavin Guoyao	1184 Robbie Ct, Deerfield, IL, 60015, United States	American
Ms. TANG Yanmin (唐艷旻)	Room 1001, Building No. 10, Shijicheng Yuandayuan Community 5, Haidian District, Beijing, PRC	Chinese
Independent non-executive Directors		
Dr. SUN Piaoyang (孫飄揚)	Room 10C, No. 17, Lane 99, Nan Dan Dong Lu, Xuhui District, Shanghai, PRC	Chinese
Mr. SUN Hongbin (孫洪斌)	Room 104, No. 52, Zizhu Peninsula, Lane 333, Dongchuan Road, Minhang District, Shanghai, China	Chinese
Mr. WANG Lei (王磊)	Room 401, No. 305, Lane 1983, Hua Mu Road, Pu Dong New District, Shanghai, PRC	Chinese

Please see the section headed "Directors and Senior Management" in this Prospectus for further details of our Directors.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors	**Morgan Stanley Asia Limited** Level 46, International Commerce Centre 1 Austin Road West Kowloon Hong Kong **J.P. Morgan Securities (Far East) Limited** 28/F Chater House 8 Connaught Road Central Hong Kong
Joint Global Coordinators	**Morgan Stanley Asia Limited** Level 46, International Commerce Centre 1 Austin Road West Kowloon Hong Kong **J.P. Morgan Securities (Asia Pacific) Limited** 28/F Chater House 8 Connaught Road Central Hong Kong **China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong
Joint Bookrunners and Joint Lead Managers	**Morgan Stanley Asia Limited** (in relation to the Hong Kong Public Offering only) Level 46, International Commerce Centre 1 Austin Road West Kowloon Hong Kong

Morgan Stanley & Co. International plc
(in relation to the International Offering only)
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

J.P. Morgan Securities (Asia Pacific) Limited
(in relation to the Hong Kong Public Offering only)
28/F Chater House
8 Connaught Road Central
Hong Kong

J.P. Morgan Securities plc
(in relation to the International Offering only)
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

China International Capital Corporation Hong Kong Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

(Below in alphabetical order)

China Industrial Securities International Capital Limited
32/F, Infinitus Plaza
199 Des Voeux Road Central
Sheung Wan
Hong Kong

Haitong International Securities Company Limited
22/F, Li Po Chun Chambers
189 Des Voeux Road
Central
Hong Kong

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

Huatai Financial Holdings (Hong Kong) Limited
62/F The Center
99 Queen's Road Central
Hong Kong

SVB Leerink LLC
(in relation to the International Offering only)
53 State Street, 40th Floor
Boston, MA 02109 USA

Legal advisors to our Company

As to Hong Kong and United States laws:

Davis Polk & Wardwell
18/F, The Hong Kong Club Building
3A Chater Road
Hong Kong

As to PRC laws:

Han Kun Law Offices
33/F, HKRI Centre Two
HKRI Taikoo Hui
288 Shimen Road (No. 1)
Jing'an District
Shanghai 200041
PRC

As to Cayman Islands laws:

Maples and Calder (Hong Kong) LLP
26th Floor, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Legal advisors to the Joint Sponsors and the Underwriters

As to Hong Kong and United States laws:

Herbert Smith Freehills
23rd Floor, Gloucester Tower
15 Queen's Road Central
Hong Kong

As to PRC laws:

Commerce & Finance Law Offices
12-14th Floor, China World Office 2
No.1 Jianguomenwai Avenue
Beijing 100004
China

Auditor and Reporting Accountants	**Ernst & Young** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 27/F, One Taikoo Place 979 King's Road Quarry Bay, Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** 2504 Wheelock Square 1717 Nanjing West Road Shanghai 200040, PRC
Compliance Adviser	**Somerley Capital Limited** 20/F China Building 29 Queen's Road Central Hong Kong
Receiving Bank	**The Hongkong and Shanghai Banking Corporation Limited** 8/F, Towers 2 & 3 HSBC Centre 1 Sham Mong Road Kowloon Hong Kong

Registered Office	**Abbisko Cayman Limited** P.O. Box 309 Ugland House Grand Cayman KY1-1104 Cayman Islands
Head Office and Principal Place of Business in the PRC	Building 3, No. 898 Halei Road, Zhangjiang Hi-Tech Park Pudong New Area Shanghai, PRC
Principal Place of Business in Hong Kong	40th Floor, Dah Sing Financial Centre No. 248 Queen's Road East Wanchai, Hong Kong
Company's Website	**www.abbisko.com**
Joint Company Secretaries	Ms. TIAN Huimin Room 801, No. 80 Lane 399, Ju Feng Road Pu Dong New District Shanghai, PRC Ms. CHAN Yin Wah *(FCG FCS)* 40th Floor, Dah Sing Financial Centre No. 248 Queen's Road East Wanchai, Hong Kong
Authorized Representatives	Mr. YEH Richard Room 21C, Tower 9 Marinella 9 Welfare Road Aberdeen, Hong Kong Ms. CHAN Yin Wah 40th Floor, Dah Sing Financial Centre No. 248 Queen's Road East Wanchai, Hong Kong
Audit Committee	Mr. SUN Hongbin *(Chairperson)* Dr. SUN Piaoyang Mr. WANG Lei

Remuneration Committee	Mr. WANG Lei *(Chairperson)* Mr. SUN Hongbin Mr. YEH Richard
Nomination Committee	Dr. XU Yao-Chang *(Chairperson)* Dr. SUN Piaoyang Mr. SUN Hongbin
Principal Share Registrar	**Maples Fund Services (Cayman) Limited** PO Box 1093, Boundary Hall Cricket Square Grand Cayman KY1-1102 Cayman Islands
Hong Kong Share Registrar	**Computershare Hong Kong Investor Services Limited** Shops 1712-1716 17th Floor, Hopewell Centre 183 Queen's Road East Wan Chai, Hong Kong
Principal Bank	**Ping An Bank Co., Ltd.** 5047, Shennan East Road, Shenzhen 518001, PRC

The information and statistics set out in this section and other sections of this Prospectus were extracted from different official government publications, available sources from public market research and other sources from independent suppliers. In addition, we engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the Global Offering. We believe that the sources of the information in this section and other sections of this Prospectus are appropriate sources for such information, and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. The information from official and non-official sources has not been independently verified by us, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, any of their respective directors and advisers, or any other persons or parties involved in the Global Offering, other than Frost & Sullivan, and no representation is given as to its accuracy. Accordingly, the information from official and non-official sources contained herein may not be accurate and should not be unduly relied upon. We confirm that, after making reasonable enquiries, there is no adverse change in the market information since the date of the Frost & Sullivan Report that would qualify, contradict or have an impact on the information in this section in any material respect. Unless otherwise noted, the amounts related to market size in China in this section used an exchange rate of US$1 = RMB6.3956.

OVERVIEW OF ONCOLOGY DRUG MARKET

Global Oncology Drug Market

Overview

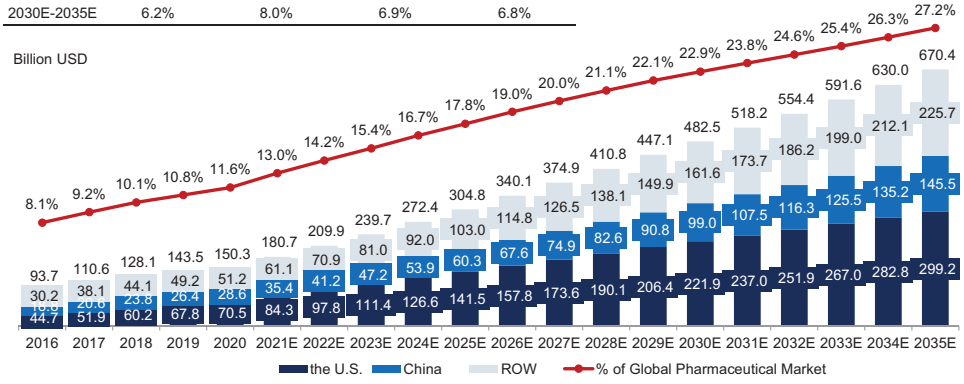
The global oncology drug market is a sector of the biopharmaceutical market focusing on the discovery and commercialization of medicines for the treatment of cancer. The global oncology drug market has expanded significantly in the past, and is projected to further expand at an accelerated pace. Growth in the global oncology drug market is primarily driven by a growing patient pool, development of advanced treatment options such as precision oncology and immuno-oncology as well as combination therapies, improved access to therapies and rise of small- and mid-sized pharmaceutical companies.

Market Size

In 2020, the global oncology drug market reached US$150.3 billion, and is expected to reach US$304.8 billion and US$482.5 billion in 2025 and 2030, respectively, with a CAGR of 15.2% from 2020 to 2025 and 9.6% from 2025 to 2030. The following chart sets forth the historical market size and percentage of global drug market for oncology drugs from 2016 to 2020, and forecasted market size from 2021 to 2035 in China, the U.S. and the rest of the world, as well as their respective CAGRs in the periods indicated.

Global Oncology Drug Market, 2016-2035E

Period	CAGR			
	the U.S.	China	ROW	Total
2016-2020	12.1%	11.1%	14.1%	12.5%
2020-2025E	15.0%	16.1%	15.0%	15.2%
2025E-2030E	9.4%	10.4%	9.4%	9.6%
2030E-2035E	6.2%	8.0%	6.9%	6.8%



Source: Frost & Sullivan Analysis

Evolution of Cancer Therapies

Cancer treatment research and development has made major advancements over the past 20 years and is expected to sustain growth with continued innovation. There are currently several major therapy options to treat a variety of cancers, including surgery, radiotherapy, chemotherapy, precision oncology drugs and immuno-oncology drugs.

Conventional Cancer Therapies

The field of cancer treatment has developed significantly in the past decade. According to Frost & Sullivan, conventional cancer treatment methods such as surgery, radiotherapy and chemotherapy have been widely utilized to treat cancer.

- *Surgery*. Surgery is a procedure in which a surgeon removes tumors and nearby tissues from the patient's body. Surgery is the foundation of solid tumor treatment, and is most suitable for tumors that are still in the early development stage and are contained in one area; for metastasized cancers, surgery is less suitable an option.

- *Radiotherapy.* Radiotherapies deliver high doses of radiation to kill cancer cells and shrink tumors. Radiotherapies also affect nearby healthy cells, thus causing side effects such as fatigue, hair loss and skin changes.

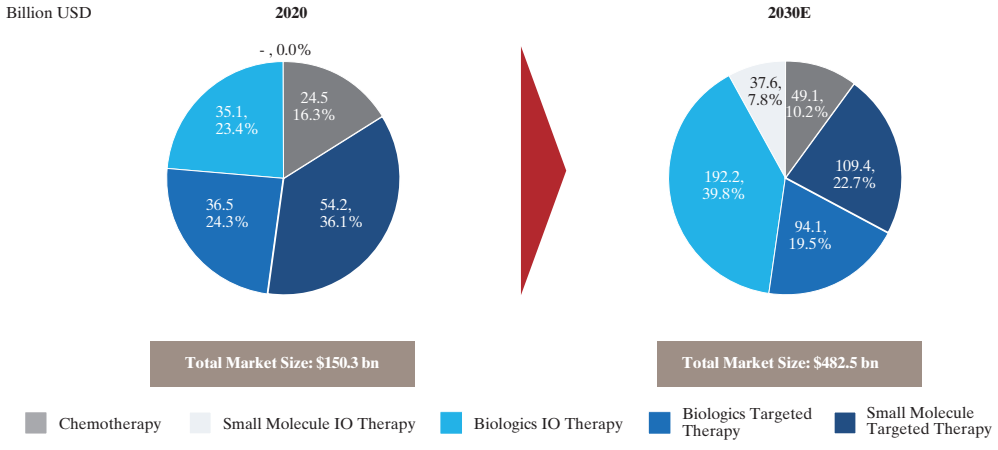
- *Chemotherapy.* Chemotherapies use single or combination anti-cancer drugs to stop or slow the growth of cancer cells. It targets all fast growing cells whether or not healthy, thus causing severe side effects such fatigue, hair loss, easy bruising and bleeding, and infection of other diseases.

Revolutionary Precision Oncology and Immuno-oncology Therapies

Precision oncology therapy and immuno-oncology therapy have revolutionized cancer treatment and are expected to further propel the growth of the global oncology drug markets. By targeting specific oncogenic pathways and selectively inhibiting the growth of cancer cells, precision oncology therapy is generally associated with less side effects and better safety profile. Immuno-oncology therapies are designed to stimulate the patient's own immune system to generate or augment an antitumor immune response. As immuno-oncology therapies work through the patient's own immune system, they show less side effects than traditional oncology treatment such as chemotherapy and radiation.

Precision oncology therapies accounted for the largest share of the global oncology drug market in 2020, representing 60.4% of the total market share based on revenue. The market size of each type of therapy is expected to grow in absolute amounts from 2020 to 2030, and precision oncology and immuno-oncology therapies together are expected to account for approximately 90% of the global oncology market by 2030.

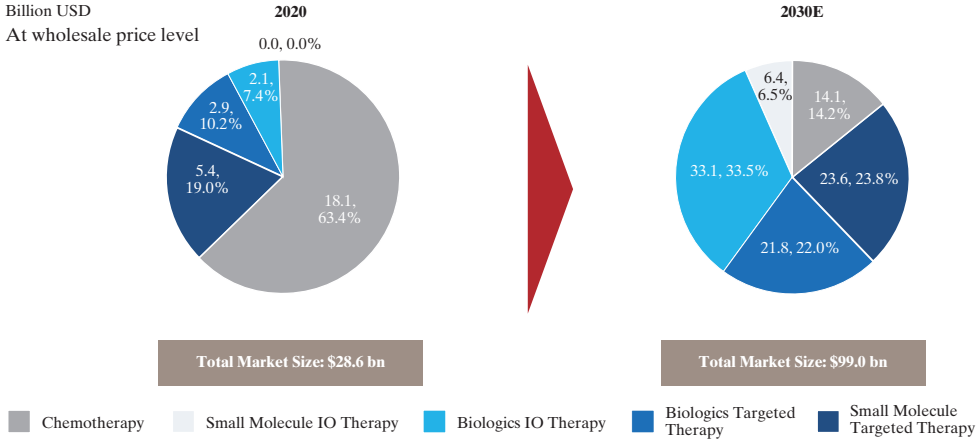
Breakdown of Global Oncology Market by Therapy, 2020 and 2030E



Source: Frost & Sullivan Analysis

China is expected to follow the same path. The following charts set forth the actual and expected total market sizes for chemotherapy, immuno-oncology therapy and precision oncology therapy in China during the years indicated, showing significant growth in China's novel oncology drug market as compared to the global market.

Breakdown of the Oncology Market by Therapy in China, 2020 and 2030E



Source: Frost & Sullivan Analysis

Increasing Trend of Combination Therapies

An increasing trend in the oncology area is the emergence of combination therapies, a treatment modality that combines two or more therapeutic agents. There is a wide academic and industry understanding that these combination therapies have the potential to improve efficacy, treatment response rate and durability as compared to single-agent therapies.

As a result of targeting multiple key pathways in a synergistic or additive manner, use of oncology drugs in combination therapies could enhance efficacy as compared to monotherapies.

Broader pre-clinical and clinical efficacy seen in therapeutic combination led to increasing number of combination trials with untapped market potential. As of June 2021, there were approximately 1,852 ongoing combination clinical trials with PD-1, PD-L1 or CTLA-4 targeted drugs as a component, and approximately 131 of such clinical trials were ongoing in China.

Studies show that combination therapies of multiple small molecule precision oncology drugs significantly improve the overall survival time of patients. Similarly, combination therapy of precision oncology and immuno-oncology drugs shows improved efficacy and better safety profiles given they target different mechanisms of action. Various combination therapies have been approved due to proven clinical benefits. For example, the FDA approved (i) pembrolizumab (anti-PD-1 antibody) in combination with axitinib (a tyrosine kinase inhibitor) in RCC in April 2019; (ii) nivolumab (anti-PD-1 antibody) in combination with cabozantinib (a receptor tyrosine kinase inhibitor) in RCC in January 2021, and (iii) atezolizumab (anti-PD-L1 antibody) in combination with cobimetinib (a MEK inhibitor) and vemurafenib (a BRAF kinase inhibitor) in BRAF V600 mutation-positive advanced melanoma in July 2020.

Recent trials also demonstrate improved overall survival compared to monotherapies in combination of immuno-oncology and precision oncology drugs. Selected examples include:

- the IMpower150 trial, a Phase III clinical trial for atezolizumab (anti-PD-L1 antibody) in combination of bevacizumab (a VEGF inhibitor) in HCC conducted by Roche; and

- a Phase III trial of pembrolizumab (anti-PD-1 antibody) in combination with lenvatinib (a receptor tyrosine kinase inhibitor) in RCC.

Key Drivers and Growing Opportunity for Global Oncology Drug Market

The growing opportunity and potential for the global oncology drug market are largely attributable to the following factors:

- *Increasing Cancer Patient Pool*. Global cancer incidence reached 19.3 million in 2020. Driven by an aging population, environment pollution, as well as prevalence of unhealthy lifestyles such as smoking and high caloric diet, among others, global cancer incidence is estimated to further increase to 21.6 million in 2025, leading to a growing demand for oncology drugs.

- *Development of Advanced Treatment Options*. Technology advancements have revolutionized the pharmaceutical R&D and manufacturing processes, which led to the development of novel therapies such as precision oncology and immuno-oncology therapies as well as combination therapies. The availability of more effective and safer treatments contributed to prolonged survival of cancer patients, which in turn results in larger number of cancer patients that require treatment. This further drives the expansion of the oncology market.

- *Improved Access to Novel Therapies*. Continued development of diagnostic technology and biomarkers helps identify addressable patients and guide clinical design of new drugs, which enables better access to novel therapies. In addition, increased disposable income, improved government medical reimbursement coverage and favorable pricing policies have enhanced the accessibility of healthcare services and pharmaceutical medications for patients, further driving up demand for oncology drugs.

- *Significant Contributions from Small and Mid-Sized Pharmaceutical Companies*. Small- to mid-sized pharmaceutical companies are generally more agile and flexible in pursuing novel drug candidates leading to the discovery and development of new drugs. In addition, an increasing amount of capital investment in small- and mid-sized pharmaceutical companies has also contributed significantly to the growth of the oncology drug market. In 2020, approximately 39.6% of total novel drug candidates approved by the FDA were developed by small- and mid-sized pharmaceutical companies, as compared to 22.7% in 2016, indicating the growing role of small- and mid-sized pharmaceutical companies.

China's Oncology Drug Market

China's oncology drug market experienced rapid growth in the past few years and is expected to continue to grow.

Market Size

China's oncology drug market reached US$28.6 billion in 2020, and is expected to increase to US$60.3 billion and US$99.0 billion in 2025 and 2030, respectively. The CAGRs from 2020 to 2025 and from 2025 to 2030 are expected to be 16.1% and 10.4%, respectively, higher than the CAGRs of the U.S. and the rest of the world in the same periods. China's oncology drug market, as a percentage of China's total pharmaceutical market, increased from 9.4% in 2016 to 13.6% in 2020, and is expected to grow to 22.8% in 2030.

Significant Medical Needs

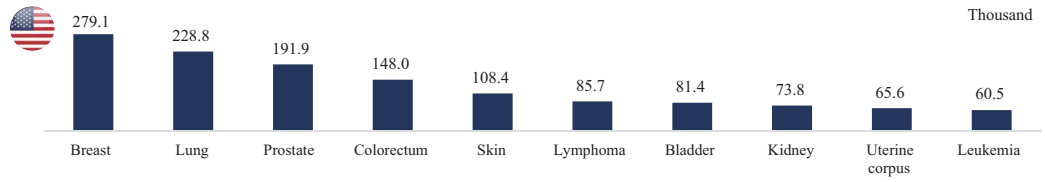
In addition to accelerated growth in its oncology drug market, China presents unique opportunities for oncology-focused biopharmaceutical companies.

Epidemiology by Cancer Types

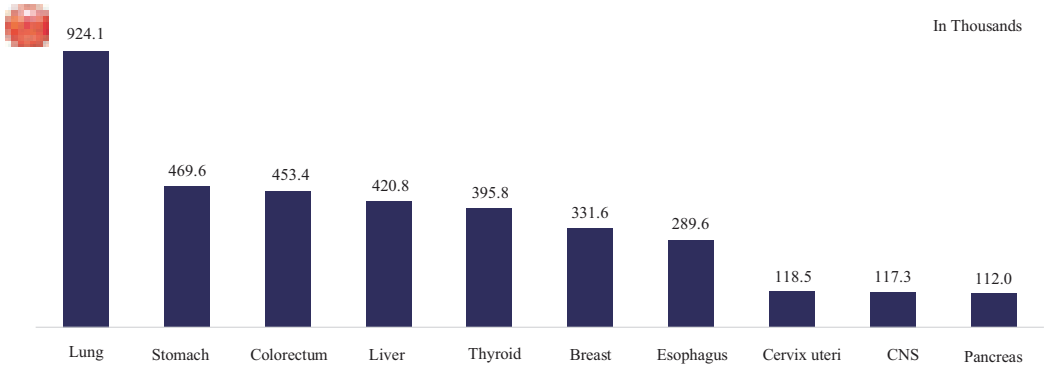
Due to the differences in dietary structure, environment and other factors such as smoking habits, lifestyle, age, and vaccination compliance, the most prevalent cancer types in China differ from those of the U.S. In China, lung cancer accounted for the highest incidence in 2020, while breast cancer accounted for the highest in the U.S. The number of gastric cancer and liver cancer patients ranked the second and fourth in China in 2020, respectively, whereas their incidences in the U.S. are much lower. The cancer types that are prevalent in China but have lower incidence in other more developed markets generally have much more limited treatment options, suggesting significant medical needs and market opportunities in China.

The following chart shows the top 10 cancer types by incidence in the U.S. and China in 2020:

Top 10 cancer types by incidence in the U.S. in 2020



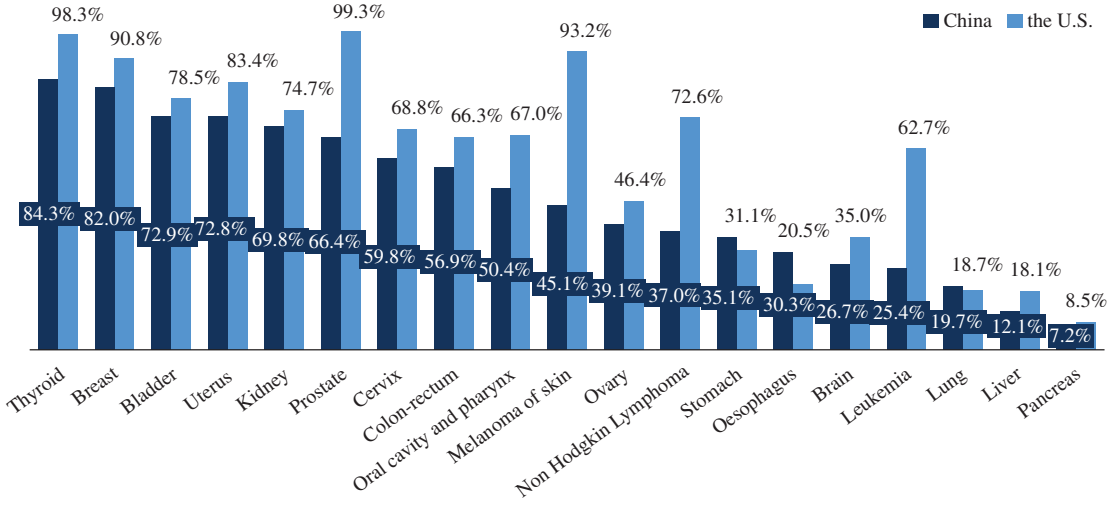
Top 10 cancer types by incidence in China in 2020



Source: GLOBOCAN, ACS, NCCR, Frost & Sullivan Analysis

China's five-year cancer survival rate generally lags behind the U.S. according to the investigation in China (2012-2015) and the U.S. (2011-2017), indicating significant medical needs for oncology drugs in China. The following graph compares the five-year survival rate of selective cancer types in China and the U.S.

Five-Year Survival Rate of Cancers in China and the U.S.



Source: GLOBOCAN, ACS, NCCR, Frost & Sullivan Analysis

Key Drivers and Growing Opportunity for China's Oncology Drug Market

According to the Frost & Sullivan Report, China's oncology market is largely driven by the following key growth drivers.

- *Large and Increasing Patient Pool.* Cancer incidence in China reached 4.6 million in 2020, accounting for approximately 25% of the global cancer incidence, and is estimated to further increase to 5.2 million in 2025, primarily driven by an aging population, environmental pollution and the prevalence of unhealthy lifestyles such as smoking, inactivity and high caloric diet, among others. The large and growing cancer patient base in China not only generates substantial market demand for cancer treatments, but also provides a favorable clinical trial environment for the rapid development of new therapies. In addition, lack of access to general and specialized healthcare in China led to a lower diagnosis rate as a results of the currently reported number of cancer patients is generally believed to be lower than the actual number of patients suffering from cancer. With improved diagnostic technologies, cancer incidences in China is expected to grow at an accelerated rate.

- *Significant Unmet Clinical Needs*. The availability of oncology therapies in China lags behind developed countries and regions, with only 43 small molecule targeted oncology drugs marketed in China as of 2021, while such number reached 107 in the U.S. In addition, drugs approved in China have fewer approved indications compared with their peers globally, which indicates a significant unmet clinical need in China.

- *Improving Affordability.* The living standard in China has improved significantly in the past few years, with per capita disposable income rising from approximately RMB22.0 thousand in 2015 to RMB32.2 thousand in 2020. In addition, the NRDL has included 53 oncology drugs as List B drugs from 2017 to 2020. Such expansion is expected to lead to improved affordability of oncology drugs for cancer patients in China.

- *Favorable Regulatory Policies.* The PRC government promulgated a series of policies to expedite the review and approval processes for the IND and NDA applications of innovative drugs, which is expected to shorten the time-to-market for drugs with the potential to address urgently clinical needs. Patent protection has also been enhanced. Furthermore, the PRC government has issued favorable policies on tax reduction, talent incentive programs and special public R&D funds to support R&D activities for biopharmaceutical companies. For example, in July 2018, the NMPA made an announcement on adjusting the review and approval process of clinical trials of drug candidates (《國家藥品監督管理局關於調整藥物臨床試驗審評審批程序的公告(2018年第50號)》) ("Announcement 50"), which set forth details on communication mechanism with the NMPA and on review and approval processes, aiming at encouraging innovation and expediting drug development process to satisfy public needs. Announcement 50 also provides that if an applicant does not receive any feedback from the NMPA within 60 days, the applicants shall initiate their clinical trials according to their clinical trials protocols. In 2018, the NMPA also promulgated the Technical Guiding Principles for Accepting Data from Overseas Clinical Trials of Drugs (《接受藥品境外臨床試驗數據的技術指導原則》), which provides for the technical requirements on (i) innovative chemical drugs and therapeutic biological products marketed outside China; and (ii) local or overseas generic chemical drugs. This provides technical guidance for applicants that intend to use overseas clinical trial data for registration in China, which could reduce redundancy of clinical trials and accelerate the R&D process by biotech companies in China.

- *Emergence of Combination Therapies.* Combination therapies have shown favorable efficacy compared to monotherapies. Both multi-national and domestic pharmaceutical companies are actively competing in terms of clinical trials of combination therapies, which is expected to further enrich the availability of combination oncology therapies and drive the growth of the overall oncology drug market.

SMALL MOLECULE ONCOLOGY MARKET

Market Size

The small molecule oncology drug market consists of two segments: immuno-oncology and precision oncology therapies. The global market size for small molecule oncology drugs was US$54.2 billion in 2020, and is expected to reach to US$96.9 billion and US$147.0 billion in 2025 and 2030, respectively, representing a CAGR of 12.3% from 2020 to 2025 and 8.7% from 2025 to 2030.

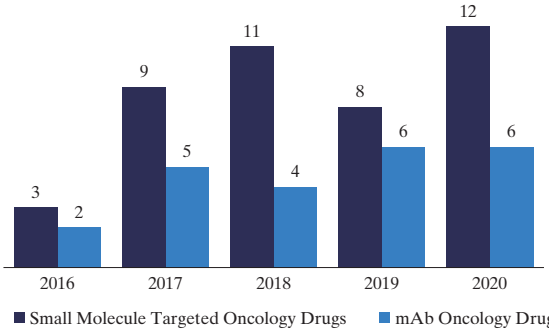
China's small molecule oncology drug market reached RMB37.5 billion in 2020, and is expected to reach RMB120.5 billion in 2025 and further to RMB207.0 billion in 2030, representing CAGRs of 26.3% and 11.4% from 2020 to 2025, and from 2026 to 2030, respectively.

Significant Potential in China

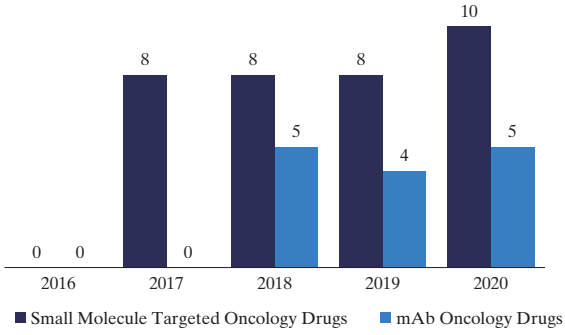
There is significant potential for growth in China's small molecule oncology drug market. There were 43 small molecule oncology drugs and 23 monoclonal antibody oncology drugs approved in the U.S. from 2016 to 2020. In comparison, there were only 34 small molecule oncology drugs and 14 monoclonal antibody drugs approved in China from 2016 to 2020. The difference in the number of marketed precision oncology drugs and immuno-oncology drugs between the U.S. and China suggests significant room for growth in these markets in China. Top oncology drugs globally, such as ibrutinib, palbociclib and osimeritinib, were recently approved in China, indicating that China is at its early stage of adopting small molecule precision oncology drugs and immuno-oncology drugs.

The following charts show the number of approved small molecule targeted oncology drugs and mAb oncology drugs in the U.S. and China from 2016 to 2020:

Number of FDA Approved Small Molecule Targeted Oncology Drugs and mAb Oncology Drugs, 2016-2020



Number of NMPA Approved Small Molecule Targeted Oncology Drugs and mAb Oncology Drugs, 2016-2020



Source: Frost & Sullivan Analysis

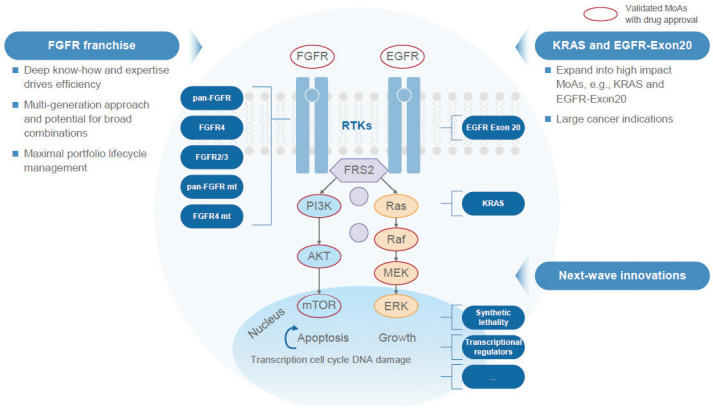
From 2016 to 2020, the NMPA approved 34 small molecule targeted oncology drugs and 14 mAb drugs.

SMALL MOLECULE PRECISION ONCOLOGY THERAPIES

Small molecule precision oncology therapies act on specific targets on cancer cells that are associated with cancer growth, and thus generally result in less side effects as compared to conventional chemotherapy. Small molecule precision oncology therapies include selective and non-selective kinase inhibitors and other types of inhibitors. Non-selective kinase inhibitors exert its anti-cancer activity by simultaneously targeting a wide range of kinases, or targeting multiple signaling molecules in multiple signaling pathways. Selective kinase inhibitors target on specific signaling molecule in a single process, such as the epithelial growth factor receptor (EGFR), vascular endothelial growth factor receptor (VEGFR), and fibroblast growth factor receptor (FGFR). Certain non-selective kinase inhibitors such as lenvima (Lenvatinib), sorafenib (Nexavar), carry certain levels of FGFR inhibitory activities, and therefore may compete with the selective FGFR inhibitors. Selective inhibitors targeting FGFR may target different FGFR subtypes, such as pan-FGFR or specific FGFR subtypes (e.g. FGFR4).

Critical Cellular Pathway

A large portion of small molecule precision oncology drugs are protein tyrosine kinase (PTK) and protease inhibitors. The following chart shows some of the important cellular signaling pathways, including RAS, FGFR and RTK, the alterations of which lead to tumor development in indications such as NSCLC, ESCC, CRC and GC:



Source: Frost & Sullivan Analysis

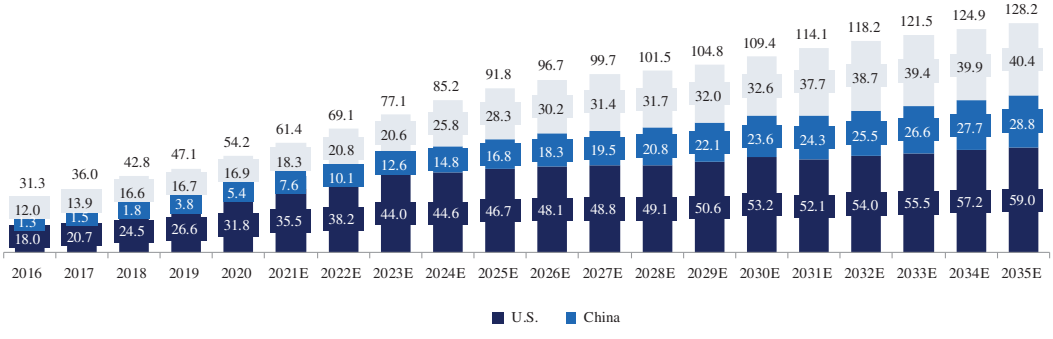
Evidence shows that certain of the key cellular pathways contribute to the resistance to certain oncology therapies. Multi-targeted and highly selective kinase inhibitors are used in advanced treatment-resistant cancers. Next-generation inhibitors, such as FGFR inhibitors, will be used to optimize the therapeutic index and overcome drug resistance.

Market Size

The following chart shows the historical market size of the global small molecule precision oncology drug market from 2016 to 2020, and the forecasted market size of the global small molecule precision oncology drug market from 2021 to 2035, as well as CAGRs for the periods indicated.

Global Small Molecule Precision Oncology Market, 2016-2035E

Period	CAGR		
	U.S.	China	Total
2016-2020	15.3%	43.5%	14.7%
2020-2025E	7.9%	25.4%	11.1%
2025E-2030E	2.7%	7.0%	3.6%
2030E-2035E	2.1%	4.1%	3.2%



Source: Frost & Sullivan Analysis

Key Growth Drivers

The key growth drivers of small molecule precision oncology therapies include the following:

- *Biomarker driven*. Small molecule precision oncology therapies are based on validated oncogenic genetic markers, which help patient selection and precise clinical design, and in turn contribute to the success in the drug development process.

- *Cost efficiency and convenience.* Compared with biologics, small molecule drugs generally have stable and well defined structure, and are thus easier and less expensive to manufacture and store. Biologics have complex structures, often consisting of heterogeneous mixtures and involve sophisticated manufacturing and storage processes.

- *Safety and patient compliance.* Small molecule precision oncology therapies selectively target specific oncogenic pathways and are often associated with fewer side effects. The dynamic PK profile of small molecule drugs allow flexible dosing regimen to control safety and administration. Due to their orally bioavailable nature, small molecule drugs often receive better compliance from patients.

Small Molecule Precision Oncology Drug Candidates

Non-selective Kinase Inhibitors

Non-selective kinase inhibitor exerts its anti-cancer activity by simultaneously targeting a wide range of kinases, targeting multiple signaling molecules in multiple signaling pathways. It is based on histological diagnosis without the need for additional personalized patient selection, and has potential clinical efficacy for patients with unknown mutation cancer types. Having potential clinical efficacy for patients with unknown mutation types could lead to the side effect of potentially greater safety risk in clinical use.

Certain non-selective kinase inhibitors such as lenvima (Lenvatinib), sorafenib (Nexavar), carry certain levels of FGFR inhibitory activities, and therefore may compete with the selective FGFR inhibitors. The following table illustrates the non-selective kinase inhibitors approved for hepatocellular carcinoma and selected clinical data of ABSK011. There is currently no non-selective kinase inhibitor approved for urothelial cancer or gastric cancer. In addition to the approved drugs below, there are various non-selective kinase inhibitors under different stage of development.

Drug Name	FDA Approved Indications	mPFS	ORR	mOS	ARs	Dose Modification for ARs
Regorafenib	• Metastatic colorectal cancer (CRC) • Locally advanced, unresectable or metastatic gastrointestinal stromal tumor (GIST) • Sorafenib treated hepatocellular carcinoma (HCC)	3.1 months	11%	10.6 months	58.3% (dose interruption ARs)	120 mg (1st dose reduction)
Sorafenib	• Unresectable hepatocellular carcinoma (HCC) • Advanced renal cell carcinoma (RCC) • Locally recurrent or metastatic, progressive, differentiated thyroid carcinoma (DTC)	–	–	10.7 months	45% (grade 3-4 ARs)	600 mg (1st dose reduction)
Lenvatinib	• Locally recurrent or metastatic, progressive, radioactive iodine-refractory differentiated thyroid cancer (DTC) • Advanced renal cell carcinoma (RCC) • Unresectable hepatocellular carcinoma (HCC)	7.3 months	41%	13.6 months	62% (dose reduction/ interruption ARs)	8 mg (≥60 kg) 4 mg (<60kg) (1st dose reduction)
Cabozantinib	• Advanced renal cell carcinoma (RCC) • Previously sorafenib treated hepatocellular carcinoma (HCC)	5.2 months	4%	10.2 months	84% (dose interruption ARs)	40 mg (1st dose reduction)
ABSK011 (**Under clinical development**)*	N/A; being developed as first- and second-line treatment of hepatocellular carcinoma (HCC)	–	–	–	30% (grade 3 and above)	–

Abbreviations: mPFS = median progression-free survival; ORR = objective response rate; mOS = median overall survival; AR = adverse reactions

Notes:

i. Information retrieved from FDA labels.

ii. Clinical results such as mPFS, ORR, mOS, and ARs are for indication of hepatocellular carcinoma (HCC) and gastric related indication from FDA label. Data not based on head-to-head comparison between drugs, clinical trials of a drug cannot be directly compared to the clinical trials of another drug and may not be representative of the overall data.

iii. mPFS and ORR figures for sorafenib are not available, as such data is not shown on the FDA labels where numbers in this table were retrieved.

* *Data from the Phase Ia clinical trial of ABSK011 conducted by us. Most common treatment-related adverse events (TRAEs) (≥10%) in dose escalation cohorts included, among others, diarrhea, ALT increase, AST increase, and hyperphosphatemia. As of May 2021, four (30%, n=13) patients had Grade 3 TRAEs, no patients had Grade 4 or 5 TRAEs and no DLT was observed. 180mg QD was selected as the RP2D for the Phase Ib clinical trial. The Phase Ia clinical trial of ABSK011 did not generate efficacy data for FGF19 positive HCC patients. Cross-clinical trial comparison not from a head-to-head study involves risks and may not be representative of all the relevant clinical trial data. In addition, the data presented herein is from an early stage clinical trial and may not be conclusive. You are cautioned to not place undue reliance on the above trial results.*

Source: Frost & Sullivan Analysis

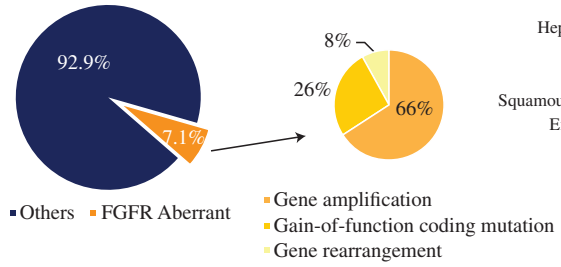
FGFR Inhibitors

Overview

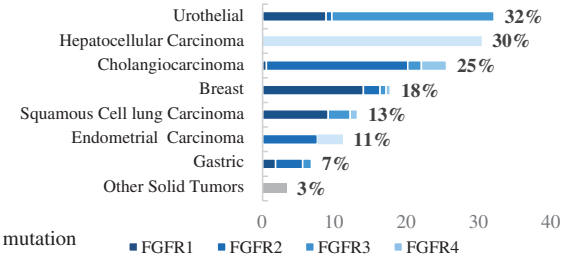
Fibroblast growth factor receptor (FGFR) is a family of highly homologous receptors, including FGFR1-4. The FGFR signals regulate a wide range of basic biological processes, including tissue development and tissue regeneration, the dysfunction of which is considered to be one of the causes for cancer development. FGFR aberration is prevalent in solid tumor patients, accounting for approximately 7.1% of all solid tumor patients. The cancers most commonly affected by FGFR aberration are urothelial cancer (32%), HCC (30%), cholangiocarcinoma (25%), breast cancer (18%) and gastric cancer (7%).

Specific FGFR aberrations have been observed in a proportion of certain cancers: for example, FGFR1 amplification in squamous cell lung cancer, FGFR2 mutations in endometrial carcinoma, FGFR3 mutations in urothelial cancer and FGFR4 aberrations in HCC. The following charts show FGFR mutation in total solid tumor patients and the percentage of different FGFR mutations in various cancer types. There is evidence that some specific FGFR aberrations may have different sensitivity or resistance to different FGFR inhibitors.

FGFR Mutation in Total Solid Tumor Patients, %



FGFR Alterations by Cancer Types, %



* *The major alteration in HCC is regulated FGFR4 expression that elevated FGF19/FGFR4 signaling pathway.*

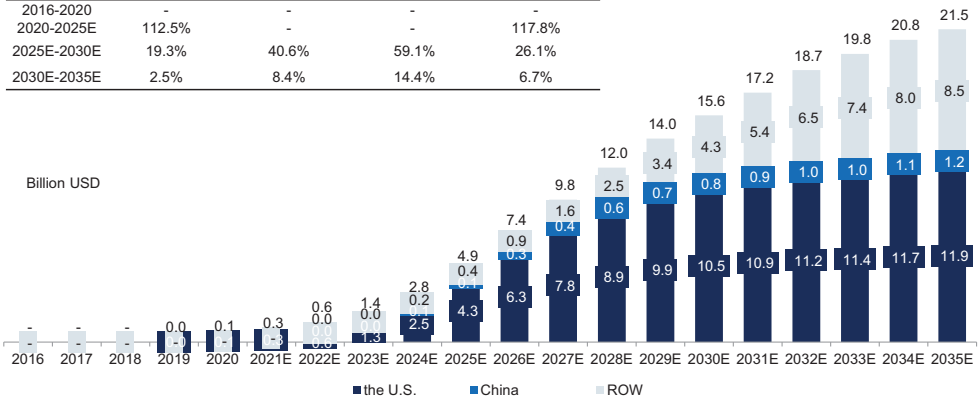
Source: Frost & Sullivan Analysis

Pan-FGFR Inhibitors

The following chart shows the historical breakdown of the pan-FGFR inhibitor market size in China, the U.S. and rest of the world from 2016 to 2020, the forecasted market size from 2021 to 2035, as well as the respective CAGRs during the periods indicated:

Historical and Forecasted Global Pan-FGFR Drug Market, 2016-2035E

Period	CAGR			
	the U.S.	China	ROW	Total
2016-2020	-	-	-	-
2020-2025E	112.5%	-	-	117.8%
2025E-2030E	19.3%	40.6%	59.1%	26.1%
2030E-2035E	2.5%	8.4%	14.4%	6.7%

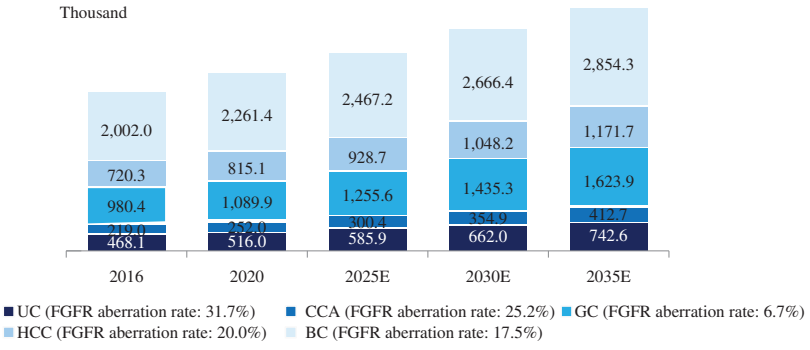


Source: Frost & Sullivan Analysis

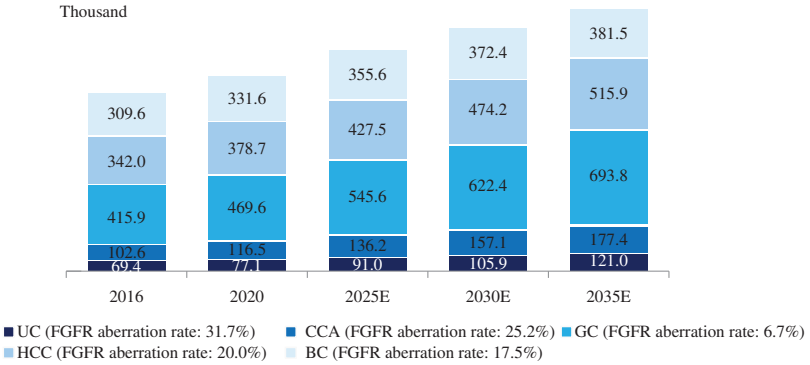
The global pan-FGFR inhibitor market size reached approximately US$0.1 billion in 2020, and is expected to increase to US$21.5 billion in 2035. As of May 31, 2021, there were three pan-FGFR inhibitors approved globally (infigratinib, pemigatinib and erdafitinib) and there was no approved pan-FGFR inhibitor in China. The global FGFR4 inhibitor market had not formed yet in 2020, and is expected to reach a size of US$3.3 billion in 2035. Erdafitinib was approved in 2019 for treatment of locally advanced or metastatic UC with FGFR3/FGFR2 alteration, pemigatinib, which was approved in 2020 for treatment of previously treated unresectable locally advanced or metastatic cholangiocarcinoma with FGFR2 fusion or other rearrangement, and infigratinib, which was approved in 2021 for treatment of previously treated unresectable locally advanced or metastatic cholangiocarcinoma with FGFR2 fusion or other rearrangement. There are currently only a few approved indications of pan-FGFR inhibitors, and the majority of indications are second line therapies. As such, the pan-FGFR inhibitor market is still at the preliminary development stage. Meanwhile, multiple pan-FGFR inhibitor candidates and FGFR4 inhibitor candidates are currently in different phases of clinical trials. In addition, FGFR inhibitors are expected to be approved for more cancer types as first-line treatment, and novel FGFR inhibitors with enhanced selectivity or targeting specific FGFR alterations are expected to be developed in the future. As such, the FGFR inhibitors market size is expected to undergo rapid growth.

The following are a few therapeutic areas of interest for pan-FGFR inhibitors and their historical and forecasted incidence in China and globally.

Global Incidence of FGFR Target Indications, 2016-2035E



Incidence of FGFR Target Indications in China, 2016-2035E



Source: Frost & Sullivan Analysis

Global Competitive Landscape

As of May 31, 2021, there were three pan-FGFR inhibitors approved globally and there was no approved pan-FGFR inhibitor in China. The following table illustrates details of these pan-FGFR inhibitors as of May 31, 2021 and selected clinical data of ABSK091.

Drug Name	FDA Approved Indications	ORR	mDoR	ARs	Recommended Dosage	Dose Modification for ARs
Infigratinib	• previously treated, unresectable locally advanced or metastatic cholangiocarcinoma with a fibroblast growth factor receptor 2 (FGFR2) fusion or other rearrangement	23%	5.0 months	64% (Dose interruption ARs)	125 mg	100 mg (1st dose reduction)
Pemigatinib	• previously treated, unresectable locally advanced or metastatic cholangiocarcinoma with a fibroblast growth factor receptor 2 (FGFR2) fusion or other rearrangement	36%	9.1 months	43% (Dose interruption ARs)	13.5 mg	9 mg (1st dose reduction)
Erdafitinib	• locally advanced or metastatic urothelial carcinoma w. FGFR3/FGFR2 alteration	32.2%	5.4 months	67% (Grade 3-4)	8 mg	6 mg (1st dose reduction)
ABSK091 (**Under clinical development**)*	• N/A; initially being developed as first- and second-line treatment of urothelial cancer harboring FGFR alteration	31.3%	-	31% (Grade 3-4)	-	-

Abbreviations: ORR = objective response rate, mDoR = median Duration of Response, AR = adverse reactions

Notes:

i. Information retrieved from FDA Labels.

ii. Data not based on head-to-head comparison between drugs, clinical trials of a drug cannot be directly compared to the clinical trials of another drug and may not be representative of the overall data.

* *Data from the BSICAY Phase Ib trial conducted by AZ in patients with urothelial cancer who have progressed on prior treatments. Grade 3 and 4 therapy-related AEs occurred in 31% of the patients treated with ABSK091 (AZD4547) monotherapy. Discontinuation for AEs occurred in 25% of the patients for ABSK091 (AZD4547) monotherapy. As of April 2019, out of the 16 evaluable patients in the ABSK091 (AZD4547) monotherapy arm, the confirmed response rate was 31.3% (16.1–50.4 %), and one-year OS rate (80% CI) was 42.3% (18.1–64.9%). In the Phase I clinical trial of ABSK091 conducted by us, there were 9 subjects with AE (69.2%, n=13) and no subject with SAE. The Phase I trial of ABSK011 was conducted with a single dose of 80 mg which was well tolerated, and did not generate efficacy data. Cross-clinical trial comparison not from a head-to-head study involves risks and may not be representative of all the relevant clinical trial data. In addition, the data from the Phase I clinical trial conducted by us presented herein is from an early stage clinical trial and may not be conclusive. The data from the BISCAY Phase Ib clinical trial was from a trial conducted by AZ. You are cautioned to not place undue reliance on the above trial results.*

Source: Frost & Sullivan Analysis

The following table illustrates the global competitive landscape of selective pan-FGFR inhibitors that were at clinical stage as of May 31, 2021.

Drug Name	Indications	Company	Highest Phase	First Post Date	Location[1]
ABSK091 (AZD4547)	**Urothelial Carcinoma**	**Abbisko**	**Phase 1b/2**	**Apr-2021**	**China**
Erdafitinib	Advanced Urothelial Carcinoma	Janssen	Phase 3	Nov-2018	China
Pemigatinib	Cholangiocarcinoma	Innovent[2]	Phase 3	Aug-2020	China
Infigratinib	Upper Tract Urothelial Carcinomas, Urothelial Bladder Cancer	QED Therapeutics	Phase 3	Dec-2019	Global
	Advanced Cholangiocarcinoma	LianBio/QED Therapeutics	Phase 3	Feb-2021	China
	Gastric or Gastroesophageal Cancer, Advanced Solid Tumor		Phase 2a	Feb-2021	
Futibatinib	Advanced Cholangiocarcinoma	Taiho Oncology	Phase 3	Sep-2019	the U.S.
	mBreast Cancer			Jul-2019	Global
	Advanced or Metastatic Gastric or Gastroesophageal Cancer, Myeloid or Lymphoid Neoplasms		Phase 2	Dec-2019	Global
	Advanced and Metastatic Urothelial Cancer			Oct-2020	the U.S.
Rogaratinib	Advanced or Metastatic Urothelial Carcinoma	Bayer	Phase 2/3	Jan-2018	Global
Derazantinib	Intrahepatic Cholangiocarcinoma, Combined Hepatocellular	Basilea Pharmaceutica	Phase 2	Jul-2017	Global
	Urothelial Cancer		Phase 1/2	Aug-2019	Global
	Gastric Adenocarcinoma			Oct-2020	Global
ICP-192	Urothelial Cancer	InnoCare	Phase 2	Apr-2020	China
	Urothelial Cancer, Cholangiocarcinoma		Phase 1/2	Sep-2020	the U.S.
Debio1347	Solid Tumor	Debiopharm	Phase 2	Feb-2019	Global
HMPL-453	Advanced Intrahepatic Cholangiocarcinoma	Hutchison	Phase 2	May-2020	China
E7090	Metastatic/Advanced Cholangiocarcinoma	Eisai	Phase 2	Aug-2020	China
	Breast Neoplasms		Phase 1	Oct-2020	Japan
HH185/3D185	Advanced Solid Tumors	Haihe Biopharma/ 3D Medicines	Phase 1	Oct-2018	China
ARQ087	Intrahepatic Cholangiocarcinoma	Sinovant Science	Phase 1	May-2019	China
BPI-17509	Advanced Solid Tumor	Betta Pharmaceuticals	Phase 1	Oct-2019	China
CPL304110	Advanced Solid Tumor	Celon Pharma	Phase 1	Nov-2019	Poland
TT-00434	Advanced Solid Tumors	TransThera Sciences	Phase 1	Apr-2021	Taiwan

Notes:

1. *Location marked "Global" if multiple countries involved other than the U.S. and China; location marked "China" for trials conducted in China that show on CDE.*
2. *Innovent partnered with Incyte that obtained Greater China right of Pemigatinib.*
3. *It is observed that companies including Black Diamond Therapeutics and ETERN BioPharma have developed FGFR4 inhibitor pipeline product candidates which are at the pre-clinical stage.*

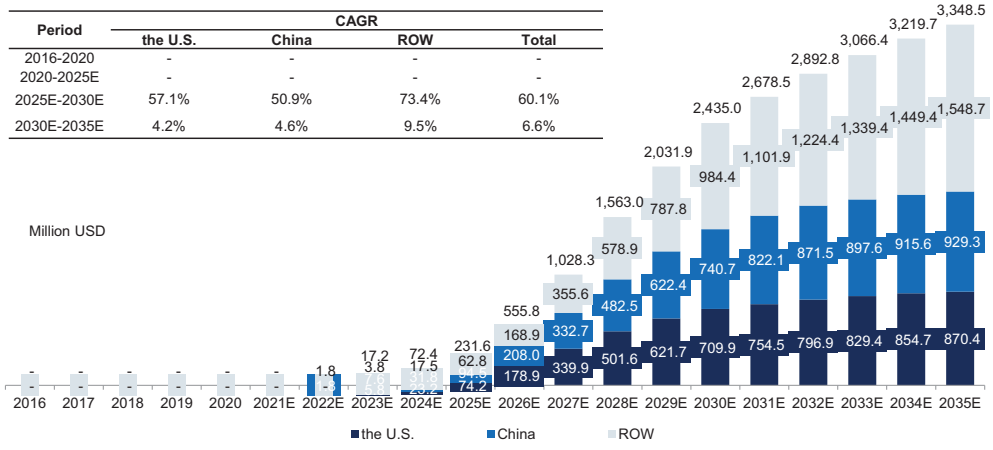
Source: ClinicalTrials, CDE, Frost & Sullivan Analysis

FGFR4 Inhibitors

Fibroblast growth factor receptor 4 (FGFR4), coupled with its ligand, fibroblast growth factor 19 (FGF19), regulates bile acid metabolism in hepatocytes and liver regeneration following injury. Aberrant activation of FGFR4 signaling is a major cause of a subset of hepatocellular carcinoma (HCC) in patients. For these patients, FGF19 is overexpressed in hepatocytes, which results in autocrine signaling and tumor growth. FGF19 is also highly expressed in the luminal subtype of breast tumors. FGFR4 inhibitors, by binding to the kinase domain of FGFR4, block its catalytic activity, prevent downstream pathway activation and thereby prevent tumor growth.

The following chart shows the historical breakdown of the FGFR4 inhibitor market size in China, the U.S. and the rest of the world from 2016 to 2020, the forecasted market size in these markets from 2021 to 2035, as well as the respective CAGRs during the periods indicated:

Historical and Forecasted Global FGFR4 Drug Market, 2016-2035E



Source: Frost & Sullivan Analysis

Global Competitive Landscape

As of May 31, 2021, there were no marketed FGFR4 inhibitors globally. The following table illustrates FGFR4 inhibitors that were at clinical stage globally and in China as of May 31, 2021. Certain non-selective kinase inhibitors such as lenvima (Lenvatinib), sorafenib (Nexavar), carry certain levels of FGFR inhibitory activities, and therefore may compete with the following FGFR4 inhibitors. For details, please refer to "– Non-selective Kinase Inhibitors".

Drug Name	Indications	Company	Highest Phase	First Post Date	Location[1]
ABSK011	**Advanced Solid Tumor**	**Abbisko**	**Phase 1**	**Mar-2020**	**China**
FGF401	Hepatocellular Carcinoma	Everest Medicines/ Novartis[2]	Phase 1/2	Dec-2014	Global
Fisogatinib (BLU554)	Hepatocellular Carcinoma	Blueprint Medicines/ CStone	Phase 1	Jul-2015	Global
	Hepatocellular Carcinoma		Phase 1	Nov-2019	China
H3B-6527	Hepatocellular Carcinoma	H3 Biomedicine	Phase 1	Jul-2016	Global
ZSP-1241	Advanced Solid Tumor	Zhongsheng Pharma	Phase 1	Nov-2018	China
ICP-105	Solid Tumor	Innocare	Phase 1	Aug-2018	China
HS236	Advanced Solid Tumor	Hisun Pharma	Phase 1	Aug-2020	China
BPI-43487	Advanced Solid Tumor	Betta Pharma	Phase 1	Mar-2021	China
SY-4798	Advanced Solid Tumor	Shouyao Holding	Phase 1	Apr-2021	China

Notes:

1. *Location marked "Global" if multiple countries involved other than the U.S. and China; location marked "China" for the trials conducted in China that shows on CDE.*
2. *Everest Medicines licensed in global development and commercialization right of Novartis FGF401 in 2018, Phase1/2 trials have been conducted by Novartis and first posted in December 2014 on ClinicalTrials, in China its first posted in February 2017 on CDE.*
3. *It is observed that companies including Hansoh Pharma have developed FGFR4 inhibitor pipeline product candidates which are at pre-clinical stage.*

Source: ClinicalTrials, CDE, Frost & Sullivan Analysis

Needs in Developing Next-Generation FGFR Inhibitors

There are significant needs to develop next-generation therapies to improve selectivity and activities to enhance safety and efficacy profile by leveraging current knowledge base of the FGFR inhibitors. For example, there are several generations of EGFR and ALK inhibitors, and FGFR inhibitors are expected to follow the same path. Despite such needs, there are few next-generation FGFR inhibitors currently under clinical development, suggesting huge potential for growth. Globally, RLY4008 is the only known next-generation FGFR2 inhibitor under clinical development.

EGFR Exon20 Inhibitors

Overview

EGFR is a protein that is a cell surface receptor tyrosine kinase for epidermal growth factor. Activation of EGFR can lead to a series of downstream signaling activities that activate tumor cell growth, survival, invasion, metastasis and inhibition of apoptosis. As a result, mutation and dysregulation of the EGFR family is generally believed to be linked to various cancers. EGFR Exon20 insertion is the third most common type of EGFR mutations and is believed to be one of the oncogenic drivers in NSCLC. NSCLC is the most common type of lung cancer, accounting for approximately 85% of cases. Around 10% of NSCLC patients have EGFR Exon20 insertion mutations.

The global EGFR Exon20 insertional mutation inhibitor market reached approximately US$0.1 billion in 2020, and is expected to reach approximately US$2.3 billion, US$4.4 billion and US$5.3 billion in 2025, 2030 and 2035, respectively. As of May 31, 2021, there had not been any marketed selective EGFR Exon20 insertional mutation inhibitor globally, and a few drug candidates were undergoing various stages of clinical trials (such as mobocertinib, poziotinib and DZD9008).

KRAS Inhibitors

Overview

KRAS is one of the most well-known proto-oncogenes and its mutation occurs in approximately 30% of all human cancers. KRAS activates intracellular PI3K, MAPK or RAL-GEF pathways to promote cell survival, the mutation of which may lead to cancer growth. KRAS mutations are among the most prevalent tumor drivers that occur in about 26% of NSCLC (14,000 new cases in the U.S.) and 3-5% of CRC.

The global KRAS inhibitor market is expected to reach US$5.4 billion, US$14.9 billion and US$20.6 billion in 2025, 2030 and 2035, respectively. As of May 31, 2021, there was one KRAS inhibitor approved globally (Sotorasib in the U.S.), and seven were at various stages of clinical trials globally.

SMALL MOLECULE IMMUNO-ONCOLOGY THERAPIES

Overview

Over the last few years, immuno-oncology therapy has revolutionized cancer care. Immuno-oncology therapy is designed to stimulate the patient's own immune system to generate or augment an anti-tumor immune response in order to control or eradicate cancer cells. Due to its ability to provide durable remissions while being generally well-tolerated in certain patients with advanced cancers, the discovery and development of immuno-oncology therapy marks a milestone in cancer treatment. Major drugs in the immuno-oncology market

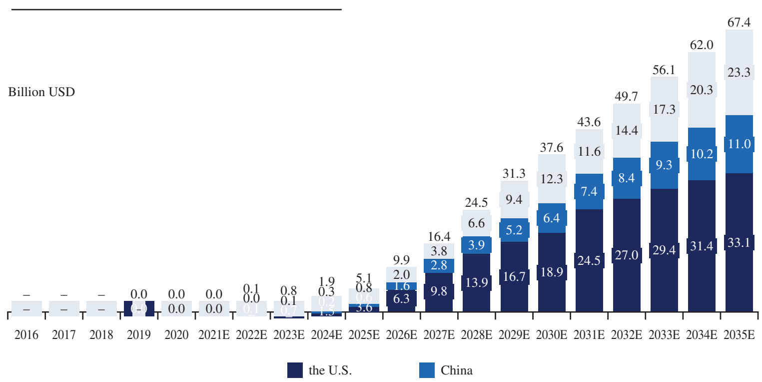
are checkpoint inhibitors. Multiple biologics immune-oncology drugs have been approved and marketed for different indications, including anti-PD-1 antibody pembrolizumab for melanoma, non-small cell lung cancer, head and neck squamous cell cancer, anti-CTLA-4 antibody ipilimumab for melanoma and renal cell carcinoma, and anti-PD-L1 antibody atezolizumab for urothelial cancer, non-small cell lung cancer and triple-negative breast cancer. Compared to traditional therapies, one of the biggest advantages of immuno-oncology therapy is the durability of its curative effect. Small molecule immuno-oncology drugs not only target similar immunosuppressive mechanisms as mAb, but also stimulate intracellular pathways downstream of checkpoint proteins in immune cells that cannot be reached by mAb or in indications. Currently, the immuno-suppressors are mainly PD-1 and PD-L1 inhibitors. In 2020, the global sales of PD-1 and PD-L1 drugs reached nearly US$30.0 billion.

Market Size

The following chart shows the historical market size breakdown of global small molecule immuno-oncology drug markets from 2016 to 2020, the forecasted market size in these markets from 2021 to 2035, as well as CAGRs during the periods indicated:

Global Small Molecule Immuno-Oncology Market, 2016-2035E

Period	CAGR		
	the U.S.	China	Total
2016-2020	–	–	–
2020-2025E	233.3%	–	255.3%
2025E-2030E	39.3%	59.1%	49.4%
2030E-2035E	11.8%	11.5%	12.4%



Source: Frost & Sullivan Analysis

Targeting Immune System in TME

Tumor microenvironment (TME) includes the non-cancerous cells present in the tumor, such as fibroblasts, immune cells and cells that comprise the blood vessels. TME is a key determinant of tumor growth and metastasis. Therapeutics that can disrupt the tumor-favoring TME have become a recent focus of oncology research.

Specifically, the immune cells in the TME could affect the growth and evolution of tumor cells, and therapeutics targeting immune system in the TME has demonstrated anti-tumor efficacy. Different immune cell types found in the TME include myeloid-derived suppressor cells (MDSCs), tumor associated macrophages (TAMs), neutrophils, tumor infiltrating lymphocytes (TILs), and others.

- MDSCs are a heterogeneous population of cells of myelogenous origin with the potential to repress T-cell responses. Tumors can produce cytokines and exosomes that stimulate MDSCs.

- TAMs are a central component in the link between chronic inflammation and cancer. TAMs are recruited to the tumor as a response to cancer-associated inflammation.

- Neutrophils are polymorphonuclear immune cells and can accumulate in tumors, such as lung adenocarcinoma. Neutrophils play major roles linking inflammation and cancer and are actively involved in progression and metastasis.

- TILs are lymphocytes that penetrate tumors to eradicate cancerous cells. Major mechanism of TILs in the TME is the release of cell-type specific chemokines. The density of TILs has shown prognostic significance in overall survival in various malignancies.

As such, the immune cells in TME contain different targetable cell types each including multiple immune-oncology drug targets. The following are some of the targets:

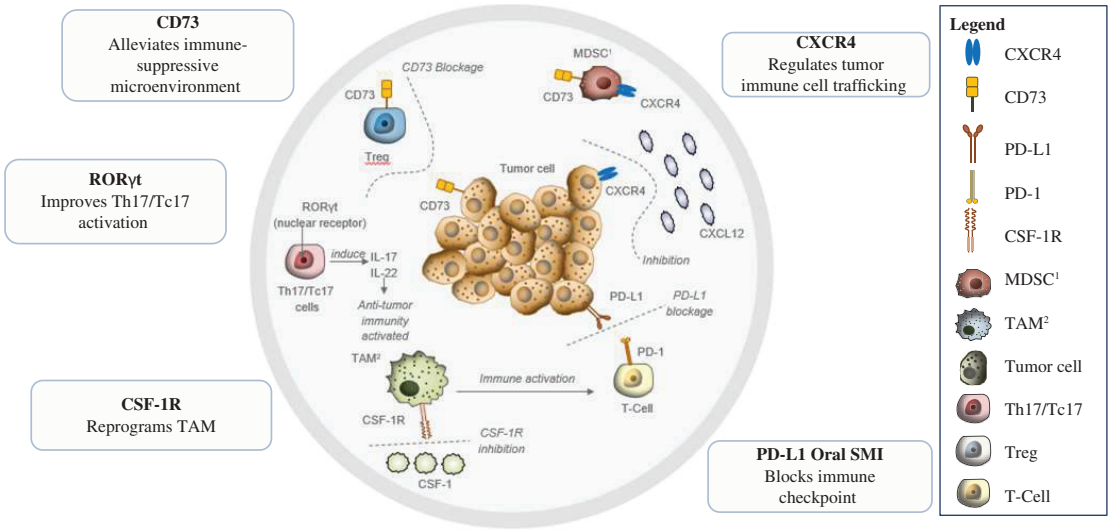
- *CSF-1/CSF-1R.* Small molecule inhibitors of CSF-1/CSF-1R lead to reduced TAMs in the TME. Reprogramming of TAMs augments antigen presentation and reinforces T-cell activation within the TME.

- *CXCR4.* CXCR4 signaling reduces the TILs' levels in the TME. Pre-clinical and clinical studies have indicated that the CXCR4 blockade enhances the infiltration of TIL and reduces the immune-suppressive cells in the TME, which leads to tumor regression.

- *RORγt.* RORγt activation promotes the differentiation of the T helper 17 (Th17) cell and cytotoxic Tc17, which play dynamic roles in inflammation and tumor immunity. RORγt agonists enhance the sustained anti-tumor activity through Tc17 cytotoxicity and Th17 cells regulation, leading to improved anti-tumor efficacy.

- *CD73.* CD73 can mediate production of immunosuppressive adenosine, potentially leading to tumor proliferation. CD73 antibodies and inhibitors could reduce the immune-suppressive metabolite and enhance the immune response in the TME, which is associated with anti-tumor efficacy.

The following chart shows the cancer immunotherapy through systematic anti-tumor T cell responses:



Source: Frost & Sullivan Analysis

Growth Drivers of Immuno-Oncology Therapy Market

- *Growing Patient Pool.* The rapid increase in cancer incidence and the limitations of existing treatment therapies have driven the growth in immuno-oncology therapies. Due to their mechanism of action, immuno-oncology therapies are able to target a broad patient pool outside of genetic alterations. This also allows immuno-oncology drugs to address indications without existing therapies. Improved survival of cancer patients, especially patients with tumors responsive to immuno-oncology drugs, further contributes to the growth of the immuno-oncology market.

- *Significant Combination Potential.* Immuno-oncology therapies such as anti-PD-1/PD-L1 antibodies are considered to be the backbone of combination therapy. As of June 2021, there were approximately 1,852 ongoing combination clinical trials globally with PD-1, PD-L1 or CTLA-4 targeted drugs as a component. Combination therapies with immuno-oncology drugs are expected to deliver deeper response and longer survival benefits.

- *Longer Treatment Benefit.* Working through the patient's own immune system, immuno-oncology therapies usually have longer treatment durations than other therapies. In addition, a patient is also less likely to develop drug resistance to immuno-oncology drugs due to its mechanism of action, which further prolongs the treatment duration. The longer treatment benefit fosters demand for immuno-oncology drugs which helps expand the relevant market.

Small Molecule Immuno-Oncology Drug Candidates

CSF-1R Inhibitors

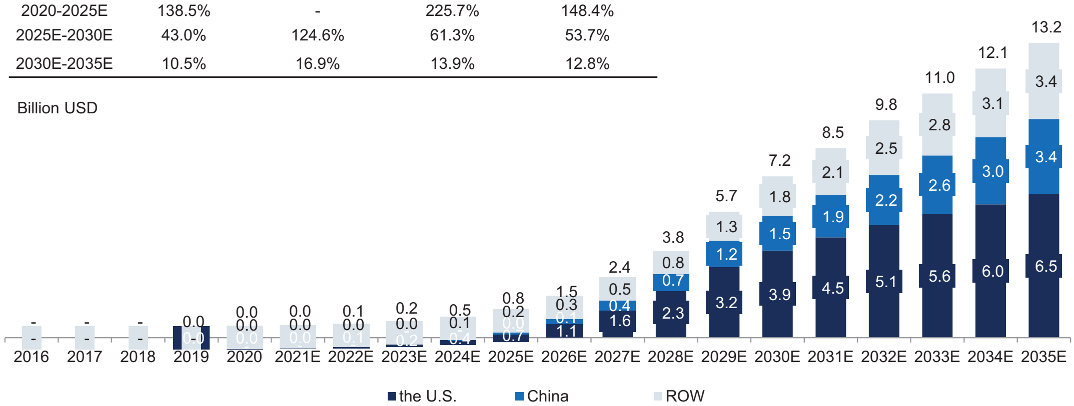
Overview

Colony stimulating factor 1 receptor (CSF-1R) is one of the most established targets for targeting macrophages to date. Macrophages are known to be a plastic cell type that adapts to the microenvironment in malignant tumors, and certain phenotype of macrophages (the M2 macrophages) is reported to be tumor-promoting. One of the main ligands of CSF-1R, CSF-1, can promote the growth and differentiation of macrophages upon binding to it. As CSF-1 is overexpressed in many tumors and CSF-1-responsive macrophage is believed to be tumor-promoting, inhibition of CSF-1R may suppress the proliferation of cancer cells.

The following chart sets forth the historical CSF-1R market size from 2016 to 2020, and forecasted market size from 2021 to 2035 in China, the U.S. and the rest of the world, as well as their respective CAGRs in the periods indicated.

Global CSF-1R Market, 2016-2035E

Period	CAGR			
	the U.S.	China	ROW	Total
2016-2020	-	-	-	-
2020-2025E	138.5%	-	225.7%	148.4%
2025E-2030E	43.0%	124.6%	61.3%	53.7%
2030E-2035E	10.5%	16.9%	13.9%	12.8%



Source: Frost & Sullivan Analysis

Indication Exploration and Addressable Market

The overexpression of CSF-1 is observed in many tumors and also at sites of inflammation. Indications for CSF-1R inhibitors include, among others, the treatment of adult patients with a symptomatic tenosynovial giant cell tumor (TGCT), pancreatic cancer, colorectal cancer, chronic graft-versus-host disease (cGVHD) and amyotrophic lateral sclerosis (ALS).

In particular, TGCT has a larger patient pool in China than in the U.S. TGCT is a rare, usually nonmalignant joint or tendon sheath tumor, which may be locally invasive in some patients. TGCT affects synovial joints, mucous sacs, and tendon membranes, resulting in swelling, pain, stiffness, and decreased activity of the affected joints or limbs. At present, surgical resection is the standard nursing method for TGCT. However, not all patients are suitable for surgical treatment and the recurrence rate of diffuse cases is estimated to be as high as 14%. Additionally, cGVHD also has a much larger patient pool in China than in the U.S. Approximately 10% to 70% of patients develop cGVHD after allogeneic transplantation. Finally, ALS is a progressive nervous system disease that affects nerve cells in the brain and spinal cord, causing loss of muscle control. ALS often begins with muscle twitching and weakness in a limb, or slurred speech. Eventually, ALS affects control of the muscles needed to move, speak, eat and breathe.

Global Competitive Landscape

As of May 31, 2021, there had only been one FDA-approved CSF-1R inhibitor drug, pexidartinib. As of the same date, surufatinib (an angio-immuno kinase inhibitor targeting VEGFR, FGFR1 and CSF-1R) was the only NMPA approved drug that could target CSF-1R. The following table provides details of pexidartinib and surufatinib.

Drug Name	Approved Indications	ORR	PFS	DoR	ARs	Recommended Dosage	Dose Modification for ARs
Pexidartinib	• symptomatic tenosynovial giant cell tumor (TGCT) associated with severe morbidity or functional limitations and not amenable to improvement with surgery	38%	-	6.9-24.9 months	38% (Dose reduction/interruption ARs)	800 mg	600 mg (1st dose reduction)
Surufatinib	• non-pancreatic neuroendocrine tumors (NET)	10%	9.2 months	-	48% (Dose interruption ARs)	300 mg	250 mg (1st dose reduction)

Abbreviations: ORR= objective response rate; PFS= progression free survival; mDoR= median Duration of Response; AR= adverse reactions;

i. Information of pexidartinib retrieved from FDA Labels, surufatinib approved by NMPA, information retrieved based on clinical trial SANET-ep.

ii. Data not based on head to head comparison between drugs, clinical trials of a drug cannot be directly compared to the clinical trials of another drug and may not be representative of the overall data.

Source: Frost & Sullivan Analysis

The following table sets forth the global competitive landscape of CSF-1R inhibitors that were at clinical stage as of May 31, 2021:

Drug Name	Indication	Highest Phase	Company	First Post Date	Location[1]
ABSK021	**Advanced Solid Tumor**	**Phase 1b**	**Abbisko**	**Dec -2019**	**the U.S.**
	Advanced Solid Tumor	**Phase 1b**		**Apr-2021**	**China**
BLZ945	Amyotrophic Lateral Sclerosis	Phase 2	Novartis	Aug-2019	Global
	Advanced Solid Tumor	Phase 1/2		Jul-2016	Global
PRV-6527	Crohn's Disease	Phase 2	Provention Bio	Feb -2019	Global
ARRY-382	Advanced Solid Tumor	Phase 2	Pfizer	Aug-2016	the U.S.
DCC 3014	Tenosynovial Giant Cell Tumor	Phase 1/2	Deciphera Pharmaceuticals	Mar-2017	Global
EI1071	Healthy Volunteers	Phase 1	Elixiron Immunotherapeutics	Jan -2020	the U.S.
C019199	Advanced Solid Tumor	Phase 1	HXPharma	Oct-2020	China

Note:

1. *Location marked "Global" if multiple countries involved other than the U.S. and China; location marked "China" for the trials conducted in China that show on CDE.*

2. *It is observed that companies including Bci-Pharma have developed CSF-1R inhibitor pipeline product candidates which are at pre-clinical stage.*

Source: ClinicalTrials, CDE, Frost & Sullivan Analysis

CXCR4 Antagonist

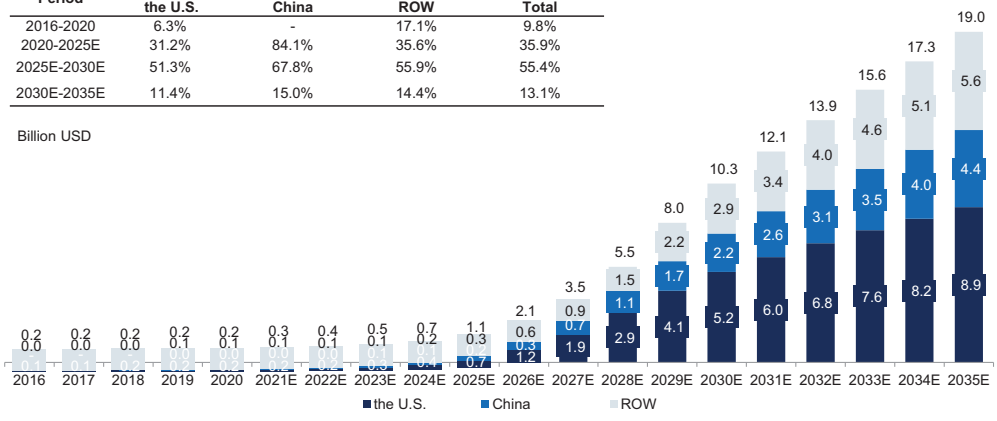
Overview

CXC chemokine receptor 4 (CXCR4) belongs to the G-protein coupled receptor superfamily, which has biological functions such as chemotactic immune cells and maintaining the dynamic balance of immune cells. Blockade of the chemokine receptor CXCR4 might alter the tumor microenvironment and inhibit tumor growth by immune cell trafficking and infiltration. Recent studies have confirmed that high CXCR4 expression in cancer is associated with poor prognosis and chemoresistance, in part by enhancing the interaction between cancer and the matrix. Therefore, the research on CXCR4 in the development of multiple tumors is expected to provide an important basis for clinical treatment of various cancer diseases.

The following chart sets forth the historical CXCR4 antagonist market size from 2016 to 2020, and forecasted market size from 2021 to 2035 in China, the U.S. and the rest of the world, as well as their respective CAGRs in the periods indicated.

Global CXCR4 Antagonist Market, 2016-2035E

Period	CAGR			
	the U.S.	China	ROW	Total
2016-2020	6.3%	-	17.1%	9.8%
2020-2025E	31.2%	84.1%	35.6%	35.9%
2025E-2030E	51.3%	67.8%	55.9%	55.4%
2030E-2035E	11.4%	15.0%	14.4%	13.1%



Source: Frost & Sullivan Analysis

Indication Exploration and Addressable Market

Indications include, among others, mTNBC, pancreatic cancer, HER2- breast cancer, ovarian cancer and warts, hypogammaglobulinemia, infections and myelokathexis (WHIM), which is a rare primary immune deficiency caused by a functional acquired mutation of CXCR4 gene. WHIM is an acronym for the symptoms of the disease – warts, hypoalbuminemia (some antibodies), infection and bone marrow abnormalities (excessive white blood cells in the bone). There is no standardized consensus treatment for WHIM syndrome and some treated patients still suffer recurrent infections and persistent warts resulting in substantial morbidity. To address this unmet need, two potent specific CXCR4 antagonists have been entered into clinical trials, plerixafor (also known as AMD3100 and Mozobil) and X4P-001 (also known as Mavorixafor).

Competitive Landscape

As of May 31, 2021. there had only been one FDA-approved CXCR4 antagonist drug, Mobozil, and it was the only non-oral CXCR4 antagonist drug that had been marketed. Plerixafor is used as a hematopoietic stem cell mobilizer and was not approved for oncology indications. The following table sets forth the competitive landscape of CXCR4 antagonist drugs that were at clinical stage as of May 31, 2021.

Drug Name	Indications	Highest Phase	Company	First Post Date	Location[1]
ABSK081 (mavorixafor)	**Triple Negative Breast Cancer**	**Phase 1b/2**	**Abbisko/X4 Pharmaceuticals**	**Apr-2021**	**China**
	WHIM Syndrome	Phase 3	X4 Pharmaceuticals	Jun-2019	Global
	Neutropenia	Phase 1		Nov-2019	U.S.
	Waldenstrom's Macroglobulinemia	Phase 1		Feb-2020	Global
Balixafortide	Metastatic Breast Cancer	Phase 3	Polyphor	Dec-2018	Global
Motixafortide	Pancreatic Adenocarcinoma	Phase 3	BioLine Rx	Aug-2017	U.S.

Note:

1. *Location marked "Global" if multiple countries involved other than the U.S. and China; location marked "China" for the trials conducted in China that show on CDE.*

2. *It is observed that companies including Domain Therapeutics have developed CXCR4 pipeline product candidates which are at pre-clinical stage.*

Source: ClinicalTrials, CDE, Frost & Sullivan Analysis

PD-L1 Inhibitor

Overview

PD-1 and its ligand PD-L1 perform an important role in tumor progression and survival by escaping tumor neutralizing immune surveillance in the tumor microenvironment. PD-1/PD-L1 interaction induces an "off switch" that keeps T-cells inactive, thus inhibition of PD-L1 interaction would improve immune attack with cancer cells, where many types of cancer cells manage to escape from T-cell attack by PD-L1 expression. A PD-L1 inhibitor might provide greater convenience for use in the adjuvant and maintenance setting and may be used in combination with other oral agents such as TKIs. Additionally, there are expanded opportunities in PD-L1-based combination therapies targeting a wide range of indications, including melanoma, NSCLC, and HCC. In 2020, the total global addressable incidence for PD-L1 inhibition reached approximately 2.0 million.

The global oral PD-L1 inhibitor market is expected to reach US$0.4 billion, US$6.9 billion and US$9.6 billion in 2025, 2030 and 2035, respectively. As of May 31, 2021, there were no approved oral PD-L1 inhibitors globally, and three were at various stages of clinical trials globally.

The following table illustrates the global competitive landscape of PD-L1 inhibitors worldwide that were at clinical stage as of May 31, 2021:

Drug Name	Indications	Highest Phase	Company	First Post Date	Location[1]
INCB086550	Solid Tumor	Phase 2	Incyte	Nov-2020	Global
MAX-10181	Solid Tumor	Phase 1	Maxinovel	Oct-2019	Australia
	Solid Tumor	Phase 1		May-2021	China
IMMH-010	Advanced Solid Tumor	Phase 1	Chasesun Pharmaceutical	Apr-2020	China

Notes:

1. *Location marked "Global" if multiple countries involved other than the U.S. and China; location marked "China" for trials conducted in China that show on CDE.*

2. *It is observed that companies including Maxinovel, Adlai Nortye Biopharma, Jubilant Therapeutics, among others, are at the pre-clinical stages of development of PD-L1 inhibitors*

Source: ClinicalTrials, CDE, Frost & Sullivan Analysis.

CD73 Inhibitor

Overview

CD73 is a cell surface enzyme, which is widely expressed on the surface of human endothelial cells, lymphocytes, such as Treg cells. A high level of CD73 has been implicated in immune suppression and tumor progression, and has also been observed in cancer patients who progress on anti-PD-1 immunotherapy. CD73 is expressed in various cell types in the tumor microenvironment, including tumor cells and different tumor infiltrating leukocytes, which are key nodes in the adenosine pathway believed to play a central role in resistance to chemotherapy and immunotherapy-based treatment regimens.

As of May 31, 2021, there had been no CD73 inhibitors that had been approved worldwide, and two were at various stages of clinical trials (LY3475070 and AB680).

RORγt Agonist

RORγt is the master regulator that controls production of effector cytokines once it initiates the differentiation of the Th17 and cytotoxic Tc17. RORγt agonists enhance the sustained anti-tumor activity through Tc17 cytotoxicity and Th17 cells regulation, leading to improved anti-tumor efficacy in adoptive cell transfer and syngeneic murine tumor models.

As of May 31, 2021, no RORγt agonist had been approved worldwide. Only one RORγt agonist candidate entered the clinical trial stage, LYC-55716 from Lycera Corporation.

REPORT COMMISSIONED BY FROST & SULLIVAN

In connection with the Global Offering, we have engaged Frost & Sullivan to conduct a detailed analysis and to prepare an industry report on the worldwide and China oncology drug markets. Frost & Sullivan is an independent global market research and consulting company founded in 1961 and is based in the United States. Services provided by Frost & Sullivan include market assessments, competitive benchmarking, and strategic and market planning for a variety of industries. We have included certain information from the Frost & Sullivan Report in this prospectus because we believe such information facilitates an understanding of the oncology drug market for potential investors. Frost & Sullivan prepared its report based on its in-house database, independent third-party reports and publicly available data from reputable industry organizations. Where necessary, Frost & Sullivan contacts companies operating in the industry to gather and synthesize information in relation to the market, prices and other relevant information. Frost & Sullivan believes that the basic assumptions used in preparing the Frost & Sullivan Report, including those used to make future projections, are factual, correct and not misleading. Frost & Sullivan has independently analyzed the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected. Frost & Sullivan research may be affected by the accuracy of these assumptions and the choice of these primary and secondary sources.

We have agreed to pay Frost & Sullivan a fee of RMB630,000 for the preparation of the Frost & Sullivan Report. The payment of such amount was not contingent upon our successful listing or on the content of the Frost & Sullivan Report. Except for the Frost & Sullivan Report, we did not commission any other industry report in connection with the Global Offering. We confirm that after taking reasonable care, there has been no adverse change in the market information since the date of the report prepared by Frost & Sullivan which may qualify, contradict or have an impact on the information set forth in this section in any material respect.

OVERVIEW OF LAWS AND REGULATIONS IN THE PRC

This section summarizes the principal PRC laws, rules and regulations that are relevant to our business.

Major Regulatory Authorities

In the PRC, the primary regulatory agency for pharmaceutical products and businesses was the CFDA. After the institutional reform in March 2018, the competent authority of this industry has been changed to the NHC, the National Healthcare Security Administration (國家醫療保障局) ("NHSA"), and the NMPA.

The NHC (formerly known as the National Health and Family Planning Commission), is the primary national regulator for public health and family planning management. It is responsible for overseeing the operation of the medical institutions.

The NHSA is the primary regulatory agency for medical insurance. It draws up policies, plans and standards of medical insurance and maternity insurance and prepares the *National Drug Catalog for Basic Medical Insurance, Work-related Injury Insurance and Maternity Insurance* (《國家基本醫療保險、工傷保險和生育保險藥品目錄》).

The NMPA, an authority under the SAMR, is the primary regulator for pharmaceutical products and businesses. It regulates almost all of the key stages of the life-cycle of pharmaceutical products, including nonclinical studies, clinical trials, marketing approvals, manufacturing, advertising and promotion, distribution and pharmacovigilance (i.e., post-marketing risk management). The CDE, which remains under the NMPA, evaluates the safety and efficacy of each drug and its biological applications.

Regulations on Drug Research and Development

The National People's Congress of the PRC (the "NPC") and the State Council, or the NMPA has been revising the fundamental laws, regulations and rules regulating pharmaceutical products and the industry, which include the framework law known as the *PRC Drug Administration Law* (《中華人民共和國藥品管理法》) ("Drug Administration Law"). The Drug Administration Law was promulgated by the Standing Committee of the NPC ("SCNPC") on September 20, 1984, and the latest amendment took effect as of December 1, 2019. The Drug Administration Law is implemented by a high-level regulation issued by the State Council referred to as the *PRC Drug Administration Law Implementing Regulation* (《中華人民共和國藥品管理法實施條例》). The NMPA has its own set of regulations further implementing the Drug Administration Law; the primary one governing clinical trial applications, marketing approval, and post-approval amendment and renewal is known as the *Administrative Measures for Drug Registration* (《藥品註冊管理辦法》) ("Drug Registration Measures"), promulgated by the CFDA on February 28, 2005, and last revised on January 22, 2020, by SAMR, and became effective on July 1, 2020.

Regulations on Non-Clinical Studies and Animal Testing

The NMPA requires pre-clinical data to support registration applications for imported and domestic drugs. According to the Drug Registration Measures, non-clinical safety studies shall be conducted in accordance to the *Good Laboratory Practices for Non-clinical Laboratory Studies* (《藥物非臨床研究質量管理規範》) promulgated by the CFDA, which was revised on July 27, 2017 and took effect from September 1, 2017. The CFDA promulgated the *Circular on Administrative Measures for Certification of Good Laboratory Practice for Non-clinical Laboratory* (《關於印發藥物非臨床研究質量管理規範認證管理辦法的通知》) on April 16, 2008, which specifies the requirements for Good Laboratory Practice (GLP) certification for non-clinical laboratory studies.

Pursuant to the *Regulations for the Administration of Affairs Concerning Experimental Animals* (《實驗動物管理條例》) promulgated by the State Scientific and Technological Commission ("the SSTC") on November 14, 1988, and latest amended on March 1, 2017, by the State Council, the *Administrative Measures on Good Practice of Experimental Animals* (《實驗動物質量管理辦法》) jointly promulgated by the SSTC and the State Bureau of Quality and Technical Supervision on December 11, 1997, and the *Administrative Measures on the Certificate for Experimental Animals (Trial)* (《實驗動物許可證管理辦法(試行)》) promulgated by the Ministry of Science and Technology (the "MST", formerly known as SSTC) and other regulatory authorities on December 5, 2001, a Certificate for Use of Laboratory Animals is required in order to conduct animal experimentation. Any entity without such certification must engage a qualified third party to conduct such non-clinical activities regulated under relevant laws and regulations.

Regulations on Drug Clinical Trial Process and Registration

Upon completion of pre-clinical studies, a sponsor typically needs to conduct clinical trials in the PRC prior to registering a new drug. According to the *Decision on Adjusting the Approval Procedures of the Administrative Approval Matters for Certain Drugs* (《關於調整部分藥品行政審批事項審批程序的決定》) promulgated by the CFDA on March 17, 2017, and took effect on May 1, 2017, the authority of the drug clinical trial approval decision is adjusted to the CDE in the name of the CFDA. The *Announcement on Adjusting Evaluation and Approval Procedures for Clinical Trials for Drugs* (《關於調整藥物臨床試驗審評審批程序的公告》) was promulgated by the NMPA on July 24, 2018, according to which, if the applicant does not receive any negative or questioning opinions from the CDE within 60 days after the acceptance of the fees paid for the clinical trial approval application, then the applicant can carry out the clinical trials in accordance to the submitted trial protocol.

Pursuant to the Drug Registration Measures, where a clinical trial is approved, the sponsor shall, prior to conducting subsequent phases of the clinical trial, submit the clinical trial protocol and supporting materials on the Drug Clinical Trial Registration and Information Publicity Platform. On September 6, 2013, the *Announcement of the CFDA on Drug Clinical Trial Registration and Information Publicity Platform* (《國家食品藥品監督管理總局關於藥物臨床試驗信息平台的公告》) provides that all clinical trials approved by the CFDA and

conducted in the PRC shall complete clinical trial registration and publish trial information through the Drug Clinical Trial Registration and Information Publicity Platform under the management of the CDE. Specifically, the applicant shall complete the trial pre-registration within one month after obtaining the clinical trial approval in order to obtain the trial's unique registration number. The application must also complete the registration of certain follow-up information before the first subject's enrollment in the trial and the first submission of publicity. If the first submission of publicity is not completed within one year after the approval of the clinical trial approval, the applicant shall submit an explanation, and if the first submission of publicity is not completed within three years, the clinical trial approval shall automatically be annulled.

Regulations on Sampling and Collecting Human Genetic Resources Filing

The *Interim Administrative Measures on Human Genetic Resources* (《人類遺傳資源管理暫行辦法》), promulgated by the MST and the Ministry of Health (the "MOH") on June 10, 1998, is aimed at protecting and fairly utilizing human genetic resources within the PRC. On July 2, 2015, the MST issued the *Service Guide for Administrative Licensing Items concerning Examination and Approval of Sampling, Collecting, Trading or Exporting Human Genetic Resources, or Taking Such Resources out of the PRC* (《人類遺傳資源採集、收集、買賣、出口、出境審批行政許可事項服務指南》) (the "Service Guide"). According to the Service Guide, the sampling, collection or research activities of human genetic resources by a foreign-invested sponsor fall within the scope of international cooperation, and the PRC entity shall apply for approval from the China Human Genetic Resources Management Office through the online system. On October 26, 2017, the MST promulgated the *Circular on Optimizing the Administrative Examination and Approval of Human Genetic Resources* (《關於優化人類遺傳資源行政審批流程的通知》) (effective on December 1, 2017), simplifying the approval of sampling and collecting human genetic resources for the purpose of commercializing a drug in the PRC.

The *Regulations of the PRC on the Administration of Human Genetic Resources* (《中華人民共和國人類遺傳資源管理條例》)promulgated by the State Council on May 28, 2019, and implemented on July 1, 2019, further stipulates that in order to obtain marketing authorization for relevant drugs and medical devices in the PRC, no approval is required for clinical trials using the PRC's human genetic resources at clinical institutions without involving the export of human genetic resources outside of the PRC.

On October 17, 2020, the *PRC Biosecurity Law* (《中華人民共和國生物安全法》) (the "Biosecurity Law") was promulgated by SCNPC, taking effect from April 15, 2021. The Biosecurity Law establishes a comprehensive legislative framework for the pre-existing regulations in such areas as epidemic control of infectious diseases for humans, animals and plants; research, development, and application of biology technology; biosecurity management of pathogenic microbial laboratories; security management of human genetic resources and biological resources; countermeasures for microbial resistance; and prevention of bioterrorism and defending threats of biological weapons. As per the Biosecurity Law, the research and development activities of high-risk and medium-risk biotechnology shall be carried out by a

legal person organization established within the territory of the PRC, upon obtaining the approval or record-filing; the establishment of a pathogenic microorganism laboratory shall be subject to approval or record-filing requirements in accordance to the law; (i) collecting human genetic resources of important genetic families or specific areas in the PRC, or collecting human genetic resources of which the types and quantities are subject to provisions of the competent department of science and technology under the State Council, (ii) preserving the PRC's human genetic resources, (iii) using the PRC's human genetic resources to carry out international scientific research cooperation, or (iv) transporting, mailing, and carrying the PRC's human genetic resource materials out of the country shall subject to approval of the competent department of science and technology.

Regulations on Communication with the CDE

According to the *Circular on Adjusting Evaluation and Approval Procedures for Clinical Trials for Drugs* (《關於調整藥物臨床試驗審評審批程序的公告》), effective from July 24, 2018, where the application for clinical trials of new investigational drug has been approved, upon the completion of Phases I and II clinical trials and prior to Phase III clinical trial, the applicant shall submit the application for a communication session to CDE to discuss with CDE the key technical questions including the design of Phase III clinical trial protocol.

The NMPA promulgated the *Administrative Measures for Communication on the Research, Development and Technical Evaluation of Drugs* (《藥物研發與技術審評溝通交流管理辦法》) ("Administrative Measures") in December 2020. Pursuant to the Administrative Measures, during the research and development periods and in the registration applications of, among others, the innovative new drugs, the applicants may propose to conduct communication meetings with the CDE. Communication meetings can be classified into three types. Type I meetings are convened to address key safety issues in clinical trials of drugs and key technical issues in the research and development of breakthrough therapeutic drugs. Type II meetings are held during the key research and development periods of drugs, mainly including meetings before the clinical trial application, meetings upon the completion of Phase II trials and before the commencement of Phase III trials, meetings before submitting a marketing application for a new drug, and meetings for risk evaluation and control. Type III meetings refer to meetings not classified as Type I or Type II.

Regulations on Cross-Strait Medical and Healthcare Cooperation

On December 21, 2010, Association for Relations Across the Taiwan Straits (the "**ARATS**") and Straits Exchange Foundation (the "**SEF**") entered into the Cross-Strait Medical and Healthcare Cooperation Agreement (《海峽兩岸醫藥衛生合作協議》) (the "**Cooperation Agreement**"), which provides official guidelines for further medical and healthcare cooperation between the two parties. In the Cooperation Agreement, Taiwan and China agreed to cooperate in regard to the following: (i) prevention and treatment of infectious diseases; (ii) safety management of and research and development for pharmaceuticals; (iii) traditional Chinese medicine research and exchange and safety management of Chinese crude drugs; and (iv) emergency aid and treatment. In regard to clinical trial cooperation, the two parties have

agreed to conduct exchanges and cooperate on their systems and regulations relating to clinical trials, the management of implementation authorities and teams, the protection of subjects' rights and interests, and approval mechanisms for clinical trial plans and trial results. Cooperation in R&D for clinical trials and pharmaceuticals across the strait shall be actively strengthened in accordance with good clinical practice, with a view towards reducing repetitive trials through the preferential methods of pilot and special projects. Methods shall then be tested to accept the implementation results of the two parties on this basis.

Regulations on Good Clinical Practice

Typically, clinical trials of drugs shall consist of Phases I, II, III and IV clinical trials as well as bioequivalence tests. According to the Drug Registration Measures, drug clinical trial institutions shall be under filing administration pursuant to the *Regulations on the Administration of Drug Clinical Trial Institution* (《藥物臨床試驗機構管理規定》) jointly promulgated by the NMPA and the NHC on November 29, 2019, and effective from December 1, 2019; and clinical trial of drugs shall comply with the *Administrative Regulations of Quality of Drug Clinical Practice* (《藥物臨床試驗質量管理規範》) (the "GCP") promulgated by the NMPA and the NHC on April 23, 2020, and effective from July 1, 2020.

Regulations on Acceptance of Overseas Clinical Trial Data

In October 2017, the CFDA issued the *Decision on Adjustment of Matters Relating to Registration and Administration of Imported Drugs* (《關於調整進口藥品註冊管理有關事項的決定》), pursuant to which, (i) for drugs subject to international multi-center clinical trial carried out in the PRC, Phase I clinical trial shall be allowed to be carried out simultaneously, and the requirement that the clinical trial drug should be registered overseas or that the drug has entered into Phase II or Phase III clinical trial shall be removed, except for biological products for preventive purposes, (ii) following the completion of international multi-center clinical trial carried out in the PRC, the applicant may directly apply for registration of market launch of the drugs, (iii) with respect to applications for clinical trial or market launch of imported innovative chemical drugs and therapeutic biological products, the marketing authorization in the country or region where the foreign drug manufacturer is located will not be required, and (iv) with respect to drug applications that have been accepted before the release of this Decision, if relevant requirements are met, importation permission can be granted if such applications request exemption of clinical trials for the imported drugs based on the data generated from international multi-center clinical trial.

The NMPA may reduce requirements for clinical trials and data, depending on the drug and the existing data. The NMPA has granted waivers for all or part of trials and has stated that it will accept data generated abroad (even if not part of a global study), including early-phase data, that meets its requirements. On July 6, 2018, the NMPA issued the *Technical Guidance Principles on Accepting Foreign Drug Clinical Trial Data* (《關於發佈接受藥品境外臨床試驗數據的技術指導原則的通告》) (the "Guidance Principles"). According to the Guidance Principles, the basic principles for accepting overseas clinical trial data include: (i) applicants shall ensure the authenticity, integrity, accuracy and traceability of overseas clinical trial data;

(ii) the process of generating overseas clinical trial data shall comply with the relevant requirements of the GCP of International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use (ICH); (iii) applicants shall ensure the scientific design of overseas clinical trials, the compliance of clinical trial quality management system with the requirements, and the accuracy and integrity of statistical analysis of data; and (iv) to ensure that the clinical trial design and statistical analysis of the data are scientific and reasonable, for the drugs with simultaneous research and development in the PRC and abroad and forthcoming clinical trials in the PRC, the applicants may, prior to implementing key clinical trials, contact the CDE to ensure the compliance of their design with the essential technical requirements for drug registration in the PRC.

Regulations on New Drug Application and Approval

Upon completion of clinical trials, a sponsor may submit clinical trial data to support marketing approval for the drug.

According to the Drug Registration Measures, drugs are classified as chemical drugs, biological products, traditional Chinese medicine or natural medicine. The applicant may apply for drug marketing registration with the CDE upon the completion of relevant search on pharmacy, pharmacology, toxicology and drug clinical trials, determination of the quality standards of the drug, validation of commercial-scale production processes and preparation for acceptance of verification and inspection conducted by professional technical institution designated by the competent NMPA. The CDE will organize pharmaceutical, medical, and other technicians to conduct a comprehensive review of the safety, efficacy, and quality control of the drug according to the application materials submitted by the applicant and the results of the inspection conducted by professional technical institutions. If the drug passes comprehensive review, it shall be approved for marketing. A drug registration certificate will be issued containing the drug approval number and the identities of the marketing authorization holder and the manufacturer. This registration certificate effectively serves as the approval for the marketing and commercialization of the drug within the PRC.

Regulations on Drug Marketing Authorization Holder

Pursuant to the *Opinions on the Reform of Evaluation and Approval System for Drugs and Medical Devices and Equipment* (《關於改革藥品醫療器械審評審批制度的意見》) promulgated on August 9, 2015, the State Council published the policy for carrying out a pilot plan for the drug marketing authorization holder mechanism.

Pursuant to the newly amended Drug Administration Law, the drug marketing authorization holder means an enterprise or a drug research and development institution that has obtained the drug registration certificate, and this pharmaceutical marketing authorization holder shall be responsible for non-clinical laboratory studies, clinical trials, production and distribution, post-market studies, and the monitoring, reporting, and handling of adverse reactions in connection with pharmaceuticals in accordance to the provisions of the Drug Administration Law.

Pursuant to the Drug Administration Law, the pharmaceutical marketing authorization holder may engage contract manufacturers for manufacturing, provided that the contract manufacturers are licensed, and may engage pharmaceutical distribution enterprises with drug distribution licenses for the distribution activities. Upon the approval of the medical products administrative department under the State Council, a drug marketing authorization holder may transfer the drug marketing license and the transferee shall have the capability of quality management, risk prevention and control, and liability compensation to ensure the safety, effectiveness, and quality controllability of drugs, and fulfill the obligations of the drug marketing license holder.

Pursuant to the Drug Registration Measures, at the time of application for drug marketing authorization, the applicant and the manufacturing enterprise shall have held the corresponding drug manufacturing permits.

Regulations on Two-invoice System

According to the *Notice of Publishing Opinions on Implementing Two-invoice System in Drug Procurement Among Public Medical Institutions (For Trial Implementation)* (《關於在公立醫療機構藥品採購中推行"兩票制"的實施意見(試行)的通知》) (the "**Two-invoice System Notice**") which was issued on December 26, 2016, the "two-invoice system" refers to the system that requires one invoice to be issued from a pharmaceutical manufacturer to a pharmaceutical distributor and the other invoice to be issued from the pharmaceutical distributor to the medical institution. This excludes the sale of products invoiced from the pharmaceutical manufacturer to its wholly owned or controlled subsidiary (or between the wholly owned or controlled subsidiaries). According to the Two-invoice System Notice and *the Several Opinions of the General Office of the State Council on Further Reforming and Improving the Policies on Drug Production, Circulation and Use* (《國務院辦公廳關於進一步改革完善藥品生產流通使用政策的若干意見》) issued on January 24, 2017, the two-invoice system will be promoted in pilot provinces (autonomous regions and municipalities) involved in the comprehensive medical reform program and pilot cities for public hospital reform on a priority basis, while other regions are encouraged to implement such system, so that such system can be promoted in full swing nationwide in 2018.

Other Regulations in relation to the Pharmaceutical Industry

Regulations on Reimbursement under the National Medical Insurance Programme

The national medical insurance program was first adopted according to the *Decision of the State Council on the Establishment of the Urban Employee Basic Medical Insurance Program* (《國務院關於建立城鎮職工基本醫療保險制度的決定》) issued by the State Council on December 14, 1998, under which all employers in urban cities are required to enroll their employees in the basic medical insurance program and the insurance premium is jointly contributed by the employers and employees. On July 10, 2007, the State Council issued the *Guiding Opinions of the State Council about the Pilot Urban Resident Basic Medical Insurance* (《國務院關於開展城鎮居民基本醫療保險試點的指導意見》), further enlarged the coverage

of the basic medical insurance program, under which urban residents of the pilot district, rather than urban employees, may voluntarily join the urban resident basic medical insurance. In addition, on January 3, 2016, the *Opinions on Integrating the Basic Medical Insurance Systems for Urban and Rural Residents* (《國務院關於整合城鄉居民基本醫療保險制度的意見》) issued by the State Council required the integration of the urban resident basic medical insurance and the new rural cooperative medical care system and the establishment of a unified basic medical insurance system, which will cover all urban and rural residents other than rural migrant workers and persons in flexible employment arrangements who participate in the basic medical insurance for urban employees. Pursuant to the *PRC Social Insurance Law* (《中華人民共和國社會保險法》) which was promulgated by the SCNPC on October 28, 2010, and became effective on July 1, 2011, and amended on December 29, 2018, all employees are required to enroll in the basic medical insurance program and the insurance premium is jointly contributed by the employers and employees as required by the applicable laws.

National Reimbursement Drug List

The national medical insurance program was adopted pursuant to the *Decision of the State Council on the Establishment of the Urban Employee Basic Medical Insurance Program* (《關於建立城鎮職工基本醫療保險制度的決定》) issued by the State Council on December 14, 1998, under which all employers in urban cities are required to enroll their employees in the Urban Employee Basic Medical Insurance Program and the insurance premium is jointly contributed by the employers and employees. In 2015, the PRC government announced the *Outline for the Planning of the National Medical and Health Service System (2015-2020)* (《全國醫療衛生服務體系規劃綱要(2015-2020年)》) which aims to establish a basic medical and health care system that covers both rural and urban citizens by 2020. The *Interim Measures for the Administration of the Scope of Medical Insurance Coverage for Pharmaceutical Products for Urban Employee* (《城鎮職工基本醫療保險用藥範圍管理暫行辦法》) issued on May 12, 1999, provides that a pharmaceutical product listed in the NRDL, shall be clinically needed, safe, effective, reasonably priced, easy to use, available in sufficient quantity, and shall meet the following requirements: (1) it is set forth in the Pharmacopeia (the prevailing version) of the PRC; (2) it meets the standards promulgated by the drug regulatory agency; and (3) if imported, it is approved by the drug regulatory agency for import.

According to the *Interim Measures for the Administration of Drug Use Covered under Basic Medical Insurance* (《基本醫療保險用藥管理暫行辦法》) issued by NHSA and taking effect from September 1, 2020, the administrative department of medical security under the State Council has the power to determine the NRDL and amend the same every year, in which drugs are divided into two parts, Class A and Class B. Pursuant to the *Interim Measures for the Administration of the Scope of Medical Insurance Coverage for Pharmaceutical Products for Urban Employee* (《城鎮職工基本醫療保險用藥範圍管理暫行辦法》), provincial governments are required to include all Class A medicines listed on the NRDL in their provincial catalogs, but have the discretion to adjust upwards or downwards by no more than 15% from the number of Class B medicines listed in the NRDL. However, such aforementioned mechanism has been changed since the issuance of the *Notice of the NHSA and MHRSS on the Issuance of the NRDL* (《國家醫保局、人力資源社會保障部關於印發<國家基本醫療保險、工

傷保險和生育保險藥品目錄>的通知》) on August 20, 2019, which became effective on January 1, 2020, which was replaced by the *Notice of the NHSA and MHRSS on the Issuance of the NRDL (2020)* (《國家醫保局、人力資源社會保障部關於印發<國家基本醫療保險、工傷保險和生育保險藥品目錄(2020年)>的通知》), or the Notice of NRDL for 2020 issued on December 25, 2020, and becoming effective on March 1, 2021. Such Notices regulate that all localities shall strictly implement the NRDL and are not allowed to make a catalogs or add drugs in the NRDL, or adjust the limited payment scope of drugs in the NRDL.

Patients purchasing medicines included in Class A of the NRDL are entitled to reimbursement in accordance to the regulations in respect of basic medical insurance. Patients purchasing medicines included in Class B of the NRDL are required to pay a certain percentage of the purchase price and the remainder of the purchase price shall be reimbursed in accordance to the regulations in respect of basic medical insurance.

Other Principal Laws and Regulations in Relation to Our Company's Business

Regulations on Intellectual Property Rights

Patents

According to the *PRC Patent Law* (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984, and last amended version which took effect from June 1, 2021, and the *Detailed Rules for the Implementation of the Patent Law of the PRC* (《中華人民共和國專利法實施細則》), promulgated by the State Council on June 15, 2001, last amended on January 9, 2010, and effective from February 1, 2010, there are three types of patents in the PRC: invention patents, utility model patents and design patents. The protection period is twenty (20) years for an invention patent, fifteen (15) years for a design patent and ten (10) years for a utility model patent, commencing from their respective application dates. Any individual or entity that utilizes a patent or conducts any other activities in infringement of a patent without prior authorization of the patent holder shall pay compensation to the patent holder and is subject to a fine imposed by relevant administrative authorities and, if constituting a crime, shall be held criminally liable in accordance to the applicable laws. According to the *PRC Patent Law*, for public health purposes, the patent administrative department under the State Council may grant a compulsory license for manufacturing patented drugs and exporting them to countries or regions covered under relevant international treaties to which the PRC has acceded. In addition, according to the *PRC Patent Law*, any organization or individual that applies for a patent in a foreign country for an invention or utility model patent accomplished in the PRC is required to report in advance to the patent administrative department under the State Council for confidentiality examination. On October 17, 2020, the SCNPC promulgated the Amendment to the PRC Patent Law (effective from June 1, 2021), which provides that, among others, the patentee of an invention patent relating to the new drug that has been granted the marketing authorization in the PRC is entitled to request the patent administration department under the State Council to grant a patent term extension of up to five years, in order to compensate the time required for the regulatory evaluation and approval for the commercialization of such a new drug; provided that, the total patent term of such a new

drug approved for commercialization shall not exceed fourteen (14) years after the new drug approval. According to the *Detailed Rules for the Implementation of the Patent Law of the PRC*, a licensing contract for patent implementation executed between a patentee and another party shall be filed with the patent administrative authorities of the State Council.

Trademarks

According to the *PRC Trademark Law* (《中華人民共和國商標法》), promulgated by the SCNPC on August 23, 1982, last amended on April 23, 2019, and effective from November 1, 2019, the period of validity for a registered trademark is ten years, commencing from the date of registration. Upon expiry of the period of validity, the registrant shall go through the formalities for renewal within twelve months prior to the date of expiry, if intending to continue to use the trademark. Where the registrant fails to do so, a grace period of six months may be granted. The period of validity for each renewal of registration is ten years, commencing from the day immediately after the expiry of the preceding period of validity for the trademark. In the absence of a renewal upon expiry, the registered trademark shall be canceled. Industrial and commercial administrative authorities have the authority to investigate any behavior in infringement of the exclusive right under a registered trademark in accordance to the applicable laws. In case of a suspected criminal offense, the case shall be timely referred to a judicial authority and decided according to the applicable laws.

Domain Names

Domain names are protected under the *Measures for the Administration of Internet Domain Names* (《互聯網域名管理辦法》) issued by the Ministry of Industry and Information Technology (the "MIIT"), on August 24, 2017 and effective from November 1, 2017, and the *Implementing Rules of China ccTLD Registration* (《國家頂級域名註冊實施細則》) issued by China Internet Network Information Center on June 18, 2019, which became effective on June 18, 2019. The MIIT is the main regulatory body responsible for the administration of PRC internet domain names. Domain name registrations are handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration.

Trade Secrets

According to the *PRC Anti-Unfair Competition Law* (《中華人民共和國反不正當競爭法》), promulgated by the SCNPC on September 2, 1993, as amended on November 4, 2017, and April 23, 2019, respectively, the term "trade secrets" refers to technical, business or other commercial information that is unknown to the public and is of commercial value for which the right holder has taken corresponding confidentiality measures. Under the *PRC Anti-Unfair Competition Law*, business persons are prohibited from infringing others' trade secrets by (1) acquiring a trade secret from the right holder by theft, bribery, fraud, coercion, electronic intrusion, or any other illicit means; (2) disclosing, using, or allowing another person to use a trade secret acquired from the right holder by any means as specified in the preceding subparagraph; (3) disclosing, using, or allowing another person to use a trade secret in its

possession, in violation of its confidentiality obligation or the requirements of the right holder for keeping the trade secret confidential; and (4) abetting a person, or tempting, or aiding a person into or in acquiring, disclosing, using, or allowing another person to use the trade secret of the right holder in violation of his or her non-disclosure obligation or the requirements of the right holder for keeping the trade secret confidential. If a third party knows or should have known that an employee, former employee or any other entity or individual has committed an illegal conduct as described in subparagraph (1) of the preceding paragraph but nevertheless acquires, discloses, uses or allows another person to use the trade secrets, the third party shall be deemed to have infringed upon the trade secrets. The parties whose trade secrets are being misappropriated may petition for administrative corrections, and regulatory authorities may order the stopping of any illegal activities, confiscate any illegal income and fine the infringing parties.

Regulations on Company Establishment and Foreign Investment

The *PRC Company Law* (《中華人民共和國公司法》), last amended in 2018, applies to the establishment, operation and management of both PRC domestic companies and foreign-invested enterprises. Pursuant to the *PRC Company Law*, where laws on foreign investment have otherwise different stipulations, such stipulations shall prevail.

The *PRC Foreign Investment Law* (《中華人民共和國外商投資法》) ("Foreign Investment Law") was promulgated by SCNPC on March 15, 2019, and become effective on January 1, 2020. The investment activities of foreign natural persons, enterprises or other organizations (hereinafter referred to as foreign investors) directly or indirectly within the territory of the PRC including (1) establishing by foreign investors of foreign-invested enterprises in the PRC alone or jointly with other investors; (2) acquiring by foreign investors of shares, equity, property shares, or other similar interests of Chinese domestic enterprises; (3) investing by foreign investors in new projects in the PRC alone or jointly with other investors; (4) other forms of investment prescribed by laws, administrative regulations or the State Council, shall comply with and be governed by the Foreign Investment Law.

On January 1, 2020, *Detailed Rules for the Implementation of Wholly Foreign-Owned Enterprises Law of the PRC* (《中華人民共和國外資企業法實施細則》) was terminated and replaced by the *Regulations for Implementing the Foreign Investment Law of the PRC* (《中華人民共和國外商投資法實施條例》), promulgated by the State Council on November 26, 2019, and the *Interim Administrative Measures for the Record-filing of the Incorporation and Change of Foreign-invested Enterprises* (《外商投資企業設立及變更備案管理暫行辦法》) was terminated and replaced by the *Measures for the Reporting of Foreign Investment Information* (《外商投資信息報告辦法》), jointly promulgated by the SAMR and the MOFCOM on December 30, 2019. According to the aforesaid laws and regulations currently in effect, the registration of foreign-funded enterprises shall be conducted by the SAMR or its local counterparts. Foreign investors or foreign-funded enterprises shall report investment information to the commerce departments through the enterprise registration system and the enterprise credit information publicity system.

The PRC government implements the management system of pre-entry national treatment and the Negative List for foreign investment. Pre-entry national treatment refers to the treatment accorded to foreign investors and their investments at the stage of investment entry which is no less favorable than the treatment accorded to domestic investors and their investments. Negative List refers to a special administrative measure for the entry of foreign investment in specific sectors as imposed by the PRC. The PRC accords national treatment to foreign investment in sectors outside of the Negative List. The effective Negative List is the *Special Administrative Measures (Negative List) for Foreign Investment Access (2020 Revision)* (《外商投資准入特別管理措施(負面清單)(2020年版)》) jointly promulgated by the NDRC and the MOFCOM on June 23, 2020, and effective from July 23, 2020.

According to the *Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors* (《關於外國投資者併購境內企業的規定》) (the "M&A Rules"), jointly promulgated by the MOFCOM and other relevant authorities on August 8, 2006, which became effective on September 8, 2006 and was amended by the MOFCOM on June 22, 2009, a foreign investor (1) acquiring an equity interest in a non-foreign-invested PRC enterprise or subscribing to additional shares in a non-foreign-invested PRC enterprise with the result that such non-foreign-invested PRC enterprise changes into a foreign-invested PRC enterprise, (2) purchasing by agreement and operating the assets of non-foreign-invested PRC enterprises through establishment of a foreign-invested enterprise, or (3) purchasing the assets of a non-foreign invested PRC enterprise and operating such assets through establishment of a foreign-invested enterprise with such assets must comply with the PRC laws and regulations and complete registration/filing with relevant departments. Particularly, any PRC company, enterprise or individual who tries to acquire any domestic enterprise affiliated with such company, enterprise or individual through an offshore company legally established or controlled by such company, enterprise or individual shall comply with relevant foreign investment industry policies and be subject to the approval of the MOFCOM.

Investment activities in the PRC by foreign investors are principally governed by the *Guidance Catalog of Industries for Foreign Investment* (《外商投資產業指導目錄》) (the "Catalog"), which was promulgated and is amended from time to time by the MOFCOM and/or the NDRC. Pursuant to the *Catalog of Industries for Encouraging Foreign Investment (2020)* (《鼓勵外商投資產業目錄(2020年版)》) ("2020 Catalog") jointly promulgated by the NDRC and the MOFCOM, which came to effect from January 27, 2021, *Special Administrative Measures (Negative List) for the Access of Foreign Investment in Pilot Free Trade Zones (2020)* (《自由貿易試驗區外商投資准入特別管理措施(負面清單)(2020年版)》) (the "Negative List in Pilot Free Trade Zones") jointly promulgated by the NDRC and the MOFCOM and *Special Administrative Measures (Negative List) for the Access of Foreign Investment (2020)* (《外商投資准入特別管理措施(負面清單)(2020年版)》) (the "Negative List (2020)") jointly promulgated by the NDRC and the MOFCOM, all of which shall come into effect on July 23, 2020, industries are divided into two categories: encouraged industries and the industries within the Negative List. The Negative List is further divided into two sub-categories: restricted industries and prohibited industries. Foreign investors are not allowed to invest in industries in the prohibited categories. According to the Negative List (2020), the development of human stem cell and gene diagnosis and therapy technologies remain as prohibited areas for foreign investment.

Regulations on Foreign Exchange Control

The *PRC Regulation on the Foreign Exchange Control* (《中華人民共和國外匯管理條例》), which was promulgated by the State Council on January 29, 1996, came into effect on April 1, 1996, and amended on January 14, 1997, and August 5, 2008, sets out that foreign exchange receipts of domestic institutions or individuals may be transferred to the PRC or deposited abroad and that the SAFE shall specify the conditions for transfer to the PRC or overseas and other requirements in accordance to the international receipts, payments status and requirements of foreign exchange control. Foreign exchange receipts for current account transactions may be retained or sold to financial institutions engaged in the settlement or sale of foreign exchange. Domestic institutions or individuals that make direct investments abroad are engaged in the distribution, sale of valuable securities or derivative products overseas should register according to SAFE regulations. Such institutions or individuals subject to prior approval or record-filing with relevant authorities shall complete the required approval or record-filing prior to foreign exchange registration. The exchange rate for RMB follows a managed floating exchange rate system based on market demand and supply.

According to the *Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plans of Overseas Publicly Listed Companies* (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》) which was promulgated by SAFE in February 2012, PRC citizens or non-PRC citizens residing in the PRC for a continuous period of no less than one year (except for foreign diplomatic personnel in the PRC and representatives of international organizations in the PRC) who participate in any stock incentive plan of an overseas publicly listed company shall, through the domestic company to which the said company is affiliated, collectively entrust a domestic agency (for example, the Chinese affiliate of the overseas publicly listed company that participates in the stock incentive plan, or any other domestic institutions qualified for asset trust business lawfully designated by such company) to handle foreign exchange registration, and entrust an overseas institution to handle issues like exercise of options, purchase and sale of corresponding stocks or equity, and transfer of corresponding funds. In addition, the domestic agency is required to amend or deregister SAFE registration with respect to the stock incentive plan if there is any material change to or termination of the stock incentive plan.

According to the *Notice on Further Simplifying and Improving the Foreign Exchange Management Policies on Direct Investment* (《關於進一步簡化和改進直接投資外匯管理政策的通知》) which was promulgated by SAFE on February 13, 2015, and became effective on June 1, 2015, and latest amended on December 30, 2019, banks are required to review and carry out foreign exchange registration under offshore direct investment directly. SAFE and its branches shall implement indirect supervision over foreign exchange registration of direct investment via the banks.

The *Circular on Reforming the Management Method regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises* (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) ("Circular 19"), promulgated on March 30, 2015 and latest amended on December 30, 2019, allows foreign-invested enterprises to make equity investments by using RMB fund converted from foreign exchange capital. Under Circular 19, the foreign exchange capital in the capital account of foreign-invested enterprises upon the confirmation of rights and interests of monetary contribution by the local foreign exchange bureau (or the book-entry registration of monetary contribution by the banks) can be settled at the banks based on the actual operational needs of the enterprises. The proportion of willingness-based foreign exchange settlement of capital for foreign-invested enterprises is temporarily set at 100%. However, Circular 19 and the *Circular on Reforming and Regulating the Management Policies on the Settlement of Capital Projects* (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the "Circular 16"), which was promulgated by SAFE and became effective on June 9, 2016, continue to prohibit foreign-invested enterprises from, among other things, using RMB fund converted from its foreign exchange capitals for expenditure beyond its business scope, investment and financing in securities and other investments except for bank's principal-secured products, providing loans to non-affiliated enterprises or constructing or purchasing real estate not for self-use.

On October 23, 2019, SAFE released the *Circular on Further Promoting Cross-border Trade and Investment Facilitation* (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) ("Circular 28"), according to which, in addition to foreign-invested enterprises engaged in the investment business, foreign-invested enterprises not engaged in the investment business are also permitted to make domestic equity investments with their capital funds provided that such investments do not violate the Negative List and that the target investment projects are genuine and in compliance with the applicable laws.

According to the *Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business* (《關於優化外匯管理支持涉外業務發展的通知》) issued by SAFE on April 10, 2020, eligible enterprises are allowed to make domestic payments by using their capital funds, foreign credits and the income under capital accounts of overseas listing, with no need to provide the evidentiary materials concerning the authenticity of such capital for banks in advance, provided that their capital use shall be authentic and in line with provisions, and conforms to the prevailing administrative regulations on the use of income under capital accounts. The concerned bank shall conduct spot-checking in accordance to the relevant requirements.

Regulations in relation to Environmental Protection

According to the *PRC Environmental Protection Law* (《中華人民共和國環境保護法》), promulgated by the SCNPC on December 26, 1989, and latest amended on April 24, 2014, the *PRC Environmental Impact Assessment Law* (《中華人民共和國環境影響評價法》), promulgated by the SCNPC on October 28, 2002, and latest amended on December 29, 2018, and the *Regulations on the Administration of Construction Project Environmental Protection* (《建設項目環境保護管理條例》), promulgated by the State Council on November 29, 1998,

and latest amended on July 16, 2017, enterprises which plan to construct projects shall engage qualified professionals to provide the environmental assessment report, environmental assessment form, or environmental registration form on the environmental impact of such projects. The environmental assessment report, environmental assessment form, or environmental registration form shall be filed with or approved by the relevant environmental protection bureau prior to the commencement of any construction work.

According to the *Administrative Regulations on Precursor Chemicals* (《易製毒化學品管理條例》), promulgated by the State Council, effected on November 1, 2005, and amended on July 29, 2014, February 6, 2016, and September 18, 2018, the state applies the classified administration and licensing system to the production, distribution, purchase, transportation and import and export of precursor chemicals. An entity that is to purchase any precursor chemical in Category II or III shall, prior to the purchase, reports the type and quantity in demand for record, with the public security authority of the local people's government at the county level.

Enterprises that engage in the activities of industry, construction, catering, and medical treatment, among others, that discharges sewage into urban drainage facilities shall apply to the relevant competent urban drainage department for collecting the permit for discharging sewage into drainage pipelines under relevant laws and regulations, including the *Regulations on Urban Drainage and Sewage Disposal* (《城鎮排水與污水處理條例》), which was promulgated on October 2, 2013, and came into force on January 1,2014, and the *Measures for the Administration of Permits for the Discharge of Urban Sewage into the Drainage Network* (《城鎮污水排入排水管網許可管理辦法》), which was promulgated on January 22, 2015, and came into force on March 1, 2015. Drainage entities covered by urban drainage facilities shall discharge sewage into urban drainage facilities in accordance to the relevant provisions of the state.

According to the *Classification Management List for Fixed Source Pollution Permits (2019 Edition)* (《固定污染源排污許可分類管理名錄(2019年版)》), the manufacturing of chemical drugs falls into the classification management scope for fixed source pollution permits. According to the *Law of the PRC on the Prevention and Control of Environmental Pollution of Solid Waste* (《中華人民共和國固體廢物污染環境防治法》), promulgated by the SCNPC on October 30, 1995, and amended on December 29, 2004, June 29, 2013, April 24, 2015, November 7, 2016, and July 29, 2020, all the enterprises that may cause environmental pollution in the course of their production and business operation shall introduce environmental protection measures in their plants and establish a reliable system for environmental protection.

Regulations in relation to Fire Control

The *PRC Fire Prevention Law* (《中華人民共和國消防法》), was adopted on April 29, 1998, and latest amended on April 23, 2019, and latest amended on April 29, 2021. According to the *Fire Prevention Law,* the *Administration of Fire Protection Design Review and Final Inspection of Construction Projects* (《建設工程消防設計審查驗收管理暫行規定》), issued by

the Ministry of Housing and Urban-Rural Development on April 1, 2020, and effective on June 1, 2020, and other relevant laws and regulations of the PRC, the housing and urban-rural development authority shall monitor and administer the fire design review and fire-fighting acceptance affairs, and the relevant housing and urban-rural development authority shall not issue the construction permits without obtaining qualified drawings of the fire protection design and relevant technical documents.

According to the Eight Measures for the Public Security Fire Department to Deepen Reform and Serve Economic and Social Development promulgated by the Ministry of Public Security of the PRC (《公安消防部門深化改革服務經濟社會發展八項措施》) on August 12, 2015, and the Administrative Measures for Construction Permits of Construction Projects (《建設工程施工許可管理辦法》) promulgated by Ministry of Housing and Urban-Rural Development on June 25, 2014, the fire protection design and completion acceptance fire protection record of construction projects with an investment of less than RMB300,000 or a building area of less than 300 square meters (or below the limit determined by the housing and urban construction department of the provincial people's government) was cancelled.

Regulations in relation to Product Liability

The *PRC Product Quality Law* (《中華人民共和國產品質量法》), promulgated by the SCNPC on February 22, 1993, and latest amended on December 29, 2018 (the "Product Quality Law"), is the principal governing law relating to the supervision and administration of product quality. According to the Product Quality Law, manufacturers shall be liable for the quality of products produced by them and sellers shall take measures to ensure the quality of the products sold by them. A manufacturer shall be liable to compensate for any bodily injuries or damage to property other than the defective product itself resulting from the defects in the product unless the manufacturer is able to prove that: (1) the product has never been circulated; (2) the defects causing injuries or damage did not exist at the time when the product was circulated; or (3) the science and technology at the time when the product was circulated were at a level incapable of detecting the defects. A seller shall be liable to compensate for any bodily injuries or damage to property of others caused by the defects in the product if such defects are attributable to the seller. A seller shall pay compensation if it fails to indicate neither the manufacturer nor the supplier of the defective product. A person who is injured or whose property is damaged by the defects in the product may claim compensation from the manufacturer or the seller.

On May 28, 2020, the *Civil Code of the PRC* (《中華人民共和國民法典》) was adopted and became effective on January 1, 2021, and simultaneously replace the previous effective relevant laws, according to which, in general, manufacturers shall assume tort liabilities where the defects in products cause damages to others and sellers shall assume tort liabilities where the defects in products that have caused damages to others are attributable to the sellers. And the aggrieved party may claim compensation from the manufacturer or the seller of the defective product that has caused the damage; a patient may make a claim against the drug marketing authorization holder, a medical institution or a drug manufacturer for any damage arising from defects of drugs.

Regulations in relation to Labor Protection

The *Labor Law of PRC* (《中華人民共和國勞動法》), promulgated by the SCNPC on July 5, 1994, effective on January 1, 1995, and amended on August 27, 2009, and December 29, 2018, the *Labor Contract Law of the PRC* (《中華人民共和國勞動合同法》) (the "Labor Contract Law"), promulgated by the SCNPC on June 29, 2007, effective on January 1, 2008, latest amended on December 28, 2012, and effective on July 1, 2013, govern the relationship between employers and employees, and provide for specific provisions in relation to the terms and conditions of an employment contract. The Labor Contract Law stipulates that employment contracts must be in writing. It imposes more stringent requirements on employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees.

According to the *Social Insurance Law of the PRC* (《中華人民共和國社會保險法》), which was promulgated by the SCNPC on October 28, 2010, and latest amended on December 29, 2018, the *Interim Regulations on the Collection and Payment of Social Security Funds* (《社會保險費徵繳暫行條例》) promulgated by the State Council on January 22, 1999, and latest amended on March 24, 2019, and the *Regulations on the Administration of Housing Accumulation Funds* (《住房公積金管理條例》), which was amended by the State Council on March 24, 2019, employers and/or employees are required to contribute to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, maternity leave insurance, and to housing provident funds. These payments are made to local administrative authorities and employers who fail to contribute may be ordered to rectify within a stipulated time limit and may be fined if failing to contribute after such stipulated time limit has passed.

Regulations in relation to Taxation

According to the *PRC Enterprise Income Tax Law (2018 Amendment)* (《中華人民共和國企業所得稅法(2018修正)》) promulgated by the NPC on March 16, 2007, which became effective on January 1, 2008, and was amended on February 24, 2017, and December 29, 2018, and the *Regulation on the Implementation Rules of the Enterprise Income Tax Law of the PRC (2019 Amendment)* (《中華人民共和國企業所得稅法實施條例(2019修訂)》) promulgated by the State Council on December 6, 2007, which became effective on January 1, 2008, and amended on April 23, 2019, with a few exceptions, the income tax rate for both domestic enterprises and foreign-invested enterprises is 25%. Enterprises are classified as either "resident enterprises" or "non-resident enterprises." Enterprises established within the PRC, and enterprises established outside the PRC but whose "de facto management bodies" are located in the PRC are considered "resident enterprises" and subject to the uniform 25% enterprise income tax rate for their global income. Non-resident enterprises refer to entities established under foreign law whose "de facto management bodies" are not within the PRC but which have an establishment or place of business in the PRC, or which do not have an establishment or place of business in the PRC but have income sourced within the PRC. An income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident enterprise investors that do not have an establishment or place of business in the PRC, or that have such establishment or place of business, but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC.

Pursuant to the *Interim Regulations on Value-Added Tax (hereinafter referred to as VAT) of the PRC* (《中華人民共和國增值税暫行條例》) promulgated by the State Council on December 13, 1993, amended on November 10, 2008, February 6, 2016, and November 19, 2017, respectively, and the *Detailed Rules for the Implementation of the PRC on VAT* (《中華人民共和國增值税暫行條例實施細則》) promulgated by the Ministry of Finance on December 25, 1993, amended on December 15, 2008, and October 28, 2011, respectively, the latest amendment of which became effective on November 1, 2011, sale of services or intangible assets within the PRC are subject to VAT and unless stated otherwise, the tax rate for VAT payers who are selling services or intangible assets in the PRC shall be 6%.

Regulation on Data Security

Data Security

On June 10, 2021, the SCNPC passed the Data Security Law, or the DSL, which will take become effective in September 2021. The primary purpose of the DSL is to regulate data related activities (which include data collection, storage, usage, processing, transmission, provision and disclose of data), safeguard data security, promote data development and usage, protect individuals and entities' legitimate rights and interests, and safeguard state sovereignty, state security and development interests. The DSL will apply to both data activities conducted within the territory of the PRC and data activities conducted outside the PRC that may harm the national security or public interests of the PRC, or the legitimate rights of Chinese citizen or entities.

The DSL imposes general obligations on entities and individuals who carry out any data activities, including (i) establishing comprehensive data security management systems, organizing data security trainings and implementing necessary measures to ensure data security, (ii) strengthening risk monitoring, taking remedial actions when data security defects or loopholes are detected, notifying users and authorities of security incidents, and (iii) regularly conducting risk assessments of the data activities for processors of important data, and reporting results to the related authorities. Non-compliant entities and individuals may face penalties including money fines of up to RMB2,000,000 per case and/or revocation of business licenses or demand to close down businesses. Responsible personnel may be subject to fines of up to RMB200,000.

REGULATORY OVERVIEW OF TAIWAN LAWS

Regulatory Authorities of Pharmaceutical Products

In Taiwan, the Taiwan Food and Drug Administration (the "TFDA"; 食品藥物管理署) of the Ministry of Health and Welfare (衛生福利部) is the regulatory authority of pharmaceutical products, medical devices, cosmetics, and food-related matters. The TFDA governs the main regulations of pharmaceutical products under the Pharmaceutical Affairs Act (the "PAA"; 藥事法) and its sub-laws or implementation regulations, such as the Regulations for Registration of Medicinal Products (the "RRMP"; 藥品查驗登記審查準則) and the Regulations for Good Clinical Practice (the "RGCP"; 藥品優良臨床試驗作業準則).

According to the PAA and its enforcement rules, new drugs refer to drugs of new compositions, new therapeutic compounds or new methods of administration. Before a new drug is lawfully distributed in Taiwan, a market approval/marketing authorization (the "MA") must be obtained from the TFDA.

The procedure of initiating a clinical trial and obtaining an MA for a new drug generally proceeds as follows:

- Pre-investigational new drug (the "IND") activities;
- Application for IND;
- Clinical trial;
- the NDA;
- Market approval; and
- Post-marketing surveillance.

Pre-IND Activities

To support an NDA, the data generated in pre-IND and clinical stages must be collected. For new drugs, pre-IND activities include non-clinical tests and studies. The potential chemical compounds or biologics will be selected from the laboratory first, and a series of laboratory tests, pharmacology studies in animals, toxicity studies, safety studies, among others, must be conducted in accordance to the Guidelines for the Safety of Non-clinical Test of Drugs (the "GSNTD"; 藥品非臨床試驗安全性規範) and the Good Laboratory Practice for Non-clinical Laboratory Studies (非臨床試驗優良操作規範). With respect to anticancer drugs, the non-clinical tests shall further comply with the Guidelines for Non-clinical Studies of Anticancer Pharmaceuticals (抗癌新藥非臨床試驗規範) under the GSNTD. In order to apply for the IND, the applicant must submit the results of the non-clinical tests and studies, along with other documents, e.g., protocol, informed consent form (the "ICF"), case report form, and investigator brochure, required under the Application Guide for Drug Clinical Trial ("Application Guide"; 藥品臨床試驗申請須知), to the TFDA.

Clinical Trials

A human clinical trial is required for an NDA under the RRMP. The RGCP further states that a human clinical trial must be conducted in a medical institution ("Site"). According to the Medical Care Act (the "MCA"; 醫療法), only teaching hospitals and non-teaching hospitals with specific expertise and having TFDA approval can conduct human clinical trials. Without approvals from both of the TFDA and the Institutional Review Board (the "IRB"; 人體試驗委員會) of the Site, no clinical trial can be conducted. All clinical trials must comply with the following regulations: the RGCP, the Good Clinical Practices (藥品優良臨床試驗規範), the

MCA, the Human Subjects Research Act (人體研究法), the Regulations on Human Trials (the "RHT"; 人體試驗管理辦法), the Human Biobank Management Act (人體生物資料庫管理條例), the Principles of Recruiting Subjects for Clinical Trial (臨床試驗受試者招募原則), various criteria for conducting clinical trials (including General Criteria for Drug Clinical Trial (藥品臨床試驗一般基準) and Criteria for Drug Clinical Trial for Cancer Treatment Medicines (癌症治療藥品臨床試驗基準)), the Personal Data Protection Act (個人資料保護法) and other related regulations issued by the TFDA.

There are four phases of human clinical trials:

1. Phase I study (human pharmacology study) generally refers to a new drug being introduced into the human body, and is done to find the highest dose of the new drug that can be given safely without causing severe side effects, including pharmacology and initial safety evaluation studies in humans;

2. Phase II study (therapeutic exploratory study) generally refers to the evaluation of a drug's therapeutic effectiveness, as well as its safety. The result of the phase II study will be considered for deciding the number of subjects in phase III study;

3. Phase III study (therapeutic confirmatory study) is to clarify or confirm a drug's therapeutic effectiveness that was demonstrated in phase II study; and

4. Phase IV study (therapeutic use) refers to the post-approval studies after a drug has been approved and is on the market. Drugs approved by the TFDA are often watched over a long period of time in phase IV study. This trial is used to gain additional safety and treatment data in large numbers of patients in the intended disease.

Clinical trials are conducted according to protocols agreed to by and among the sponsor, the principal investigator, and the Site and approved by the IRB and the TFDA. Protocols state, among other things, the name(s) of the investigational product (including active ingredients, the dosage(s) and the dosage form(s)), the objectives and purpose of the study, the criteria for inclusion and exclusion of patients and the number of subjects, as well as specifications of the efficacy and safety parameters. According to the RGCP, except where necessary to eliminate an immediate hazard to trial subjects, or when a change involves only administrative aspects of the trial, an investigator should not implement any deviation or changes to the protocol without agreement by the sponsor and prior approval from the IRB. The implemented deviation and the reasons for it should be submitted to the IRB and TFDA, within seven (7) days, by the investigator.

An amendment to the study, e.g., protocol and the ICF, needs to be further approved by the TFDA and the IRB. Basically, if the period of conducting a clinical trial approved by the TFDA and/or the IRB expires, no clinical trial activities can be conducted unless approvals of period extension are collected.

According to the RGCP, the investigator shall immediately report any serious adverse events (the "SAEs") to the sponsor, and shall provide detailed, written reports as soon as possible. The investigator shall immediately report any suspected unexpected serious adverse drug reactions ("SUSARs") to the IRB. However, those SAEs that the protocol or other document identifies as not needing immediate reporting shall not apply. The sponsor shall report any SUSAR that is fatal or life-threatening to the TFDA within seven (7) days after being aware of the event and shall provide detailed written documents within fifteen (15) days after being aware of the event. For those reactions not fatal or life-threatening, the sponsor shall report to the TFDA and provide detailed written documents within fifteen (15) days after being aware of the event. In addition, the sponsor shall promptly notify all participating investigators, institutions and the TFDA in any of the following situations: (1) new findings that could affect adversely the safety of subjects; (2) new findings that impact the conduct of the trial; or (3) new findings that alter the IRB's approval to continue the trial.

Under the RGCP, the sponsor should provide insurance or should indemnify (legal and financial coverage) the investigator and the Site against claims arising from the trial, except for claims that arise from malpractice and/or negligence of the investigators and/or the Sites.

The investigator and the institution (Site) should annually submit summaries of the trial status to the IRB. If necessary, the IRB may request more frequent reports. According to the RHT, if the IRB discovers any of the following matters, it may order the human trial to be improved within a prescribed period of time or terminated: (1) where the contents of the human trial were altered without the approval of the IRB or the TFDA as required by law; (2) where the rights, interests, or safety of the trial subject is obviously affected; (3) where the frequency or seriousness of the occurrence of adverse events is abnormal; (4) where the existence of an occurrence is sufficient to affect the evaluation of human trial results; or (5) where specific facts exist before the completion of the human trial proving that the human trial has no actual benefits, higher risks than potential benefits, or actual benefits that are disadvantageous to the control group. The TFDA, upon learning any of the above events, may order the human trial to be terminated. In addition, a trial may also be terminated by the sponsor, the investigator, or the institution (Site).

When a trial is completed or prematurely terminated, the investigator and the institution (Site) shall provide the sponsor and the TFDA with any reports required, and provide the IRB with a summary of the trial's outcome. Under such circumstances, the sponsor shall provide the TFDA with a complete and detailed clinical trial report.

Multinational and Multicenter Clinical Trial

To synchronize the implementation of a clinical trial with at least one of the top ten medically advanced countries (Germany, US, UK, France, Japan, Switzerland, Canada, Australia, Belgium, and Sweden) (the "A-10 countries"), the applicant may apply to the TFDA for a multinational and multicenter clinical trial review. Based on the Application Guide and the Procedure for the Review of Multinational and Multicenter Clinical Trial Protocols ("RMMCTP"; 多國多中心藥品臨床試驗計畫審查程序) promulgated by the TFDA, the

applicant shall provide the TFDA with an approval letter issued by one of the A-10 countries for the IND and an affidavit ("Affidavit") from the applicant warranting that the protocols used in Taiwan are the same as the IND approved by the applicable A-10 country. The multinational and multicenter clinical trial must be conducted through a qualified medical center in Taiwan.

Upon approval by the TFDA, the review period of clinical trial application will then be shortened. If there is any subsequent amendment made to the protocol approved under the RMMCTP, the applicant shall provide relevant documents, the application documents, and a new Affidavit to the TFDA for review and recordation when the applicant applies for an amendment to the protocol in the applicable A-10 country where the same clinical trial is being conducted. The TFDA will revoke the original approval that contained the misrepresentation and all other approvals secured by the applicant under the RMMCTP if there is any misrepresentation in the application documents. Furthermore, the TFDA will suspend any application under the RMMCTP from such an applicant.

Bridging Study Assessment and Bridging Study

According to the RRMP, the following categories of new drugs are subject to a bridging study assessment: (1) new chemical entities (the "NCE"); (2) genetically engineered drugs, vaccines, plasma derivatives of new molecular entities, and allergen extracts of new molecular entities; and (3) items announced by the TFDA as requiring a bridging study assessment. For drugs outside of the above categories, whether an application of a bridging study assessment shall be filed is left to the discretion of applicants. For applications without bridging study data, if the TFDA considers that a bridging study is necessary, the applicant is obliged to conduct a bridging study. Applications for bridging study assessments can be filed prior to or together with the NDA. The approval of the bridging study helps reduce duplicate clinical trials as the foreign clinical trial data can be extrapolated to the corresponding population in Taiwan. Bridging study data would not be required for the NDA that has been approved by the TFDA to be exempt from bridging studies. However, there should still be sufficient clinical data to justify drug efficacy and safety.

NDA Submission

The applicant should submit an NDA to the TFDA for approval and obtain an MA before the new drug can be marketed in Taiwan. According to the RRMP, the information and documents required for the NDA include, among others, technical documents, the testing specifications, methods and certificate of analysis of excipients, stability study data, and validation of analytical methods and validation of critical manufacturing processes for future inspection, stability study, photocopy of the GMP compliance certificate, and label and package insert.

TFDA Review Process for NDA

All NDAs are subject to TFDA's dossier assessment. An applicant should follow the notice issued by the TFDA and collect the drug permit if the dossiers pass the TFDA assessment. According to the RRMP, a drug permit should be obtained within three (3) months of the notice date. In addition to the general review process, the TFDA also announced three expedited review and approval systems for the NDAs, as summarized below: (1) fast track (精簡審查) for an NCE drug that has been approved by the US, Japan, and/or the EU; (2) priority review (優先審查) for a new drug intended for the treatment of severe disease in Taiwan, and has major advantages in terms of medical care; and (3) accelerated approval (加速核准機制) for a new drug (i) that can fulfill Taiwan's unmet medical need, (ii) that has received the orphan drug designation from one of the A-10 countries, or (iii) that is not for a rare disease and the manufacturing or importation thereof would be difficult.

Drug Safety Monitoring

According to the Regulations for Drug Safety Monitoring (藥物安全監視管理辦法), new drugs, drugs having risk management plans, drugs with post-marketing clinical trials, or other drugs designated by the TFDA, are subject to a monitoring period of three (3) to five (5) years, or a specific period designated by the TFDA. In addition to the report for severe adverse reactions, the manufacturer or importer of the said drug should collect safety information regarding the use of such drug, domestically, and abroad during the said period, and provide the TFDA with the safety report. If the drug is required by the TFDA to have a risk management plan, or the drug is designated as having a post-marketing clinical trial by the TFDA, the manufacturer or importer should provide the TFDA with the reports tracking the risk management or post-marketing clinical trial, within the period designated by the TFDA.

Pharmaceutical Manufacturing and Distribution

The TFDA promulgated to implement the international GMP standards (PIC/S:Guide to Good Manufacturing Practice for Medicinal Products; "PIC/S GMP"; 西藥藥品優良製造規範) in 2007 to ensure that the standard of pharmaceutical manufacturing in Taiwan is in line with international standard. All drug manufacturing factories must comply with the PIC/S GMP, which includes the Good Distribution Practice (the "GDP"; 西藥優良運銷準則). According to the Regulations for the Issuance of Medicinal Products and Medical Devices Manufacturing Licenses and Evidentiary Documents for Good Manufacturing Practices (藥物製造許可及優良製造證明文件核發辦法), the license validation period of local drug manufacturing or foreign manufacturing of imported drug is two (2) years and needs to be extended six (6) months before the expiration date. In accordance to the Regulation for the Issuance and Management of Drug Distribution Licenses and Certificates (西藥運銷許可及證明文件核發管理辦法), the validation period of drug distribution license maybe three (3) to five (5) years. Before said license is expiring, an extension of the expiration date needs to be made six (6) months before the expiration date.

Information Disclosure and Regulatory Data Exclusivity

Except for the information classified as trade secrets during the NDA, based on the PAA and the Regulations for Publication of Drug Information (藥物資料公開辦法), the TFDA could, if necessary, publicize a summary of assessment reports of drug approvals, ingredients and instructions for the drug, a summary of clinical trial protocols, and information on the drug risk management plan and drug safety, which are submitted for the NDA. However, the TFDA shall keep in confidence any trade secrets in the NDA.

In this connection, the PAA also provides data exclusivity for (i) new active ingredients and (ii) new indications.

New Active Ingredient

Article 40-2 of the PAA provides three (3)-year data exclusivity from the issuance date of MA for a new active ingredient drug. Generics can file an MA application after the expiration of three (3) years from the issuance date of the MA for the new active ingredient drug, but the TFDA will not issue the approval to the generic until the expiration of five (5) years of the issuance date of the MA for the new active ingredient drug. However, to enjoy the above data exclusivity, if the applicant applies for an MA for a new active ingredient drug in a foreign country first, the applicant must file the application for the same drug with the new ingredient in Taiwan within three (3) years after the issuance of the MA in such foreign country.

New or Changed Indication

In addition, Article 40-3 of the PAA provides similar data exclusivity from the issuance date of an MA for a drug with new or changed indication or with newly-changed indication. Generics can file an MA application from the expiration of two (2) years from the issuance date of MA of the new indication, but the TFDA will not issue the approval to the generic until the data exclusivity expires (three (3) years in the absence of domestic clinical trial, and five (5) years where a domestic clinical trial has been conducted). Similar to the limitation to the data exclusivity for a drug's new active ingredient, the PAA sets a limitation on the data exclusivity for a drug with a new indication or with a newly-changed indication. That is, to enjoy data exclusivity, if the applicant applies for an MA for such kind of drug in a foreign country first, the applicant must file the application for the same drug with the new indication or with the newly-changed indication in Taiwan within two (2) years after the issuance of the MA in such foreign country.

Patent Linkage of Drugs

The PAA was amended and published, on January 31, 2018, to include a new mechanism called the "patent linkage of drugs" to facilitate the resolution of patent infringement disputes before generic drug is brought to the market. The mechanism took effect on August 20, 2019.

According to the PAA, the patent listing must be filed by a holder of a market approval for a new drug within forty-five (45) days from the day on which market approval is collected from the TFDA. Patents subject to the patent linkage practice include drug substance patents, composition or formulation patents, and medical use patents. When an abbreviated new drug application (the "ANDA") applicant submits an ANDA application, the ANDA applicant should simultaneously declare one of the following for each of the listed patents listed by the NDA holder:

1. No patent information of said new drug has been listed.

2. The patent corresponding to said new drug has expired.

3. The TFDA will issue the generic drug permit after the patent corresponding to said new drug extinguishes.

4. The patent corresponding to said new drugs shall be revoked, or the patent corresponding to said new drugs will not be infringed by the generic drug subject to the application for the drug permit.

If the ANDA applicant makes a declaration based on the fourth reason above, it shall inform the NDA holder and the TFDA in writing. After a patentee or an exclusive licensee receives the above notification, it can file a patent infringement suit within forty-five (45) days after the receipt of the notification. The TFDA shall stay the issuance of market approval to the ANDA applicant for up to twelve (12) months after the NDA holder, patentee or the exclusive licensee receives the above-mentioned notification and files a patent infringement lawsuit unless there are certain events specified in the PAA.

Provided that the patentee or the exclusive licensee has received a court judgment confirming infringement within the twelve (12)-month staying period, the TFDA will issue a market approval to the ANDA applicant only after the concerned patent has become extinguished. If the filing of a patent infringement suit by a patentee or an exclusive licensee is considered as an improper exercise of the patent right, which has caused injury to the ANDA applicant due to the suspension of issuing a permit, the patentee or the exclusive licensee shall be obliged to compensate the injuries.

The first ANDA holder who successfully defends a patent infringement suit is granted a twelve-month period of marketing exclusivity, during which the TFDA shall not issue a generic MA to other applicants. The generic/biosimilar applicant should launch the generic drug within six (6) months after receipt of the MA.

OVERVIEW

We are a clinical-stage biopharmaceutical company dedicated to the discovery and development of innovative and differentiated small molecule oncology therapies. Since our inception, we have strategically designed and developed a pipeline of 14 candidates focused on oncology, including five candidates at clinical stage.

Our Group was founded by Dr. Xu, chairman of the board, executive Director and CEO, Dr. Yu, executive Director and senior vice president, Chemistry and Dr. Chen, executive Director and senior vice president, Biology. For the biography and industry experience of Dr. Xu, Dr. Yu and Dr. Chen, please refer to the section headed "Directors and Senior Management" in this Prospectus.

KEY MILESTONES

The following sets forth certain key business development milestones of our Group:

Year	Event
April 2016	Abbisko Shanghai was established in the PRC
December 2016	Our onshore series A-1 financing was fully settled which in aggregate raised RMB98,455,500
June 2017	Our onshore series A-2 financing was fully settled which in aggregate raised RMB88,543,750
March 2018	Our Company was incorporated in the Cayman Islands as the holding company in anticipation of the Pre-IPO Investments and the Listing
March 2019	Our series B financing was fully settled which in aggregate raised US$42,000,000
December 2019	Our Company obtained IND approval from the TFDA to conduct the Phase Ia/Ib clinical trial of ABSK011 in Taiwan
January 2020	Our Company commenced Phase Ia clinical trial of ABSK021 in the United States
February 2020	Our Company obtained IND approval from the NMPA to conduct the Phase Ia/Ib clinical trial of ABSK011 in the PRC
March 2020	Our Company commenced Phase Ia clinical trial of ABSK011 in Taiwan

Year	Event
March 2020	Our series C financing was fully settled which in aggregate raised US$70,000,000
September 2020	Our Company obtained IND approval from the TFDA to conduct the Phase I clinical trial of ABSK091 in Taiwan
October 2020	Our Company obtained IND approval from the NMPA to conduct the Phase I clinical trial of ABSK021 in PRC
December 2020	Our Company obtained IND approval from the NMPA to conduct its Phase Ib/II clinical trial of ABSK091 in PRC
January 2021	Our Company commenced Phase I clinical trial of ABSK091 in Taiwan
January 2021	Our series D financing was fully settled which in aggregate raised US$123,000,000

OUR SUBSIDIARIES AND OPERATING ENTITIES

The principal business activities and the dates of incorporation of our subsidiaries during the Track Record Period are shown below:

Name of subsidiary	Place of incorporation	Date of incorporation and commencement of business	Principal business activities
Abbisko Hong Kong	Hong Kong	April 13, 2018	Investment holding
Abbisko Australia	Australia	September 25, 2020	Research and development
Abbisko Shanghai	PRC	April 12, 2016	Research and development
Abbisko Wuxi	PRC	July 28, 2020	Research and development

MAJOR CORPORATE DEVELOPMENT, SHAREHOLDING CHANGES AND REORGANIZATION OF OUR GROUP

Our business operations are primarily conducted through our principal operating subsidiary, Abbisko Shanghai, as well as through Abbisko Wuxi and Abbisko Australia. The following sets forth the major corporate history and shareholding changes of our Company and our major operating subsidiaries.

Abbisko Shanghai

(i) Incorporation and share transfers

Our principal operating subsidiary, Abbisko Shanghai, primarily engages in research and development in areas of biomedical and biotechnology, technical service, technical consultation. It was incorporated in the PRC on April 12, 2016 with an initial registered capital of RMB1,000,000 which was held as to 60% by Xu Jufen (徐菊芬), an employee and Dr. Xu's associate, ("**Xu Jufen**") and 40% by Dr. Yu.

On June 2, 2016, Xu Jufen entered into an equity transfer agreement with Dr. Xu, pursuant to which the entire equity interests in Abbisko Shanghai held by Xu Jufen were transferred to Dr. Xu. On the same day, Dr. Yu entered into an equity transfer agreement with Dr. Xu, Dr. Chen and Shanghai Yishapa Enterprise Management Consulting Partnership (Limited Partnership) (上海易沙帕企業管理諮詢合夥企業(有限合夥)) ("**Shanghai Yishapa**"), pursuant to which Dr. Yu transferred 10.30%, 9.90% and 9.90% of the equity interests of Abbisko Shanghai to Dr. Xu, Dr. Chen and Shanghai Yishapa respectively. The equity transfers were completed on June 28, 2016. Following the transfers, Abbisko Shanghai was held in the following manner:

Name of Shareholder	**Amount of Registered Share Capital Held** *(RMB)*	**Percentage Ownership**
Dr. Xu	702,970	70.30%
Dr. Chen	99,010	9.90%
Dr. Yu	99,010	9.90%
Shanghai Yishapa[(1)]	99,010	9.90%
Total	1,000,000	100%

Note:

1. Shanghai Yishapa is a limited partnership established under the laws of the PRC and Ai Qing is its general partner. Ai Qing and Shanghai Yishapa are Independent Third Parties.

(ii) Onshore Series A Financing

On July 1, 2016, Abbisko Shanghai entered into a capital increase agreement with, amongst others, Suzhou Litai Venture Capital Investment Center (Limited Partnership) (蘇州禮泰創業投資中心(有限合夥)) ("**Suzhou Litai**"), LAV Horizon (Hong Kong) Co., Ltd. ("**LAV Horizon**"), LAV Excel (Hong Kong) Co., Ltd. ("**LAV Excel**"), Shanghai Sinopharm Innovation Equity Investment Fund Partnership (Limited Partnership) (上海國藥創新股權投資基金合夥企業(有限合夥)) ("**Shanghai Sinopharm**"), Shanghai Shengzhong Investment Management Partnership (Limited Partnership) (上海聖眾投資管理合夥企業(有限合夥)) ("**Shanghai Shengzhong**") and Xinjiang Taitong Equity Investment Partnership (Limited Partnership) (新疆泰同股權投資合夥企業(有限合夥)) ("**Xinjiang Taitong**") (collectively, the "**Series A-1 Investors**") as investors, pursuant to which such investors subscribed for additional registered share capital of Abbisko Shanghai in an aggregate amount of RMB980,198, for a total subscription price of RMB98,455,500, which was determined on an arm's-length basis and fully settled on December 31, 2016.

Name of Investor	**Amount of Registered Share Capital Held** *(RMB)*	**Consideration** *(RMB)*
LAV Horizon	257,946	25,909,300
LAV Excel	128,973	12,954,650
Suzhou Litai	103,180	10,363,800
Shanghai Sinopharm	420,547	42,241,634
Xinjiang Taitong	65,347	6,563,700
Shanghai Shengzhong	4,205	422,416
Total	980,198	98,455,500

On February 14, 2017, Abbisko Shanghai entered into a further capital increase agreement with, amongst others, the Series A-1 Investors, Lilly Asia Ventures III Investment (Hong Kong) Co., Limited (previously known as LAV Horizon) ("**Lilly Asia**"), LAV Bio III Investment (Hong Kong) Co., Limited (previously known as LAV Excel) ("**LAV Bio**"), Beijing Hankang Jianxin Venture Capital Co., Ltd. (北京漢康建信創業投資有限公司) ("**Beijing Hankang**") and Shanghai Ruoxiang Investment Management Center (Limited Partnership) (上海若香投資管理中心(有限合夥)) ("**Shanghai Ruoxiang**")) ("**Series A-2 Investors**", together with the Series A-1 Investors, (or their designated entities) "**Series A Investors**") as investors, pursuant to which such investors subscribed for additional registered share capital of Abbisko Shanghai in an aggregate amount of RMB422,075, for a total subscription price of RMB88,543,750, which was determined on an arm's-length basis and fully settled on June 1, 2017.

Name of Investor	Amount of Registered Share Capital Held *(RMB)*	Consideration *(RMB)*
LAV Bio	43,425	9,109,832
Lilly Asia	21,713	4,554,926
Suzhou Litai	17,370	3,643,992
Shanghai Sinopharm	81,691	17,137,376
Shanghai Shengzhong	817	171,374
Xinjiang Taitong	9,534	2,000,000
Beijing Hankang	190,674	40,000,000
Shanghai Ruoxiang	56,851	11,926,250
Total	422,075	88,543,750

For subsequent shareholding changes of Abbisko Shanghai, please refer to the paragraph in this section headed "Reorganization". As a result of the Reorganization, Abbisko Shanghai became a wholly owned subsidiary of Abbisko Hong Kong.

Abbisko Hong Kong

Abbisko Hong Kong was incorporated in Hong Kong on April 13, 2018 with limited liability. Upon its incorporation, 10,000 ordinary shares were allotted and issued to Abbisko Cayman Limited at the subscription price of HK$10,000. As at the Latest Practicable Date, Abbisko Hong Kong is a direct wholly owned subsidiary of our Company and is principally engaged in investment holding and is an intermediate holding company of our Group.

Abbisko Australia

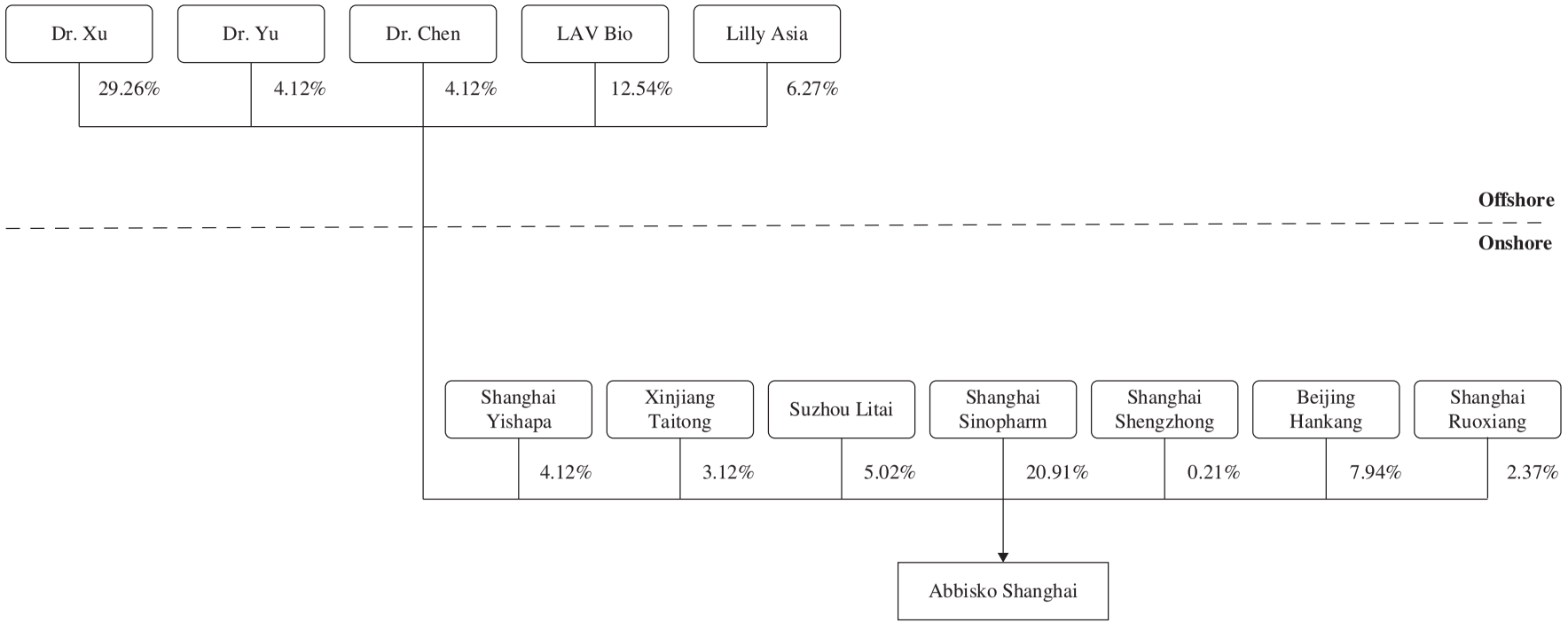
Abbisko Australia was incorporated as a proprietary company limited by shares in Australia on September 25, 2020. Upon its incorporation, 100 ordinary shares were allotted and issued to Abbisko Hong Kong at the subscription price of AUD$100. As at the Latest Practicable Date, Abbisko Australia is primarily engaged in research and development.

Abbisko Wuxi

Abbisko Wuxi was incorporated as a limited liability company in the PRC on July 28, 2020. Abbisko Wuxi had an initial registered capital of US$10,000,000, which was contributed by Abbisko Hong Kong, representing all the equity interests in Abbisko Wuxi. As at the Latest Practicable Date, Abbisko Wuxi is primarily engaged in research and development.

REORGANIZATION

The following chart depicts our shareholding structure immediately prior to the Reorganization:



In anticipation of our Listing, we underwent the following Reorganization steps:

(1) Incorporation of Founder Holdcos

On March 22, 2018, Dr. Xu, Dr. Yu and Dr. Chen (each, a "**Founder**") established Dr. Xu's Holdco, Dr. Yu's Holdco and Dr. Chen's Holdco respectively in the British Virgin Islands (collectively the "**Founder Holdcos**"). The Founder Holdcos are each wholly owned by the respective Founder.

(2) Incorporation of Our Company and Abbisko Hong Kong

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on March 28, 2018. On the incorporation date of our Company, one ordinary share was allotted and issued at par value to our initial subscriber, N.D. Nominees Ltd., which was then transferred to Dr. Chen's Holdco. On the same day, one ordinary share was allotted and issued at par value to Dr. Xu's Holdco and one ordinary share was allotted and issued at par value to Dr. Yu's Holdco.

On April 13, 2018, Abbisko Hong Kong was incorporated in Hong Kong and 10,000 ordinary shares were allotted and issued to the Company on the same day, with a total issued share capital of HK$10,000. As a result, Abbisko Hong Kong became a wholly owned subsidiary of the Company.

(3) Consolidation of Shareholding in Abbisko Shanghai

Between June 28, 2018 and October 22, 2018, Abbisko Hong Kong and each of the then shareholders of Abbisko Shanghai (excluding Suzhou Litai) entered into equity transfer agreements to the effect that Abbisko Hong Kong agreed to purchase all the equity interests held by the then shareholders of Abbisko Shanghai (excluding Suzhou Litai) for an aggregate purchase price of RMB227,829,786. The consideration in relation to the share transfers was determined based on the value of the net assets of Abbisko Shanghai as at April 30, 2018. On January 7, 2019, Abbisko Hong Kong and Suzhou Litai entered into an equity transfer agreement to the effect that Abbisko Hong Kong agreed to purchase all the equity interests held by Suzhou Litai for the purchase price of US$8,032,000. The total considerations were determined on the basis of arm's length negotiations.

Upon completion of the equity transfers, Abbisko Shanghai became a wholly owned subsidiary of Abbisko Hong Kong.

Our PRC Legal Advisor has confirmed that all approvals and filings in relation to the equity transfers in the PRC as described above have been obtained and the procedures involved have been carried out in accordance with the PRC laws and regulations. Our PRC Legal Advisor has further confirmed that the equity transfers in the PRC as described above have been properly and legally completed in accordance with the PRC laws and regulations.

(4) Subscription of Shares in our Company

Prior to the incorporation of our Company on March 28, 2018, the Series A Investors had made investments in Abbisko Shanghai, which were settled on December 31, 2016 and June 1, 2017, respectively. For details of these investments, please refer to the subparagraph headed "Major Corporate Development, Shareholding Changes and Reorganization of our Group – Abbisko Shanghai – (ii) Onshore Series A Financing" in this section.

On June 27, 2018, our Company re-designated the 500,000,000 ordinary shares as 485,975,529 ordinary shares of par value of US$0.0001 each, 9,806,078 Series A-1 Preferred Shares of par value of US$0.0001 each and 4,218,393 Series A-2 Preferred Shares of par value of US$0.0001 each, and our Company allotted and issued 989,736 ordinary shares, 7,029,051 ordinary shares and 989,736 ordinary shares to Dr. Chen's HoldCo, Dr. Xu's HoldCo and Dr. Yu's HoldCo for considerations of RMB5,434,730, RMB38,597,138 and RMB5,434,730, respectively.

Pursuant to option agreements ("**Series A Option Agreements**") entered into among others, the Company and certain of its subsidiaries and the then Series A Investors on June 28, 2018, the Company issued share options to the then Series A Investors or its designated entity to subscribe for a total of 9,806,078 Series A-1 Preferred Shares of the Company and an aggregate of 4,218,393 Series A-2 Preferred Shares. The then Series A Investors or the designated entities of the Series A Investors (excluding Suzhou Litai) exercised their share options under the Series A Option Agreement and the Company issued 8,773,101 Series A-1 Preferred Shares and 4,045,429 Series A-2 Preferred Shares on October 22, 2018. The consideration of the share subscription under the Series A Option Agreement was settled with an amount equivalent to the consideration that the then Series A Investors had received from Abbisko Hong Kong, a wholly-owned subsidiary of the Company, pursuant to equity transfer agreements dated June 28, 2018 and October 22, 2018 as described in the paragraph headed "Major Corporate Development, Shareholding Changes and Reorganization of our Group – Reorganization – (3) Consolidation of Shareholding in Abbisko Shanghai" in this section.

Pursuant to a series B share purchase agreement entered into among others, the Company and LAV Brassicanapus, L.P. ("**LAV Brassicanapus**") on January 7, 2019, the Company issued a total of 1,032,977 Series A-1 Preferred Shares and 172,964 Series A-2 Preferred Shares at a total consideration of US$8,032,000 to LAV Brassicanapus. The consideration of LAV Brassicanapus' subscription of shares under such agreement was settled with an amount equivalent to the consideration that Suzhou Litai received from Abbisko Hong Kong, pursuant to an equity transfer agreement dated January 7, 2019 as described in the paragraph headed "Major Corporate Development, Shareholding Changes and Reorganization of our Group – Reorganization – (3) Consolidation of Shareholding in Abbisko Shanghai" in this section. The ordinary shares and Series A Preferred Shares were issued to the following investors.

Name of Investor	Number of ordinary shares Issued	Consideration *(RMB)*
Dr. Xu's Holdco	7,029,051	38,597,138
Dr. Chen's Holdco	989,736	5,434,730
Dr. Yu's Holdco	989,736	5,434,730
Total	9,008,523 ordinary shares	49,466,598

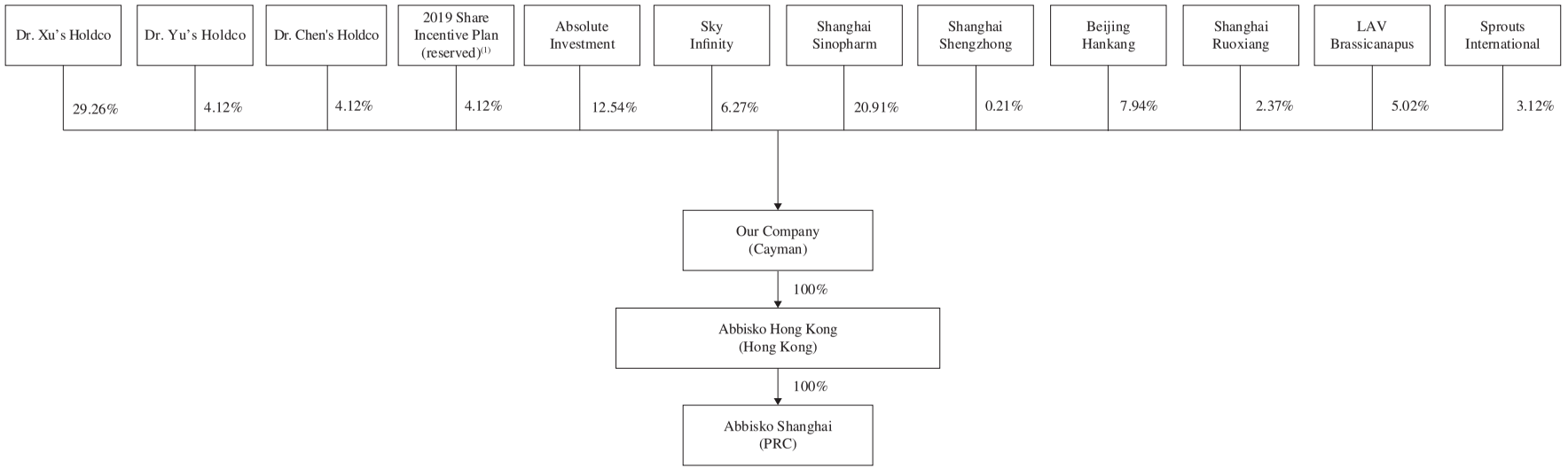
Name of Series A Investor	Number of Series A Preferred Shares Issued	Consideration *(RMB)*
Absolute Investment Limited ("**Absolute Investment**")	2,580,041 Series A-1 Preferred Shares	25,909,300
	432,409 Series A-2 Preferred Shares	9,109,832
Sky Infinity Investment Limited ("**Sky Infinity**")	1,290,021 Series A-1 Preferred Shares	12,954,650
	216,205 Series A-2 Preferred Shares	4,554,926
Shanghai Sinopharm	4,206,380 Series A-1 Preferred Shares	42,241,634
	816,773 Series A-2 Preferred Shares	17,137,376
Shanghai Shengzhong	43,241 Series A-1 Preferred Shares	422,416
	7,207 Series A-2 Preferred Shares	171,374
Sprouts International Holdings Limited ("**Sprouts International**")[(1)]	653,418 Series A-1 Preferred Shares	6,563,700
	96,091 Series A-2 Preferred Shares	2,000,000
Beijing Hankang	1,907,405 Series A-2 Preferred Shares	40,000,000
Shanghai Ruoxiang	569,339 Series A-2 Preferred Shares	11,926,250
Total	12,818,530 Series A Preferred Shares	172,991,458

Name of Investor	Number of Series A Preferred Shares Issued	Consideration *(US$)*
LAV Brassicanapus, L.P.	1,032,977 Series A-1 Preferred Shares	6,880,000
	172,964 Series A-2 Preferred Shares	1,152,000
Total	1,205,941 Series A Preferred Shares	8,032,000

Note:

(1) Sprouts International is the entity designated by Xinjiang Taitong to subscribe for the shares in our Company.

The following chart sets forth the shareholding structure of our Group immediately after the Reorganization:



Note:

(1) Immediately after the Reorganization, 989,736 ordinary shares in the Company were reserved for the 2019 Share Incentive Plan.

ISSUE OF SHARES TO THE ESOP TRUSTEES

Our Company adopted the 2019 Share Incentive Plan on July 4, 2019, which was further amended and approved on January 5, 2021. On December 16, 2019, 910,676 ordinary shares were issued to Affluent Bay Limited, which was owned and managed by The Core Trust Company Limited (匯聚信託有限公司), the trustee of Affluent Bay Trust. Pursuant to the trust deed dated December 16, 2019, the trustee of Affluent Bay Trust shall not exercise the Company's voting powers held by the Affluent Bay Trust. In addition, Dr. Xu is not entitled to exercise the Company's voting powers held by the Affluent Bay Trust. On September 18, 2021, 3,705,480 ordinary shares were issued to Computershare Hong Kong Trustees Limited, the trustee of Abbisko Cayman Limited Trust. On September 18, 2021, 1,909,023 ordinary shares were issued to Abbisko Galaxy Myth Limited and on September 18, 2021, 1,835,101 ordinary shares were issued to Abbisko Glorious Ode Limited, both of which were owned and managed by Futu Trustee Limited, the trustee of Abbisko Galaxy Myth Trust and Abbisko Glorious Ode Trust. The Affluent Bay Trust, Abbisko Cayman Limited Trust, Abbisko Galaxy Myth Trust and Abbisko Glorious Ode Trust are all trusts set up by the Company to facilitate the administration of the 2019 Share Incentive Plan.

RECLASSIFICATION, REDESIGNATION AND SHARE SUBDIVISION

On September 16, 2021, our shareholders resolved, among other things, that subject to the Global Offering becoming unconditional, (i) all the ordinary shares with a par value of US$0.0001 each and the Preferred Shares be re-classified and re-designated as ordinary shares with a par value of US$0.0001 each on a one-for-one basis and (ii) each ordinary share in the then authorised share capital of the Company with a par value of US$0.0001 each (whether issued or unissued) will be subdivided into ten Shares with a par value of US$0.00001.

REASONS FOR THE LISTING

Our Board is of the view that the net proceeds of approximately HK$1,585.1 million from the Global Offering, after deducting the underwriting commissions and other estimated offering expenses payable by us, and assuming the initial Offer Price of HK$12.31 per Share, being the mid-point of the indicative Offer Price range set forth on the cover page of this Prospectus, and assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme, will provide us with the necessary funding for us to increase market penetration of our pipeline products as disclosed in the section headed "Business – Our Strategies" in this Prospectus.

PRE-IPO INVESTMENTS

(1) Overview

Our Company underwent several rounds of Pre-IPO Investments. The determination for the consideration for each round of the Pre-IPO Investments was based on arm's length negotiations between our Company and the relevant Pre-IPO Investors after taking into account the timing of the investments and the status of our business and operating entities at the relevant time. In connection with the Pre-IPO Investments, the Pre-IPO Investors entered into the relevant share subscription agreements at the time of their respective investments.

(2) Series A Financing

For details of the Series A financing in Abbisko Shanghai, please refer to the sub-section headed "Major Corporate Development, Shareholding Changes and Reorganization of our Group – Abbisko Shanghai – (ii) Onshore Series A Financing" in this section.

Pursuant to a share purchase agreement dated May 8, 2020, Shanghai Sinopharm transferred 1,025,048 Series A-1 and 224,422 Series A-2 Preferred Shares to CICC Biomedical Fund and 783,860 Series A-1 and 171,617 Series A-2 Preferred Shares to Shenzhen Zhongshenxinchuang Investment Partnership (L.P.) (深圳中深新創股權投資合夥企業(有限合夥)) ("**Zhongshen**") and Shanghai Shengzhong transferred 10,250 Series A-1 and 2,244 Series A-2 Preferred Shares to CICC Biomedical Fund and 7,839 Series A-1 and 1,716 Series A-2 Preferred Shares to Zhongshenxinchuang for a total consideration of US$15,000,000. The transfer was completed on July 7, 2020.

(3) Series B Financing

Pursuant to a series B share purchase agreement and other relevant documents entered into among others, the Company and certain of its subsidiaries, and the Series B Investors on January 7, 2019, the Company issued a total of 6,305,966 Series B Preferred Shares at a purchase price of approximately US$6.66 per share for a total consideration of US$42,000,000. Pursuant to the same agreement, the Company also issued a total of 1,032,977 Series A-1 Preferred Shares and 172,964 Series A-2 Preferred Shares at a purchase price of approximately US$6.66 per share for a total consideration of US$8,032,000, which was fully settled on March 12, 2019.

Name of Investor	Number of Series A Preferred Shares Issued	Consideration *(US$)*
LAV Brassicanapus, L.P.	1,032,977 Series A-1 Preferred Shares	6,880,000
	172,964 Series A-2 Preferred Shares	1,152,000
Total	1,205,941 Series A Preferred Shares	8,032,000

Name of Series B Investor	Number of Series B Preferred Shares Issued	Consideration *(US$)*
Qiming Venture Partners VI, L.P.	2,193,118	14,606,955
Qiming Managing Directors Fund VI, L.P.	59,013	393,045
Golden Valley Global Limited	450,426	3,000,000
CICC Glory Biopharma Limited	750,710	5,000,000
Tetrad Ventures Pte Ltd	2,252,131	15,000,000
Sky Infinity	150,142	1,000,000
Absolute Investment	300,284	2,000,000
Sprouts International	150,142	1,000,000
Total	6,305,966 Series B Preferred Shares	42,000,000

(4) Series C Financing

Pursuant to a series C share purchase agreement entered into among others, the Company and certain of its subsidiaries, and the Series C Investors on February 11, 2020 ("**Series C Share Purchase Agreement**") and a series C share subscription agreement ("**Series C Share Subscription Agreement**") dated March 20, 2020 entered into among others, the Company and certain of its subsidiaries, and certain of the Series C Investors, the Company issued 8,462,592 Series C Preferred Shares at a purchase price of approximately US$7.09 per share for a total consideration of US$60,000,000 under the Series C Share Purchase Agreement and 1,410,432 Series C Preferred Shares at a purchase price of approximately US$7.09 per share for a total consideration of US$10,000,000 under the Series C Share Subscription Agreement. The considerations were fully settled on March 25, 2020.

Name of Series C Investor	Number of Series C Preferred Shares Issued	Consideration *(US$)*
Elbrus Investments Pte. Ltd.	4,231,296	30,000,000
Sky Infinity	58,768	416,667
Absolute Investment	117,536	833,333
LAV Biosciences Fund V, L.P.	564,173	4,000,000
Qiming Venture Partners VI, L.P.	2,334,906	16,554,549
Qiming Managing Directors Fund VI, L.P.	62,828	445,451
Tetrad Ventures	916,781	6,500,000
Golden Valley Global Limited	141,043	1,000,000
CICC Private Investment Holding Co. Limited(1)	211,565	1,500,000
United Bioscience Fund L.P.(2)	1,234,128	8,750,000
Total	9,873,024 Series C Preferred Shares	70,000,000

Notes:

(1) On September 18, 2020, CICC Private Investment Holding Co. Limited transferred 211,565 Series C Preferred Shares to its affiliate CICC Biomedical.

(2) On January 5, 2021, United Bioscience Fund L.P. transferred 1,198,867 Series C Preferred Shares to its affiliate Hankang Biotech Fund I, L.P. at the original purchase price. The consideration was fully settled on January 5, 2021 and the transfer was completed on the same day.

On January 5, 2021, United Bioscience Fund L.P. transferred 35,261 Series C Preferred Shares to its affiliate Hankang Capital Management Limited at the original purchase price. The consideration was fully settled on January 5, 2021 and the transfer was completed on the same day.

(5) Series D Financing

Pursuant to a series D share purchase agreement entered into among others, the Company and certain of its subsidiaries, and the Series D Investors on December 23, 2020, the Company issued a total of 8,600,768 Series D Preferred Shares to the following investors at a purchase price of approximately US$14.301049 per share for a total consideration of US$123,000,000, which was fully settled on January 29, 2021.

Name of Series D Investor	Number of Series D Preferred Shares Issued	Consideration *(US$)*
CG Halcyon Investments (formerly known as Carlyle Growth Investments II) ("**Carlyle**")	1,748,123	25,000,000
Epsomite Gem Investments Ltd	1,048,874	15,000,000
LBC Sunshine Healthcare Fund L.P.	699,249	10,000,000
Worldwide Healthcare Trust Plc	454,512	6,500,000
OrbiMed Genesis Master Fund, L.P.	174,812	2,500,000
OrbiMed New Horizons Master Fund, L.P.	69,925	1,000,000
CICC Private Investment Holding Co. Limited[(1)]	699,249	10,000,000
Sage Partners Master Fund	349,625	5,000,000
Poly Platinum Enterprises Limited	209,775	3,000,000
Janchor Partners Pan-Asian Master Fund	349,625	5,000,000
Shanghai Healthcare Capital Partnership (Limited Partnership) (上海生物醫藥產業股權投資基金合夥企業(有限合夥)) ("**Shanghai Healthcare Capital**")	209,775	3,000,000
LAV Biosciences Fund V, L.P.	559,400	8,000,000
CICC Biomedical Fund L.P. (中金啟德(廈門)創新生物醫藥股權投資基金合夥企業(有限合夥)	139,850	2,000,000
Qiming Venture Partners VI, L.P.	204,278	2,921,391
Qiming Managing Directors Fund VI, L.P.	5,497	78,609
Elbrus Investments	419,550	6,000,000
Hankang Biotech Fund II, L.P.	209,775	3,000,000
Other investors		
Total	8,600,768 Series D Preferred Shares	123,000,000

Note:

(1) On March 25, 2021, CICC Private Investment Holding Co. Limited transferred 699,249 Series D Preferred Shares to its affiliate Wuxi AstraZeneca-CICC Venture Capital. The consideration was fully settled on March 25, 2021 and the transfer was duly completed on the same day.

(6) Capitalization of the Company

The below table is a summary of the capitalization of the Company:

	As at the Latest Practicable Date[1]							As at the Listing Date[2]	
Shareholders	Ordinary Shares	Series A-1 Preferred Shares	Series A-2 Preferred Shares	Series B Preferred Shares	Series C Preferred Shares	Series D Preferred Shares	Aggregate ownership percentage	Aggregate number of shares	Ownership percentage
Yaochang Family Holding Limited[3]	7,029,052	–	–	–	–	–	12.51%	70,290,520	10.01%
Chogir Limited[4]	494,869	–	–	–	–	–	0.88%	4,948,690	0.70%
Jamdrok Limited[4]	494,868	–	–	–	–	–	0.88%	4,948,680	0.70%
Dr. Yu's Holdco[5]	989,737	–	–	–	–	–	1.76%	9,897,370	1.41%
Affluent Bay Limited[6]	910,676	–	–	–	–	–	1.62%	9,106,760	1.30%
Computershare Hong Kong Trustees Limited[6]	3,705,480	–	–	–	–	–	6.60%	37,054,800	5.27%
Abbisko Galaxy Myth Limited[6]	1,909,023	–	–	–	–	–	3.40%	19,090,230	2.72%
Abbisko Glorious Ode Limited[6]	1,835,101	–	–	–	–	–	3.27%	18,351,010	2.61%
Absolute Investment[7]	–	2,580,041	432,409	300,284	117,536	–	6.11%	34,302,700	4.88%
Sky Infinity[7]	–	1,290,021	216,205	150,142	58,768	–	3.05%	17,151,360	2.44%
LAV Biosciences Fund V, L.P.[7] ("**LAV Biosciences V**", together with Absolute Investment and Sky Infinity, "**LAV Entities**")	–	–	–	–	564,173	559,400	2.00%	11,235,730	1.60%
LAV Brassicanapus, L.P.	–	1,032,977	172,964	–	–	–	2.15%	12,059,410	1.72%
Sprouts International	–	653,418	96,091	150,142	–	–	1.60%	8,996,510	1.28%
Shanghai Sinopharm[8]	–	2,397,472	420,734	–	–	–	5.02%	28,182,060	4.01%
Shanghai Shengzhong[8] ("**Shengzhong Investment**", together with Shanghai Sinopharm, collectively "**Sinopharm**")	–	25,152	3,247	–	–	–	0.05%	283,990	0.04%
Beijing Hankang	–	–	1,907,405	–	–	–	3.40%	19,074,050	2.72%
Shanghai Ruoxiang	–	–	569,339	–	–	–	1.01%	5,693,390	0.81%
Hankang Biotech Fund I, L.P.	–	–	–	–	1,198,867	–	2.13%	11,988,670	1.71%
Hankang Capital Management Limited	–	–	–	–	35,261	–	0.06%	352,610	0.05%
Hankang Biotech Fund II, L.P.	–	–	–	–	–	209,775	0.37%	2,097,750	0.30%
Qiming Venture Partners VI, L.P.[9] ("**Qiming Venture**")	–	–	–	2,193,118	2,334,906	204,278	8.42%	47,323,020	6.74%
Qiming Managing Directors Fund VI, L.P.[9] ("**Qiming Managing**", together with Qiming Venture, "**Qiming Ventures Entities**")	–	–	–	59,013	62,828	5,497	0.23%	1,273,380	0.18%
Golden Valley Global Limited	–	–	–	450,426	141,043	–	1.05%	5,914,690	0.84%
Tetrad Ventures	–	–	–	2,252,131	916,781	–	5.64%	31,689,120	4.51%

	As at the Latest Practicable Date[1]							As at the Listing Date[2]	
Shareholders	Ordinary Shares	Series A-1 Preferred Shares	Series A-2 Preferred Shares	Series B Preferred Shares	Series C Preferred Shares	Series D Preferred Shares	Aggregate ownership percentage	Aggregate number of shares	Ownership percentage
CICC Glory Biopharma Limited[10] ("**CICC Glory**")	–	–	–	750,710	–	–	1.34%	7,507,100	1.07%
CICC Biomedical Fund[10] ("**CICC Biomedical**")	–	1,035,298	226,666	–	211,565	139,850	2.87%	16,133,790	2.30%
Wuxi AstraZeneca-CICC Venture Capital Partnership (Limited Partnership)[10] ("**AZ CICC**")	–	–	–	–	–	699,249	1.24%	6,992,490	1.00%
Shenzhen Zhongshenxinchuang Investment Partnership (L.P.) (深圳中深新創股權投資合夥企業(有限合夥)) ("**Zhongshen**")	–	791,699	173,333	–	–	–	1.72%	9,650,320	1.37%
Elbrus Investments	–	–	–	–	4,231,296	419,550	8.28%	46,508,460	6.62%
CG Halcyon Investments	–	–	–	–	–	1,748,123	3.11%	17,481,230	2.49%
Epsomite Gem Investments Ltd	–	–	–	–	–	1,048,874	1.87%	10,488,740	1.49%
LBC Sunshine Healthcare Fund L.P.	–	–	–	–	–	699,249	1.24%	6,992,490	1.00%
Worldwide Healthcare Trust Plc[11]	–	–	–	–	–	454,512	0.81%	4,545,120	0.65%
OrbiMed Genesis Master Fund, L.P.[11]	–	–	–	–	–	174,812	0.31%	1,748,120	0.25%
OrbiMed New Horizons Master Fund, L.P.[11]	–	–	–	–	–	69,925	0.12%	699,250	0.10%
Janchor Partners Pan-Asian Master Fund	–	–	–	–	–	349,625	0.62%	3,496,250	0.50%
Sage Partners Master Fund	–	–	–	–	–	349,625	0.62%	3,496,250	0.50%
Poly Platinum Enterprises Limited	–	–	–	–	–	209,775	0.37%	2,097,750	0.30%
Shanghai Healthcare Capital	–	–	–	–	–	209,775	0.37%	2,097,750	0.30%
Others[12]	–	–	–	–	–	1,048,874	1.87%	10,488,740	1.49%
Investors taking part in the Global Offering[13]	–	–	–	–	–	–	–	140,736,000	20.03%
Total	17,368,806	9,806,078	4,218,393	6,305,966	9,873,024	8,600,768	100%	702,466,350	100%

Notes:

1. Based on the assumption that each of the Preferred Shares will be converted into Shares on a one-to-one basis by way of re-designation to Shares upon the Global Offering becoming unconditional.

2. Calculated after taking into account the Shares to be issued to the ESOP Trustees before Listing, the Share Subdivision and the Shares to be issued pursuant to the Global Offering, assuming that the Over-allotment Option is not exercised.

3. Dr. Xu is the settlor of a discretionary trust, the Xu Family Trust, of which Trident Trust Company (HK) Limited acts as its trustee and the beneficiaries of which are Dr. Xu's family members. Yaochang Family Holding Limited is wholly owned by Hery International Development Limited, which is in turn wholly owned by Trident Trust Company (HK) Limited as the trustee of the Xu Family Trust. Dr. Xu (as settlor of the Xu Family Trust), Trident Trust Company (HK) Limited and Hery International Development Limited are deemed to be interested in the 7,029,052 ordinary shares in the Company held by Yaochang Family Holding Limited.

   Prior to May 18, 2021, 7,029,052 ordinary shares in the Company were held by Dr. Xu's Holdco, a company indirectly wholly owned by Dr. Xu. On May 18, 2021, the ordinary shares held by Dr. Xu's Holdco were cancelled and the same number of ordinary shares were issued to Yaochang Family Holding Limited.

4. Dr. Chen is the settlor of a discretionary trust, the Zabuye Trust, of which Trident Trust Company (HK) Limited acts as its trustee and the beneficiaries of which are Dr. Chen's family members. Chogir Limited is wholly owned by Zabuye Limited, which in turn is wholly owned by Trident Trust Company (HK) Limited as the trustee of the Zabuye Trust. Jamdrok Limited is wholly owned by Dr. Chen. Dr. Chen (as the settlor of the Zabuye Trust), Trident Trust Company (HK) Limited and Zabuye Limited are deemed to be interested in the 494,869 shares in the Company held by Chogir Limited. Dr. Chen is also deemed to be interested in the 494,868 shares in the Company held by Jamdrok Limited.

   Prior to May 18, 2021, 989,737 shares in the Company were held by Dr. Chen's Holdco ANJA Holding Limited, a company wholly owned by Dr. Chen. On May 18, 2021, the 989,737 shares held by Dr. Chen's Holdco ANJA Holding Limited were cancelled and 494,869 and 494,868 shares in the Company were issued to Chogir Limited and Jamdrok Limited respectively.

5. As of the Latest Practicable Date, Dr. Yu indirectly held 989,737 ordinary shares through his interest in his wholly-owned corporation Dr. Yu's Holdco.

6. The Affluent Bay Trust, Abbisko Cayman Limited Trust, Abbisko Galaxy Myth Trust and Abbisko Glorious Ode Trust are all trusts set up by the Company to facilitate the administration of the 2019 Share Incentive Plan. Affluent Bay Limited is owned and managed by The Core Trust Company Limited (匯聚信託有限公司), the trustee of Affluent Bay Trust. On September 18, 2021, 3,705,480 ordinary shares were issued to Computershare Hong Kong Trustees Limited, the trustee of Abbisko Cayman Limited Trust. On September 18, 2021, 1,909,023 ordinary shares were issued to Abbisko Galaxy Myth limited and on September 18, 2021, 1,835,101 ordinary shares were issued to Abbisko Glorious Ode Limited, both of which were owned and managed by Futu Trustee Limited, the trustee of Abbisko Galaxy Myth Trust and Abbisko Glorious Ode Trust. For details of the 2019 Share Incentive Plan, see "Statutory and General Information – D. 2019 Share Incentive Plan" in Appendix IV to this Prospectus.

7. Absolute Investment is a limited liability company incorporated in the British Virgin Islands and is wholly-owned by LAV Biosciences Fund III, L.P., which is a Cayman exempted limited partnership fund. Sky Infinity is a limited company incorporated in the British Virgin Islands and is wholly-owned by Lilly Asia Ventures Fund III, L.P., which is a Cayman exempted limited partnership fund. The general partner of both LAV Biosciences Fund III, L.P. and Lilly Asia Ventures Fund III, L.P. is LAV GP III, L.P., whose general partner is LAV Corporate GP, Ltd., a Cayman company owned by Yi Shi. LAV Biosciences Fund V, L.P is a Cayman exempted limited partnership fund. The general partner of LAV Biosciences Fund V, L.P is LAV GP V, L.P., whose general partner is LAV Corporate V GP, Ltd, a Cayman company owned by Yi Shi.

8. Shanghai Shengzhong is a limited partnership incorporated in the PRC whose general partner is Wu Aimin, an independent third party. Shanghai Sinopharm is a limited partnership incorporated in the PRC with Shanghai Sinopharm Innovation Investment Management Co., Ltd. as its general partner, who is in turn owned as to 35% and 35% by Sinopharm Capital Management Co., Ltd. ("**Sinopharm Capital**") and Yingfutaike Venture Capital Co., Ltd.. Sinopharm Capital is owned as to 65% by Shanghai Shenghui Investment Management Partnership (Limited Partnership), which is owned as to 95% by Wu Aimin.

9. Each of Qiming Venture and Qiming Managing is an exempted limited partnership registered in the Cayman Islands managed and controlled by its ultimate general partner Qiming Corporate GP VI, Ltd, an exempted company incorporated in the Cayman Islands.

10. CICC Glory is a company incorporated in the Cayman Islands wholly owned by CICC Biopharma Fund L.P., whose general partner is CICC Biopharma GP Limited, which is in turn wholly owned by CICC Private Investment Holding Co. Limited, which is wholly owned by CICC Capital (Cayman) Limited, which is wholly owned by China International Capital Corporation (Hong Kong) Limited, which is a wholly owned subsidiary of China International Capital Corporation Limited, a company listed on the Stock Exchange (stock code: 3908) and Shanghai Stock Exchange (stock code: 601995).

    AZ CICC is a limited partnership incorporated in the PRC whose general partners are AstraZeneca Business Consulting (Wuxi) Co., Ltd. (阿斯利康商務諮詢(無錫)有限公司) and CICC Capital Management Co., Ltd. (中金資本運營有限公司). CICC Biomedical is managed by its general partner CICC Capital Management Co., Ltd., which is wholly owned by China International Capital Corporation Limited.

11. OrbiMed Genesis Master Fund, L.P. and OrbiMed New Horizons Master Fund, L.P. are exempted limited partnerships incorporated under the laws of the Cayman Islands. They are pooled-investment funds with OrbiMed Advisors LLC acting as the Investment Manager, which exercises voting and investment power through a management committee comprises Carl L. Gordon, Sven H. Borho, and Jonathan T. Silverstein. Worldwide Healthcare Trust PLC is a publicly listed trust managed by OrbiMed Capital LLC, which exercises voting and investment power through a management committee comprises Carl L. Gordon, Sven H. Borho, and Jonathan T. Silverstein.

12. BlackRock Health Sciences Master Unit Trust and BlackRock Health Sciences Trust II are managed by investment subsidiaries of BlackRock, Inc., which is listed on the New York Stock Exchange (NYSE: BLK).

13. This includes 7 existing Shareholders or their respective close associates who participate in the Global Offering. For further details, please refer to the sections headed "Waivers from strict compliance with the Listing Rules and exemptions from strict compliance with the Companies (Winding Up And Miscellaneous Provisions) Ordinance - Cornerstone Subscription By Existing Shareholders and their close associates" and "Cornerstone Investors" in this Prospectus.

(7) Principal terms of the Pre-IPO Investments and Pre-IPO Investors' rights

The below table summarizes the principal terms of the Pre-IPO Investments:

	Series A-1	Series A-2	Series B	Series C	Series D
Cost per Preferred Share paid (approximation)	Approximately RMB10.04[(1)]	Approximately RMB21.07[(1)]	Approximately US$6.66	Approximately US$7.09	Approximately US$14.30
Date of the agreement	July 1, 2016	February 14, 2017	January 7, 2019	February 11, 2020 March 20, 2020	December 23, 2020
Funds raised by the Group (approximation)	RMB98,455,500	RMB88,543,750	US$42,000,000	US$70,000,000	US$123,000,000
Corresponding valuation of the Company (approximation)[(2)]	US$30,000,000	US$72,788,871	US$202,000,000[(4)]	US$292,000,000[(5)]	US$723,000,000[(6)]

(The increase in the proposed initial public offering valuation from the valuation after Series D financing (ranging from 52% (based on an offer price of HK$12.16 per Share) to 57% (based on an offer price of HK$12.46 per Share)) is mainly due to major progress in the research and development of ABSK011 and ABSK091, namely (i) the completion of Phase I clinical trial of ABSK091 in Taiwan in February 2021; (ii) the initiation of Phase Ib clinical trial of ABSK011 in PRC with first patient enrolled in June 2021; and (iii) we have expanded our drug candidates pipeline from 12 candidates in December 2020 to 14 candidates.)

	Series A-1	Series A-2	Series B	Series C	Series D
Date on which investment was fully settled	December 31, 2016	June 1, 2017	March 12, 2019	March 25, 2020	January 29, 2021
Discount to the Offer Price[3][7]	90.11%	79.24%	58.02%	55.31%	9.86%
Lock-up Period	Whilst the Pre-IPO Investors are not subject to any lock-up arrangement at the time of Listing pursuant to the relevant agreements in relation to the Pre-IPO Investments, lock-up undertakings have been given to the Company and/or Underwriters, pursuant to which each Pre-IPO Investor has agreed that, subject to the terms of such lock-up undertakings, it will not, whether directly or indirectly, at any time during the period of six months from the Listing Date dispose of any of the Shares held by such Pre-IPO Investor. For further information about lock-up arrangements by the Pre-IPO Investors, please refer to the section headed "Underwriting – Underwriting Arrangements and Expenses – Undertakings pursuant to the Listing Rules and the Hong Kong Underwriting Agreement – Undertakings by Existing Shareholders" in this prospectus.				
Use of Proceeds from the Pre-IPO Investments	The proceeds received from the sale and issuance of the Series A Preferred Shares, Series B Preferred Shares, Series C Preferred Shares and Series D Preferred Shares shall be used for the development and commercialization of innovative molecular targeted and small molecule immuno-oncology therapies. As of the Latest Practicable Date, approximately 30% of the net proceeds from the Pre-IPO Investments had been utilized by our Group.				
Strategic benefits the Pre-IPO Investors brought to our Company	At the time of the Pre-IPO Investments, our Directors were of the view that our Company could benefit from the additional capital that would be provided by the Pre-IPO Investors' investments in our Company and the Pre-IPO Investors' knowledge and experience.				

Notes:

1. Save for the 1,032,977 Series A-1 Preferred Shares and 172,964 Series A-2 Preferred Shares issued at a purchase price of approximately US$6.66 per share for a total consideration of US$8,032,000 to LAV Brassicanapus, L.P. pursuant to the series B share purchase agreement.

2. The valuation of the Company at each series of Pre-IPO Investment is calculated on the basis of (x) the gross amount of the funds raised by the Company in the corresponding round of Pre-IPO Investments, divided by (y) the number of Preferred Shares of the corresponding series issued as a percentage of the sum of the then enlarged total issued share capital of the Company.

3. The valuation of our Company increased between Series A-1 to Series A-2 financing primarily due to research and development potential, namely that the first compound of the ABSK011/FGFR4 program was synthesized in or around July 2016, the launch of ABSK011 *in-vivo studies* in or around January 2017.

4. The valuation of our Company increased between Series A-2 to Series B financing primarily due to fundamental in-house research and development progress, namely that the preclinical candidate compound of each of ABSK011 and ABSK021 has been selected and members of the research and development team of the Company reaching approximately 70 members.

5. The valuation of our Company increased between Series B to Series C financing primarily due to preliminary build-up of comprehensive pipeline of our drug candidates, namely (i) the Company has obtained the IND approval from FDA to conduct Phase I clinical trial of ABSK021 in the U.S. in August 2019 and (ii) the IND approval from NMPA to conduct Phase Ib clinical trial of ABSK011 in mainland China in February 2020.

6. The valuation of our Company increased between Series C to Series D financing primarily due to major progress in both early discovery and clinical studies, namely that (i) the Company has received IND approval from NMPA to conduct the Phase Ib clinical trial for ABSK011 in February 2020; (ii) the initiation of Phase Ia clinical trial of ABSK011 in or around March 2020; (iii) the Company has received IND approval from the TFDA to conduct Phase I clinical trial of ABSK091 in Taiwan in September 2020 and received IND approval from NMPA to conduct its Phase Ib/II clinical trial of ABSK091 in mainland China in December 2020; (iv) the Company has received IND approval from the NMPA to conduct Phase I clinical trial of ABSK021 in mainland China in October 2020.

7. The discount to the Offer Price is calculated based on the assumption that the Offer Price is HK$12.31 per Share, being the mid-point of the indicative Offer Price range of HK$12.16 to HK$12.46, assuming the conversion of each of the Preferred Shares into Shares on a one-to-one basis and the Share Subdivision have completed prior to Listing.

(8) Special Rights of the Pre-IPO Investors

Our Company, Dr. Xu, Dr. Chen, Dr. Yu and the Pre-IPO Investors entered into shareholders' agreement on January 5, 2021 and subsequently entered into an amendment to shareholders' agreement on June 3, 2021. (the "**Shareholders Agreement**"), pursuant to which certain shareholder rights were agreed among the parties.

Pursuant to the Shareholders Agreement, the Pre-IPO Investors were granted certain special rights, including but not limited to (i) the right to have access to financial information and inspect the properties, books of account and records of the Company; (ii) the right of first refusal; (iii) the co-sale right; (iv) protective provisions according to which certain acts of the Company require the prior written approval of a majority of the Pre-IPO Investors; (v) right to appoint Directors; (vi) redemption rights; and (vii) anti-dilution rights.

All the above shareholder rights granted under the Shareholders Agreement will be qualified by the Company's compliance with all applicable rules and regulations. Other than the redemption rights and anti-dilution rights detailed below, all the above special rights will be terminated upon the completion of the Listing, which constitutes a qualified public offering, automatically as provided under the Shareholders Agreement. The redemption rights under the Shareholders Agreement will cease to be exercisable one day immediately before the Company's submission of our application for the Listing of our Shares on the Stock Exchange (the "**Submission**") and shall resume to be exercisable upon the earliest of the withdrawal of the Listing application by our Company or, the rejection of the Listing application by the Stock Exchange or the expiry of 6 months from the date of first filing of the Listing application by the Company if no qualified public offering has been consummated by then (or such later date as the holders of the Preferred Shares then outstanding and the Company agree in writing). For the purpose of the Shareholders Agreement, "qualified public offering" means the first firm-commitment underwritten initial public offering of the ordinary shares or depositary receipts or other instruments representing ordinary shares by the Company on an internationally recognized stock exchange (over-the-counter market excluded), including the

Hong Kong Stock Exchange, the New York Stock Exchange and NASDAQ, pursuant to an effective registration statement under the United States Securities Act of 1933 or other applicable laws, and the per share offer price in such public offering shall be no less than 120% of the applicable issue price (calculated on an as converted basis) of each Series D Preferred Share (as properly adjusted for share split, share combination, share dividends and other similar events). On September 16, 2021, the Shareholders of our Company have passed written resolutions which amongst others, each Shareholder agrees to waive the pre-money valuation requirements with respect to a "Qualified IPO" under the Articles and our Company's Series D shareholders' agreement entered into between our Company and its Shareholders and that the Global Offering constitutes a "Qualified IPO". If the Global Offering and the Listing fail to complete, the waiver shall be revoked automatically and the original pre-money valuation requirements with respect to a "Qualified IPO" shall be reinstated and continue to apply to any subsequent initial public offering by our Company which is proposed as a Qualified IPO.

In addition, under the Shareholders Agreement, each of Sinopharm Entities, LAV Entities, Qiming Venture Entities, GIC, CICC, Elbrus Investments, Carlyle, Warburg Pincus, BlackRock, LBC, SAGE, OrbiMed, Janchor, GBA, SHC and Hankang US shall have the anti-dilution option to purchase and subscribe for additional Shares at the Offer Price offered in the Global Offering to maintain its ownership interest percentage in the Company immediate prior to the consummation of the Global Offering.

(9) Information about the Pre-IPO Investors

Our Pre-IPO Investors include Sophisticated Investors who made meaningful investments in the Company, namely: LAV, Sinopharm Capital and Qiming Ventures Entities. The background information of our major Pre-IPO Investors is set out below.

1. Lilly Asia Ventures (LAV)

Absolute Investment is a limited company incorporated in the British Virgin Islands and is wholly-owned by LAV Biosciences Fund III, L.P., which is a Cayman exempted limited partnership fund. Sky Infinity is a limited company incorporated in the British Virgin Islands and is wholly-owned by Lilly Asia Ventures Fund III, L.P., which is a Cayman exempted limited partnership fund. The general partner of both LAV Biosciences Fund III, L.P. and Lilly Asia Ventures Fund III, L.P. is LAV GP III, L.P., whose general partner is LAV Corporate GP, Ltd., a Cayman company owned by an individual.

LAV Biosciences V is a Cayman exempted limited partnership fund. The general partner of LAV Biosciences V is LAV GP V, L.P., whose general partner is LAV Corporate V GP, Ltd, a Cayman company owned by an individual.

LAV Biosciences Fund III, L.P., Lilly Asia Ventures Fund III, L.P. and LAV Biosciences V are the investment arms of LAV Group ("LAV"). According to LAV, it is a leading Asia-based life science investment firm with portfolios covering all major sectors of the biomedical and healthcare industry including biopharmaceuticals, medical devices, diagnostics and healthcare services. LAV is managed by a team of professionals with substantial biomedical domain expertise, as well as extensive investing experiences. LAV has invested in multiple biotech companies including CanSino Biologics Inc. (HKSE: 6185), Jacobio Pharmaceuticals Group Co., Ltd. (HKSE: 1167), RemeGen Co., Ltd (HKSE: 9995) and New Horizon Health (HKSE: 6606). LAV is a Sophisticated Investor which has made meaningful investment in the Company more than six months before the Listing Date for the purpose of paragraph 3.2(g) of Guidance Letter HKEX-GL92-18 issued by the Stock Exchange.

2. Sinopharm

Shanghai Shengzhong is a limited partnership incorporated in the PRC whose general partner is a former non-executive Director of the Company. Shanghai Sinopharm is a limited partnership incorporated in the PRC with Shanghai Sinopharm Innovation Investment Management Co., Ltd. as its general partner, who is in turn owned as to 35% and 35% by Sinopharm Capital Co., Ltd. ("**Sinopharm Capital**") and Yingfutaike Venture Capital Co., Ltd.. Sinopharm Capital is owned as to 65% by Shanghai Shenghui Investment Management Partnership (Limited Partnership), which is owned as to 95% by a former non-executive Director of the Company. To the best of our Directors' knowledge, information and belief, each of Shanghai Sinopharm, its general partner and limited partners and its ultimate beneficial owner is an Independent Third Party. According to Sinopharm Capital, it is a leading China healthcare venture capital firm with over RMB6 billion of assets under management. It focuses on domestic enterprises in the medical and health care sectors, including but not limited to early research and development projects. Its portfolio companies include but are not limited to Eyebright Medical Technology (Beijing) Co., Ltd. (SHA: 688050) and Shenzhen YHLO Biotech Co., Ltd. (SHA: 688575). Sinopharm Capital is a Sophisticated Investor which has made meaningful investment in the Company more than six months before the Listing Date for the purpose of paragraph 3.2(g) of Guidance Letter HKEX-GL92-18 issued by the Stock Exchange.

3. Qiming Ventures Entities

Qiming Venture Partners VI, L.P. and Qiming Managing Directors Fund VI, L.P. are Sophisticated Investors which have made meaningful investment in the Company more than six months before the Listing Date for the purpose of paragraph 3.2(g) of Guidance Letter HKEX-GL92-18 issued by the Stock Exchange. They are venture capital funds which are operated under Qiming Venture Partners and registered as exempted limited partnerships in the Cayman Islands, focusing on investments in companies in the telecommunication, media and technology (TMT) and healthcare sectors across China. To the best of our Directors' knowledge, information and belief, each of Qiming Venture Partners VI, L.P. and Qiming Managing Directors Fund VI, L.P, their respective general partners and limited partners is an Independent Third Party. Qiming GP VI, L.P. is the general partner of Qiming Venture Partners VI, L.P, whereas Qiming Corporate GP VI, Ltd. is the general partner of both Qiming GP VI, L.P. and Qiming Managing Directors Fund VI, L.P..

Qiming Venture Partners is a leading venture capital firm with over US$5.9 billion of assets under management, and its portfolio companies include some of today's most influential brands in their respective sectors, such as Xiaomi Corporation (stock code: 1810), Meituan (stock code: 3690), Beijing Roborock Technology Co., Ltd. (stock code: 688169), Bilibili Inc. (stock ticker/code: BILI (NASDAQ), 9626 (HKSE)), Venus Medtech (Hangzhou) Inc. (stock code: 2500), Hangzhou Tigermed Consulting Co., Ltd. (stock code: 300347 (SZSE), 3347 (HKSE)), Zai Lab Limited (stock ticker/code: ZLAB (NASDAQ), 9688 (HKSE)), Shanghai Sanyou Medical Co., Ltd. (stock code: 688085) and Amoy Diagnostics Co., Ltd. (stock code: 300685).

4. Tetrad Ventures

Tetrad Ventures is a private limited company incorporated in Singapore and is 100% owned by GIC (Ventures) Private Limited. Tetrad Ventures is managed by GIC Special Investments Private Limited, which in turn is wholly owned by GIC Private Limited ("**GIC**"). GIC is a global investment management company established in 1981 to manage Singapore's foreign reserves. GIC invests in over 40 countries worldwide in equities, fixed income, foreign exchange, commodities, money markets, alternative investments, real estate and private equity. With its current portfolio size of more than US$100 billion, GIC is amongst the world's largest fund management companies. To the best of our Directors' knowledge, information and belief, the ultimate beneficial owner of Tetrad Ventures is an Independent Third Party.

5. CICC

CICC Biomedical is a private equity fund managed by CICC Capital Management Co., Ltd. as the general partner and is focused on world-leading innovative medicines and technologies. By virtue of its excellent reputation and investment management capabilities, CICC Biomedical is accredited by a number of well-known funds, listed companies, CICC wealth management clients and other types of institutional investors. CICC Capital Management Co., Ltd. is a wholly-owned subsidiary of China International Capital Corporation Limited, a company listed on the Stock Exchange (stock code: 3908) and Shanghai Stock Exchange (stock code: 601995). To the best of our Directors' knowledge, information and belief, each of CICC Biomedical, its general partner and limited partners and its ultimate beneficial owner is an Independent Third Party.

AZ CICC is a limited partnership incorporated in the PRC whose general partners are AstraZeneca Business Consulting (Wuxi) Co., Ltd. (阿斯利康商務諮詢(無錫)有限公司) and CICC Capital Management Co., Ltd.. To the best of our Directors' knowledge, information and belief, each of AZ CICC and its general partners and limited partners is an Independent Third Party.

CICC Glory is a company incorporated in the Cayman Islands, which is wholly owned by CICC Biopharma Fund L.P.. CICC Biopharma Fund L.P.'s general partner is CICC Biopharma GP Limited, which is ultimately indirectly wholly owned by China International Capital Corporation Limited, a company listed on the Stock Exchange (stock code: 3908) and Shanghai Stock Exchange (stock code: 601995).

6. Elbrus Investments

Elbrus Investments is a company incorporated in Singapore, a wholly-owned subsidiary of Temasek Holdings (Private) Limited ("**Temasek**"). The principal activity of Elbrus Investments is investment holding. Temasek is a global investment company with a net portfolio value of S$381 billion (RMB1.86t) as at 31 March 2021.

7. CG Halcyon Investments

CG Halcyon Investments is a limited liability company incorporated in Mauritius. CG Halcyon Investments is a special purpose vehicle, wholly owned by CAP Growth I Mauritius Limited and CAP Growth I Coinvest Mauritius Limited (collectively, the "**Carlyle Funds**"). The Carlyle Funds, by and through its control affiliates including their respective general partners, are ultimately controlled (directly or indirectly) by The Carlyle Group, Inc., a public entity listed on Nasdaq (ticker symbol: CG).

8. LAV Brassicanapus

LAV Brassicanapus L.P. is a limited partnership established in the Cayman Islands, the general partner of which is LAV Brassicanapus Limited, a limited company incorporated in the Cayman Islands, a wholly-owned subsidiary of Sunflower Light Limited, a limited company incorporated in the British Virgin Islands. Sunflower Light Limited is in turn wholly-owned by an individual who is an Independent Third Party and may be deemed to share voting and dispositive power over the shares held of record by LAV Brassicanapus L.P. The ultimate controller of the general partner of LAV Brassicanapus L.P. is an individual who is an Independent Third Party.

After due enquiry and to the best knowledge of our Directors, the general partner and limited partners of LAV Brassicanapus L.P. and their ultimate beneficial owners are Independent Third Parties.

9. Sprouts International

Sprouts International Holdings Limited is a limited company incorporated in the BVI with limited liabilities, which is wholly owned by Taitong Fund L.P.. The general partner of Taitong Fund L.P. is Taitong Management Co., Ltd. ("**Taitong Management**"). Taitong Management is a limited company incorporated in the Cayman Islands and controlled by an individual who is an Independent Third Party. She has invested in a number of publicly traded companies in the healthcare industry, including, among others, Zai Lab Limited, a company listed on NASDAQ (stock code: ZLAB), Hua Medicine (stock code: 2552) and Frontage Holdings Corporation (stock code: 1521).

10. Beijing Hankang

Beijing Hankang is a limited company incorporated in the PRC. Focusing on domestic investments in biomedical and healthcare industry sectors, Beijing Hankang is managed by a team of professionals with substantial biomedical domain expertise, as well as extensive investing experiences. The ultimate beneficial owner of Beijing Hankang is an individual. After due enquiry and to the best knowledge of our Directors, Beijing Hankang and its ultimate beneficial owner are Independent Third Parties.

11. Shanghai Ruoxiang

Shanghai Ruoxiang is a limited partnership incorporated in the PRC focusing on domestic investments in biomedical and healthcare industry sectors, whose general partner is Shanghai Ruohua. Shanghai Ruohua is wholly owned by an individual, who is an Independent Third Party.

12. Hankang Capital

Hankang Capital Management Limited is a limited company incorporated in the Cayman Islands. Hankang Capital Management Limited is involved in capital investments of privately-held companies focused on life sciences and healthcare industries. After due enquiry and to the best knowledge of our Directors, the ultimate beneficial owner of Hankang Capital Management Limited is an individual who is an Independent Third Party.

Hankang Biotech Fund I, L.P. is a limited partnership established in the Cayman Islands and is managed by Hankang Healthcare LLC. Hankang Biotech Fund I, L.P. is involved in capital investments of privately-held companies focused on life sciences and healthcare industries. After due enquiry and to the best knowledge of our Directors, the ultimate beneficial owner of Hankang Biotech Fund I, L.P. is an individual who is an Independent Third Party.

Hankang Biotech Fund II, L.P. is a limited partnership established in the Cayman Islands and is managed by Hankang Biotech Asia Limited. Hankang Biotech Fund II, L.P. is involved in capital investments of privately-held companies focused on life sciences and healthcare industries. After due enquiry and to the best knowledge of our Directors, the ultimate beneficial owner of Hankang Biotech Fund II, L.P. is an individual who is an Independent Third Party, and each of the general partners and limited partners of Hankang Biotech Fund II, L.P. is an Independent Third Party.

Each of Hankang Biotech Fund I, L.P., Hankang Capital Management Limited and Hankang Biotech Fund II, L.P. is operated under Hankang Capital. Hankang Capital is a venture capital firm focusing on biotech opportunities. Hankang Capital focuses on the in-depth research in major diseases and medical needs, conducting forward-looking research, and investing in start-ups with first-tier teams and technology platforms in advance to help them become leading companies through value-added services.

13. Golden Valley Global Limited

Golden Valley Global Limited is a business company established in 2016 by Loyal Valley Capital ("**LVC**"), a private equity firm that mainly focuses on the following segments: new consumer (media, entertainment and education), healthcare and also covers specialty industrials services. The LVC has invested in a number of healthcare companies such as Akeso, Inc.. Golden Valley Global Limited is ultimately controlled by an individual who is an Independent Third Party.

14. Shenzhen Zhongshenxinchuang Investment Partnership (L.P.)

Shenzhen Zhongshenxinchuang Investment Partnership (L.P.) ("**Zhongshen**") is a private equity investment fund, backed by a list of blue chip limited partnerships, which include leading Chinese corporates and financial institutions. After due enquiry and to the best knowledge of our Directors, Zhongshen, including its general partners and limited partners, is an Independent Third Party.

15. Epsomite Gem Investments Ltd

Epsomite Gem Investments Ltd is 52.1004% owned by Warburg Pincus China-Southeast Asia II (Cayman), L.P.. The general partner of Warburg Pincus China-Southeast Asia II (Cayman), L.P. is Warburg Pincus (Cayman) China-Southeast Asia II GP, L.P., the general partner of which is Warburg Pincus (Cayman) China-Southeast Asia II GP LLC ("**WPC-SEA II Cayman GP LLC**"). The managing member of WPC-SEA II Cayman GP LLC is Warburg Pincus Partners II (Cayman), L.P., the general partner of which is Warburg Pincus (Bermuda) Private Equity GP Ltd.. After due enquiry and to the best knowledge of our Directors, the ultimate beneficial owners of Epsomite Gem Investments Ltd are Independent Third Parties.

16. LBC Sunshine Healthcare Fund L.P.

LBC Sunshine Healthcare Fund L.P. ("**LBC Sunshine**") is managed by Lake Bleu Capital (Hong Kong) Limited.. LBC Sunshine, an exempted limited partnership registered in the Cayman Islands, is a sophisticated investor specializing in investing in late-stage healthcare companies in Asia and the Greater China. The investment scope of LBC Sunshine includes pharmaceuticals, biotech, medical devices, and healthcare services. LBC GP Limited, an exempted company incorporated in the Cayman Islands, acts as the general partner of LBC Sunshine. After due enquiry and to the best knowledge of our Directors, LBC Sunshine is an Independent Third Party.

17. Worldwide Healthcare Trust PLC

Worldwide Healthcare Trust PLC ("**WWH**") is publicly listed on the London Stock Exchange. These securities are held of record by WWH. OrbiMed Capital LLC ("**OrbiMed Capital**") is the sole portfolio manager of WWH. OrbiMed Capital disclaims beneficial ownership of the shares held by WWH, except to the extent of its or his pecuniary interest therein if any.

18. OrbiMed Genesis Master Fund, L.P.

OrbiMed Genesis Master Fund, L.P. ("**Genesis**") is an exempted limited partnership incorporated under the laws of the Cayman Islands. These securities are held of record by Genesis. OrbiMed Genesis GP LLC ("**Genesis GP**") is the general partner of Genesis. OrbiMed Advisors LLC ("**OrbiMed Advisors**") is the managing member of Genesis GP. Each of Genesis GP and OrbiMed Advisors disclaims beneficial ownership of the shares held by Genesis, except to the extent of its or his pecuniary interest therein if any. After due enquiry and to the best knowledge of our Directors, each of OrbiMed Genesis Master Fund, L.P., its general partner(s) and limited partners is an Independent Third Party.

19. OrbiMed New Horizons Master Fund, L.P.

OrbiMed New Horizons Master Fund, L.P. ("**Horizons**") is an exempted limited partnership incorporated under the laws of the Cayman Islands. These securities are held of record by Horizons. OrbiMed Horizons GP LLC ("**Horizons GP**") is the general partner of Horizons. OrbiMed Advisors LLC ("**OrbiMed Advisors**") is the managing member of Horizons GP. Each of Horizons GP and OrbiMed Advisors disclaims beneficial ownership of the shares held by Horizons, except to the extent of its or his pecuniary interest therein if any. After due enquiry and to the best knowledge of our Directors, each of OrbiMed New Horizons Master Fund, L.P., its general partner(s) and limited partners is an Independent Third Party.

20. Janchor Partners Pan-Asian Master Fund

Janchor Partners Pan-Asian Master Fund is an investment fund established in the Cayman Islands and managed by Janchor Partners Limited, a company licensed by the SFC to conduct asset management. Janchor Partners Pan-Asian Master Fund is owned by Janchor Partners Pan-Asian Fund and Janchor Partners Pan-Asian U.S. feeder Fund. To the best of our Directors' knowledge, information and belief, each of Janchor Partners Pan-Asian Master Fund, its shareholders and Janchor Partners Limited is an Independent Third Party. Janchor Partners Pan-Asian Master Fund focuses on long-term pan-Asian investments.

21. Sage Partners Master Fund

Sage Partners Master Fund is an exempted company with limited liability incorporated in the Cayman Islands, and is managed by Sage Partners Limited, a Hong Kong incorporated SFC Type 9 licensed investment management company. Sage Partners Master Fund is a discretionary fund and it mainly focuses on investment opportunities in the healthcare sector by deploying a long-term fundamental-based approach.

22. Poly Platinum Enterprises Limited

Poly Platinum Enterprises Limited ("**Poly Platinum**") was incorporated in the British Virgin Islands on 9 November 2018 and is a wholly-controlled subsidiary of Greater Bay Area Homeland Development Fund LP (the "**Greater Bay Area Fund**"). The Greater Bay Area Fund is a private investment fund that was jointly established by international large-scale industrial institutions, financial institutions and new economic enterprises.

The Greater Bay Area Fund is under discretionary management by Greater Bay Area Development Fund Management Limited, a type 1, 4 and 9 licensed corporation under the Securities and Futures Ordinance. The Greater Bay Area Fund covers a range of activities, including venture capital, private equity investments and listed company investments and mergers and acquisitions. The objective of Greater Bay Area Fund is to grasp the historical opportunities of the development of Guangdong-Hong Kong-Macao Greater Bay Area, and the construction of an international innovation and technology hub, which focuses on technological innovation, industrial upgrading, quality of life, smart city and all other related industries. Poly Platinum is an investment holding company. After due enquiry and to the best knowledge of our Directors, the ultimate beneficial owner of Poly Platinum is a company who is an Independent Third Party.

23. Shanghai Healthcare Capital

Shanghai Healthcare Capital Partnership (Limited Partnership) ("**SHC**") is a limited partnership established in the PRC and principally engaged in equity investments in the healthcare industry in China. The beneficial owner of SHC is its general partner, which is Shanghai Healthcare Capital Management Co., Ltd., an Independent Third Party. After due enquiry and to the best knowledge of our Directors, the general partner and limited partners of SHC are Independent Third Parties and none of them hold more than one-third of the partnership interests in SHC.

(10) Public Float

Upon completion of the Share Subdivision and the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme), the following shareholders, (i) Dr. Xu, one of our executive Directors and chairman of the Board, through his interest in Yaochang Family Holding Limited; (ii) Dr. Chen, one of our executive Directors, through his interest in Chogir Limited and Jandrok Limited; (iii) Dr. Yu, one of our executive Directors, through his interest in Dr. Yu's Holdco; (iv) the ESOP Trustees (other than Affluent Bay Trust), through their interest in Computershare Hong Kong Trustees Limited and Futu Trustee Limited (as trustees of Abbisko Cayman Limited Trust, Abbisko Galaxy Myth Trust and Abbisko Glorious Ode Trust), which will exercise their voting rights according to the instructions of Dr. Xu and (v) the LAV Entities and LAV Star Limited, LAV Star Opportunities Limited and LAV Amber Limited, substantial shareholders of our Company, will hold (directly or indirectly) approximately 10.01%, 1.41%, 1.41%, 10.60% and 10.72% (assuming an Offer Price of HK$12.31, being the mid-end of the indicative Offer Price range) of the total issued Shares, respectively, and such Shares will not count towards the public float for the purpose of Rule 8.08 of the Listing Rules after the Global Offering.

Save as disclosed above, to the best of the Directors' knowledge, none of the other Shareholders of the Company is a core connected person of our Company. As a result, over 25% of the Company's total issued Shares and a market capitalization of at least HK$375 million will be held by the public upon completion of the Global Offering as required under Rule 8.08(1)(a) and Rule 18A.07 of the Listing Rules.

Other than those granted under the 2019 Share Incentive Plan, there are no options or warrants outstanding. The principal terms of the 2019 Share Incentive Plan are set out in the section headed "Statutory and General Information – D. 2019 Share Incentive Plan" in Appendix IV to this Prospectus. The principal terms of the Post-IPO RSU Scheme and Post-IPO Share Option Scheme are set out in the section headed "Statutory and General Information – E. Post-IPO RSU Scheme" and "Statutory and General Information – F. Post-IPO Share Option Scheme" to this Prospectus, respectively.

COMPLIANCE WITH INTERIM GUIDANCE AND GUIDANCE LETTERS

The Joint Sponsors confirm that the investments by the Pre-IPO Investors are in compliance with the Guidance Letter HKEX-GL29-12 issued in January 2012 and updated in March 2017 by the Stock Exchange, the Guidance Letter HKEX-GL43-12 issued in October 2012 and updated in July 2013 and in March 2017 by the Stock Exchange and the Guidance Letter HKEX-GL44-12 issued in October 2012 and updated in March 2017 by the Stock Exchange.

PRC REGULATORY REQUIREMENTS

According to the Regulations on Merger with and Acquisition of Domestic Enterprises by Foreign Investors (關於外國投資者併購境內企業的規定) (the "**M&A Rules**") jointly issued by the MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the STA, the CSRC, SAIC and the SAFE, on August 8, 2006, effective as of September 8, 2006 and amended on June 22, 2009, a foreign investor is required to obtain necessary approvals from MOFCOM or the department of commerce at the provincial level when it (i) acquires the equity of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (ii) subscribes the increased capital of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (iii) establishes a foreign-invested enterprise through which it purchases the assets of a domestic enterprise and operates these assets; or (iv) purchases the assets of a domestic enterprise, and then invests such assets to establish a foreign invested enterprise. The M&A Rules, among other things, further purport to require that an offshore special vehicle, or a special purpose vehicle, formed for listing purposes and controlled directly or indirectly by PRC companies or individuals, shall obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange, especially in the event that the special purpose vehicle acquires shares of or equity interests in the PRC companies in exchange for the shares of offshore companies.

Our PRC Legal Advisor is of the opinion that prior CSRC approval for the Global Offering is not required because we did not acquire any equity interests or assets of a PRC domestic company owned by our controlling shareholders or beneficial owners who are PRC companies or individuals, as defined under the M&A Rules. However, there is uncertainty as to how the M&A Rules will be interpreted or implemented and we cannot assure you that relevant PRC governmental authorities, including the CSRC, would reach the same conclusion as our PRC Legal Advisor.

SAFE Circular 37

According to the SAFE Circular 37, PRC residents shall register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, or a special purpose vehicle, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests. SAFE Circular 37 further requires amendment to the registration in the event of any changes with respect to the basic information of or any significant changes with respect to the special purpose vehicle. If the shareholders of the offshore holding company who are PRC residents do not complete their registration with the local SAFE branches, the PRC subsidiary may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer or liquidation to the offshore company, and the offshore company may be restricted in its ability to contribute additional capital to its PRC subsidiary. Moreover, failure to comply with SAFE registration and amendment requirements described above could result in liability under PRC law for evasion of applicable foreign exchange restrictions.

As advised by our PRC Legal Advisor, Dr. Xu, Dr. Yu and Dr. Chen are not PRC residents and are not required to conduct registration pursuant to the requirements of SAFE Circular 37.

ACTING IN CONCERT AGREEMENT

In 2016, Dr. Xu, Dr. Yu and Dr. Chen entered into an acting in concert agreement to jointly control the decision-making and operational management of Abbisko Shanghai at its shareholders' meetings (the "**2016 AIC Agreement**"). Pursuant to the 2016 AIC Agreement, the parties agreed to act in concert to control the decision-making and operational management of Abbisko Shanghai in its shareholders' meetings. In the event the parties are unable to reach consensus on matters of Abbisko Shanghai, each of the parties shall exercise their respective voting rights in accordance with the instructions of Dr. Xu. In 2018, as Abbisko Shanghai became an indirect wholly owned subsidiary of the Company upon Reorganization, Dr. Xu, Dr. Yu and Dr. Chen continued to act in concert with each other as the shareholders of the Company since the Company's inception to ensure the continuous and stable development of the Company, and further entered into the acting in concert agreement on May 26, 2021 (the "**2021 AIC Agreement**") to acknowledge and confirm that (i) since 2016, each of Dr. Xu, Dr. Yu, Dr. Chen and their controlled entities has been acting in concert at the shareholders' meetings of Abbisko Shanghai and the Company; (ii) they will continue to act in concert at the shareholders' meeting of the Company; and (iii) in the event that the parties are unable to reach consensus on matters of the Company, each of the parties shall exercise their respective voting rights in accordance with the instructions of Dr. Xu.

2019 SHARE INCENTIVE PLAN

Our Company adopted 2019 Share Incentive Plan on July 4, 2019, which was further amended on June 10, 2021, in order to attract and retain certain officers, employees and other eligible persons. Pursuant to the 2019 Share Incentive Plan, the the maximum aggregate number of shares which may be issued pursuant to all awards is 8,360,280 ordinary shares (as proportionally adjusted to reflect any share dividends, share splits or similar transactions). As at Latest Practicable Date, options concerning an aggregate of 3,000,699 ordinary shares (to be adjusted to 30,006,990 Shares upon the Share Subdivision) and RSUs concerning an aggregate of 3,793,480 underlying ordinary shares (to be adjusted to 37,934,800 Shares upon the Share Subdivision) have been granted to Directors, senior management, employees and consultants of the Group or their affiliates. As at the Latest Practicable Date, no share appreciation right or dividend equivalent right had been granted pursuant to the 2019 Share Incentive Plan. For details, please refer to the section headed "Statutory and General Information – D. 2019 Share Incentive Plan" in Appendix IV to this Prospectus.

POST-IPO RSU SCHEME

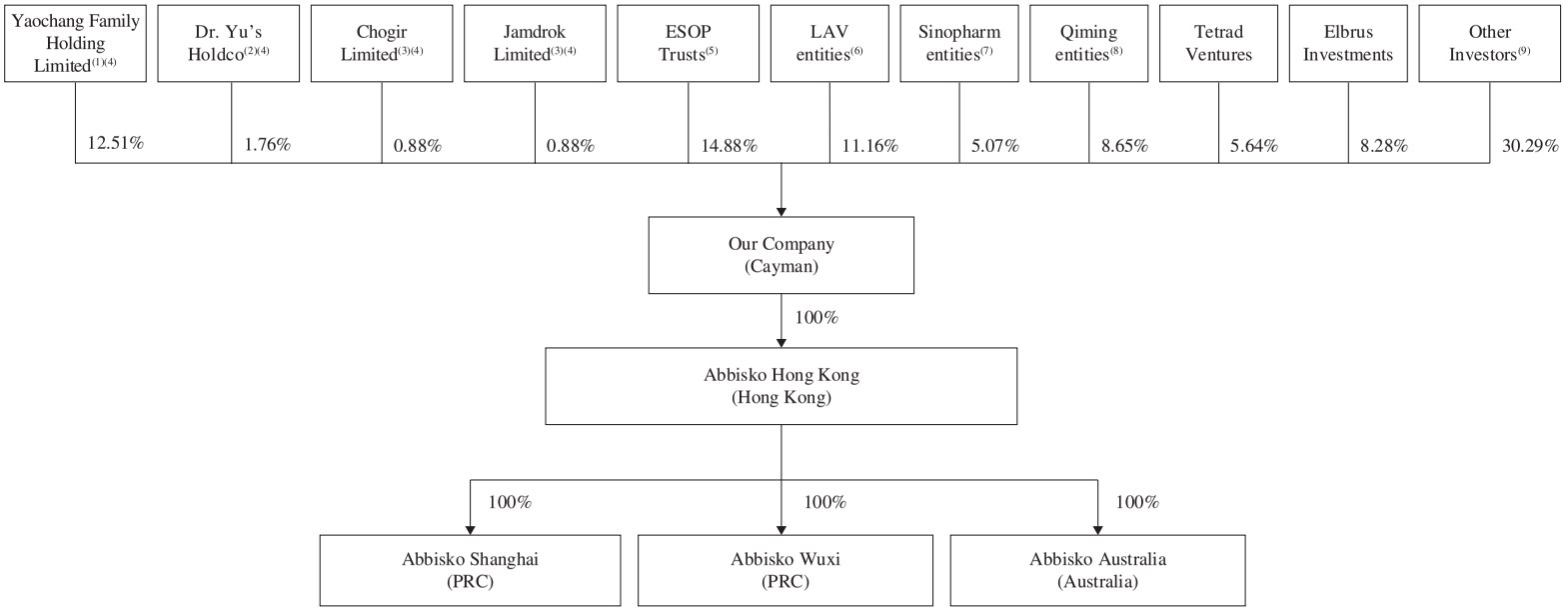
Our Company adopted the Post-IPO RSU Scheme on September 16, 2021. The purpose of the Post-IPO RSU Scheme is to align the interests of the eligible persons with those of our Group through ownership of Shares to encourage and retain them to make contributions to the long-term growth and profits of our Group. As of the Latest Practicable Date, no RSU had been granted or agreed to be granted under the Post-IPO RSU Scheme. The principal terms of the Post-IPO RSU Scheme are set out in the section headed "Statutory and General Information – E. Post-IPO RSU Scheme" in this Prospectus.

POST-IPO SHARE OPTION SCHEME

Our Company adopted the Post-IPO Share Option Scheme on September 16, 2021. The purpose of the Post-IPO Share Option Scheme is to reward employees, directors or consultants for their past contribution to the success of the Company and to provide incentives to them to further contribute to the Company. As of the Latest Practicable Date, no option had been granted or agreed to be granted under the Post-IPO Share Option Scheme. The principal terms of the Post-IPO Share Option Scheme are set out in the section headed "Statutory and General Information – F. Post-IPO Share Option Scheme" in this Prospectus.

OUR CORPORATE AND SHAREHOLDING STRUCTURE

The following diagram illustrates the corporate and shareholding structure of our Group immediately prior to the Completion of the Share Subdivision and the Global Offering:



Notes:

1. Yaochang Family Holding Limited is wholly owned by Hery International Development Limited, which is in turn wholly owned by Trident Trust Company (HK) Limited as the trustee of the Xu Family Trust.

2. Dr. Yu's Holdco is a company incorporated in the British Virgin Islands wholly owned by Dr. Yu.

3. Chogir Limited is wholly owned by Zabuye Limited, which in turn is wholly owned by Trident Trust Company (HK) Limited as the trustee of the Zabuye Trust. Jamdrok Limited is wholly owned by Dr. Chen.

4. Dr. Xu, Dr. Yu and Dr. Chen entered into an acting-in-concert agreement on May 26, 2021, pursuant to which they acknowledged and confirmed that (i) since 2016, each of Dr. Xu, Dr. Yu, Dr. Chen and their controlled entities has been acting in concert at the shareholders' meetings of Abbisko Shanghai and the Company; (ii) they will continue to act in concert at the shareholders' meeting of the Company; and (iii) in the event that the parties are unable to reach consensus on matters of the Company, each of the parties shall exercise their respective voting rights in accordance with the instructions of Dr. Xu. As such, each of Dr. Xu, Dr. Chen and Dr. Yu are deemed to be interested in the Shares each other is interested in.

5. This includes shares held by the Affluent Bay Trust, Abbisko Cayman Limited Trust, Abbisko Galaxy Myth Trust and Abbisko Glorious Ode Trust, which holds 1.62%, 6.60%, 3.40% and 3.27% of our shares respectively. Pursuant to trust deeds dated September 10, 2021 and August 25, 2021, respectively, Computershare Hong Kong Trustees Limited (the trustee of the restricted share units incentive scheme of Abbisko Cayman Limited Trust) and Futu Trustee Limited (the trustee of Abbisko Galaxy Myth Trust and Abbisko Glorious Ode Trust) will exercise their voting rights in accordance with the instructions of Dr. Xu. Pursuant to the terms of the 2019 Share Incentive Plan, such plan is subject to the administration of a duly authorized committee of the Board and the trustee. The Board of the Company has approved that such committee which consist of Dr. Xu, Dr. Yu, Dr. Chen and Dr. Feng Jia. The Board has also approved the establishment of Abbisko Cayman Limited Trust, Abbisko Galaxy Myth Trust and Abbisko Glorious Ode Trust and granted Dr. Xu the full authority and power to make all decisions regarding the exercise of any voting rights attached to any assets or investment in the trust fund. The Board has also authorized Dr. Xu to give instructions to the Computershare Hong Kong Trustees Limited, Futu Trustee Limited.

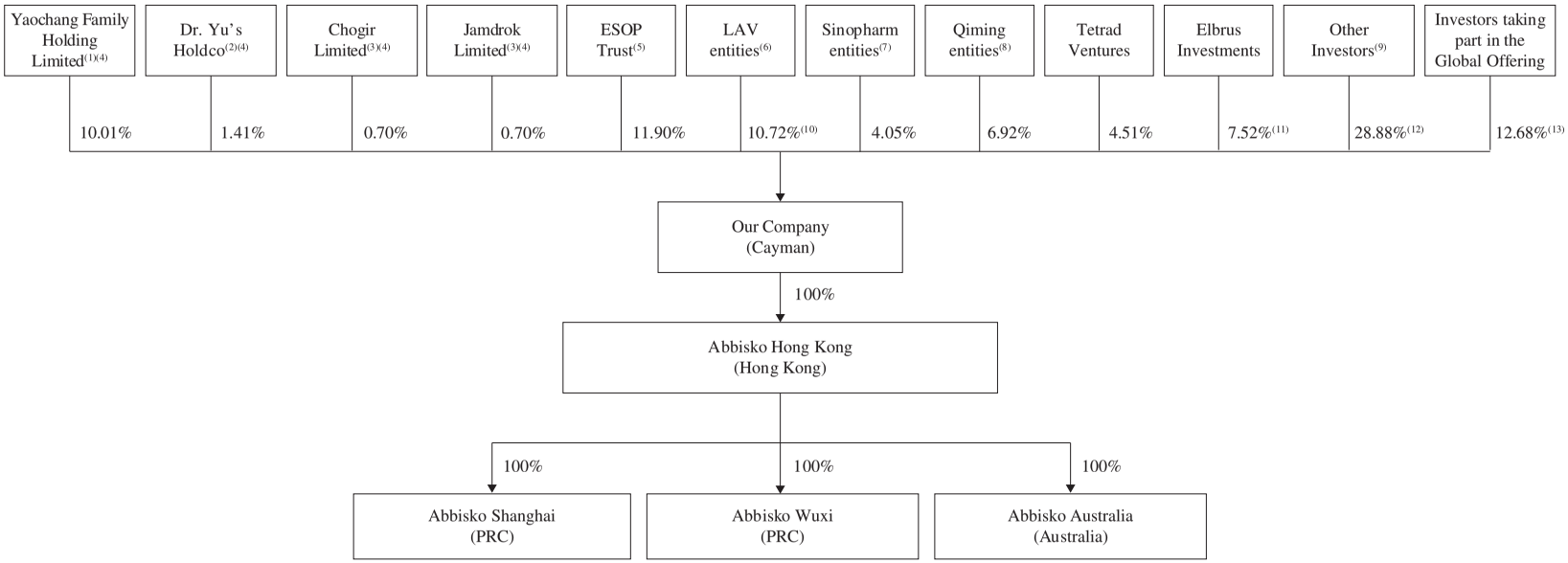
6. LAV Entities include Absolute Investment, Sky Infinity and LAV Biosciences Fund V, L.P.. Absolute Investment is wholly-owned by LAV Biosciences Fund III, L.P.. Sky Infinity is wholly-owned by Lilly Asia Ventures Fund III, L.P.. The general partner of both LAV Biosciences Fund III, L.P. and Lilly Asia Ventures Fund III, L.P. is LAV GP III, L.P., whose general partner is LAV Corporate GP, Ltd., a Cayman company owned by Yi Shi. LAV Biosciences Fund V, L.P is a Cayman exempted limited partnership fund. The general partner of LAV Biosciences Fund V, L.P is LAV GP V, L.P., whose general partner is LAV Corporate V GP, Ltd, a Cayman company owned by Yi Shi as well.

7. Sinopharm Entities include Shanghai Shengzhong, whose general partner is Wu Aimin (a former non-executive Director of the Company), and Shanghai Sinopharm, whose general partner is Shanghai Sinopharm Innovation Investment Management Co., Ltd., who is in turn owned as to 35% and 35% by Sinopharm Capital Management Co., Ltd. ("Sinopharm Capital") and Yingfutaike Venture Capital Co., Ltd.. Sinopharm Capital is owned as to 65% by Shanghai Shenghui Investment Management Partnership (Limited Partnership), which is owned as to 95% by Wu Aimin.

8. Qiming Venture Entities include Qiming Venture and Qiming Managing. Qiming GP VI, L.P. is the general partner of Qiming Venture, whereas Qiming Corporate GP VI, Ltd. is the general partner of both Qiming GP VI, L.P. and Qiming Managing.

9. This includes all our other Pre-IPO Investors and other early investors, who are Independent Third Parties. For additional information, please refer to the subsections in this section headed "Pre-IPO Investments – (6) Capitalization of the Company" and "Pre-IPO Investments – (9) Information about the Pre-IPO Investors" in this Prospectus.

The following diagram illustrates the corporate and shareholding structure of our Group immediately upon completion of the Share Subdivision and the Global Offering (assuming all the Preferred Shares have been converted to ordinary shares on a one-to-one basis and the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme):



Notes

1 to 9. Please refer to the notes on the preceding pages underneath the corporate and shareholding structure chart of our Group under "Our Corporate and Shareholding Structure" in this section of the Prospectus.

10. This includes the Shares subscribed by LAV Star Limited, LAV Star Opportunities Limited and LAV Amber Limited as cornerstone investors. See the section headed "Cornerstone Investors" in this Prospectus.

11. This includes the Shares subscribed by Aranda Investments Pte. Ltd., being its close associate as cornerstone investors. See the section headed "Cornerstone Investors" in this Prospectus.

12. This includes the Shares subscribed by BlackRock Global Funds – World Healthscience Fund, Epsomite Gem Investments Ltd, Janchor Partners Pan-Asian Master Fund, Lake Bleu Prime Healthcare Master Fund Limited, OrbiMed Genesis Master Fund, L.P., OrbiMed New Horizons Master Fund, L.P. and Worldwide Healthcare Trust Plc, being the existing Shareholders or their close associates as cornerstone investors. See the section headed "Cornerstone Investors" in this Prospectus.

13. Excluding the Shares subscribed by the existing Shareholders or their close associates.

OVERVIEW

We are a clinical-stage biopharmaceutical company dedicated to the discovery and development of innovative and differentiated small molecule oncology therapies. Since our inception in 2016, we have developed a pipeline of 14 candidates focused on oncology, including five candidates at clinical stage. Our product candidates are primarily small molecules that focus on small molecule precision oncology and small molecule immuno-oncology therapeutic areas. We have two Core Product Candidates, ABSK011 and ABSK091, and 12 other pipeline product candidates. ABSK011, developed in-house, is a potent and highly selective small molecule inhibitor of fibroblast growth factor receptor 4 (FGFR4); and ABSK091, licensed from AZ, and previously known as AZD4547, is a molecularly targeted product candidate and a highly potent and selective inhibitor of FGFR subtypes 1, 2 and 3. Our Core Product Candidates are primarily being developed for hepatocellular carcinoma (HCC), urothelial cancer (UC) and gastric cancer (GC) at current stage.

WE MAY NOT BE ABLE TO SUCCESSFULLY DEVELOP AND/OR MARKET OUR CORE PRODUCT CANDIDATES, OR ANY OF OUR PIPELINE PRODUCTS.

We face fierce competition from existing products and product candidates under development in the entire oncology market, not only in the FGFR inhibitor market. In addition to approved oncology therapy options, there are a large number of competing drug candidates currently under different clinical stages. The field of cancer treatment has developed significantly in the past decade. Treatment methods such as surgery, radiotherapy and chemotherapy have been widely utilized to treat cancer. Alternative treatments such as precision oncology and immuno-oncology are generally used only if the other therapy options are not suitable or effective on patients. Among the alternative treatments available, small molecule precision oncology therapies act on specific targets on cancer cells that are associated with cancer growth. Small molecule precision oncology therapies include selective kinase inhibitors such as FGFR inhibitors, and non-selective kinase inhibitors and other types of inhibitors. Certain non-selective kinase inhibitors carry certain levels of FGFR inhibitory activities, and therefore may compete with the selective FGFR inhibitors. There are currently four non-selective kinase inhibitors approved for HCC, namely regorafenib, sorafenib, lenvatinib, cabozantinib, and no non-selective kinase inhibitors approved for UC or GC. Selective kinase inhibitors targeting FGFR may target different FGFR subtypes, such as pan-FGFR or specific FGFR subtypes (e.g. FGFR4). In addition, there are currently three pan-FGFR inhibitors approved, namely regorafenib, sorafenib, lenvatinib, cabozantinib, and no FGFR inhibitors targeting specific FGFR subtypes approved. In addition, there are a total of 16 pan-FGFR inhibitor drug candidates (other than ABSK091) and nine FGFR4 drug candidates (other than ABSK011) under various stages of clinical development. For small molecule immuno-oncology drugs, for CSF-1R pathway, pexidartinib was the only CSF-1R inhibitor approved by the FDA and surufatinib (an angio-immuno kinase inhibitor targeting VEGFR, FGFR1 and CSF-1R) was the only NMPA approved drug that could target CSF-1R; in addition, a total of six drug candidates (other than ABSK021) were under various stages of

clinical development globally; for CXCR4, plerixafor was the only marketed drug globally but was not approved for oncology indications, and three drug candidates, including our ABSK081 (mavorixafor), are under various stages of clinical development.

Our Core Product Candidates are FGFR4 and pan-FGFR inhibitors, respectively, which are considered to be small molecule precision oncology drug candidates. Our other product candidates are primarily small molecule precision oncology and small molecule immuno-oncology drug candidates. As a result, our drug candidates may not be used unless the conventional therapy options are not suitable or effective on patients. In addition, our small molecule precision oncology and small molecule immuno-oncology drug candidates face competition from the approved drugs and may not be selected unless the other approved drugs are not suitable or effective on patients. Furthermore, we compete with the various drug candidates under development and we may not successfully develop and/or market our products before the other drug candidates, or at all. Our Core Product Candidates are still at an early stage of development. We have completed a Phase Ia clinical trial for ABSK011 and a Phase I clinical trial for ABSK091, which have only generated limited safety and efficacy data that may not be used for a meaningful comparison against the data of the other drugs. In addition, FGFR inhibitors have been under development since at least 2014, according to the earliest post date of other clinical stage FGFR inhibitors, and only three pan-FGFR inhibitors have been approved, which implies that the development of FGFR inhibitors face significant challenges and uncertainties.

Our Company was founded with a focus on drug discovery, which we believe is the foundation of the entire drug development process. Our discovery capability is driven by an experienced team with solid drug discovery track record and our approach to identify high-quality molecules. Our three co-founders, Dr. XU Yao-Chang, Dr. YU Hongping and Dr. CHEN Zhui, collectively have made contributions to dozens of discovery programs, a number of which led to successful commercialization, such as Ameile (almonertinib), Cymbalta (duloxetine), Balversa (erdafitinib), Reyvow (lasmiditan), Fu Laimei (PEG-loxenatide), Kisqali (ribociclib), Xinfu (flumatinib) and Venclexta (venetoclax). Leveraging the experience of our R&D team, we have built a innovation-driven discovery platform with comprehensive capabilities in cancer genomics and screening, computational and medicinal chemistry, and translational and biomarker science, which enables us to discover high-quality assets with efficiency. As of the Latest Practicable Date, our R&D team had advanced the first eight discovery programs into the IND-enabling stage at about two pre-clinical candidates per year since 2017, and continues to advance all of the other drug assets and programs into the next stage. We believe our pre-clinical candidates will lay the foundation for our future success and global growth.

Leveraging our experienced discovery team and our rigorous discovery approaches, we have developed a diversified pipeline of differentiated clinical and pre-clinical stage drug candidates. We strategically focus on small molecule precision oncology therapies, small molecule immuno-oncology therapies and their combination therapies, which we believe are the development trends and next-generation solutions to cancer treatment by virtue of their efficacy and safety profiles. The oncology drug markets globally and in China have expanded significantly in the past, and are projected to further expand at an accelerated pace. According to Frost & Sullivan, the global oncology drug market is estimated to grow from US$150.3 billion in 2020 to US$670.4 billion in 2035 at a CAGR of 10.5%, and the oncology drug market in China is estimated to grow from US$28.6 billion in 2020 to US$145.5 billion in 2035 at a CAGR of 11.5%. In particular, small molecule therapies represent the largest market share in terms of global revenue as well as FDA approvals among oncology therapies, and such market share and approvals have increased in the past several years. It is widely accepted that combinations of small molecule precision oncology therapies and immuno-oncology therapies simultaneously cover different mechanisms of action, and could therefore provide significant improvement in efficacy, response rate and durability as well as overall benefits to patients.

To capitalize on this significant market opportunity, we have strategically designed and developed a diversified pipeline of 12 programs with global R&D and commercialization rights and selectively in-licensed two programs. Our pipeline consists of a broad range of small molecule precision oncology and small molecule immuno-oncology product candidates focusing on the next-generation therapies that address significant medical needs in China and globally.

The following chart summarizes our pipeline and the development status of each candidate as of the Latest Practicable Date. For more details of each drug candidate and its development status, see "– Our Drug Candidates."

Assets	Target	Indication	Mono/Combo	Discovery	IND Enabling	Phase I/Ia	Phase Ib/II	Pivotal	Rights	Partner	Jurisdictions/ Authority (v)
Small Molecule Precision Oncology											
ABSK011	FGFR4	FGF19+ HCC	Monotherapy*						Global		China, NMPA
			Combination therapy (i)								
ABSK091	pan-FGFR (iv)	FGFRalt UC	Monotherapy*				Global		Global	AstraZeneca	China, NMPA
			Combination therapy								
		FGFRalt GC	Monotherapy/ Combination therapy				Global				
		Other solid tumors	Monotherapy/ Combination therapy								
ABSK012	FGFR4 Mutant	RMS and other solid tumors	Monotherapy						Global		N/A
ABSK061	FGFR2/3	Solid tumors	Monotherapy						Global		N/A
ABSK121	pan-FGFR Mutant	Solid tumors	Monotherapy						Global		N/A
ABSK071	KRAS	Solid tumors	Monotherapy						Global		N/A
ABSK111	EGFR Exon20	NSCLC	Monotherapy						Global		N/A
ABSK131	Undisclosed	Multiple tumors	Monotherapy						Global		N/A
ABSK141	Undisclosed	Multiple tumors	Monotherapy						Global		N/A
Small Molecule Immuno-Oncology											
ABSK021	CSF-1R	TGCT and solid tumors	Monotherapy								
		Solid tumors	Combination therapy						Global		U.S., FDA China, NMPA
		cGvHD	Monotherapy								
		ALS (iii)	Monotherapy						Ex-China and Taiwan	Sperogenix (iii)	
ABSK081	CXCR4	TNBC	Combination therapy (ii)								China, NMPA
		Other solid tumors	Combination therapy						Greater China	XtalPi	
		WHIM	Monotherapy					Global			
ABSK043	PD-L1	Multiple tumors	Monotherapy						Global		Australia, TGA
ABSK051	CD73	Multiple tumors	Monotherapy						Global		N/A
ABSK031	RORγt	Multiple tumors	Monotherapy						Global		N/A

Legend:

Development status of Abbisko

Development status of licensors

Note:

All of our product candidates are self-developed, except for ABSK091 and ABSK081.

* *Indicates our Core Product Candidates*

Abbreviations: HCC = hepatocellular carcinoma; RMS = rhabdomyosarcoma; FGFRalt = FGFR altered; UC = urothelial cancer; GC = gastric cancer; NSCLC = non-small cell lung cancer; TGCT = tenosynovial giant cell tumor; cGvHD = chronic graft- versus-host disease; ALS = amyotrophic lateral sclerosis; TNBC = triple-negative breast cancer; WHIM = warts, hypogammaglobulinemia, infections and myelokathexis

Notes:

i. In combination with anti-PD-L1 antibody atezolizumab with Roche

ii. In combination with anti-PD-1 antibody toripalimab with Junshi

iii. In July 2021, we granted Sperogenix the exclusive right to develop, manufacture and commercialize ABSK021 in mainland China, Hong Kong SAR and Macau SAR for non-oncology rare neurological diseases indications, of which ALS will be the first indication to be developed by Sperogenix.

iv. Pan-FGFR inhibitor means FGFR1-3.

v. Represent the jurisdiction(s) in which we are conducting clinical trials or have obtained approvals to initiate clinical trials, as well as the name of the relevant regulatory authorities.

As of the Latest Practicable Date, we had nine small molecule precision oncology assets, featuring FGFR, EGFR and KRAS inhibitors with differentiated potential, being developed for the treatment of multiple types of cancer and other diseases. Our approach is to develop a complementary lineup of drug candidates with different drug property profiles to achieve broad and deep indication coverage. For example, we have one of the largest portfolio of FGFR product candidates globally, according to Frost & Sullivan, covering various wild-type and mutant FGFR isoforms. Our pan-FGFR inhibitor (ABSK091) and FGFR inhibitors targeting specific FGFR subtypes (ABSK011, ABSK061) complement with each other to achieve a comprehensive indication coverage. Our next-generation FGFR inhibitors against FGFR4 mutations (ABSK012) and FGFR1-3 mutations (ABSK121) enable us to attain deep coverage by offering sequential treatment options for patients who acquire resistance to first-generation FGFR inhibitors. We believe that our FGFR drug candidates will prepare us to capture the significant addressable market for the treatment of cancers harboring aberrant FGFR signaling, generate synergy and realize operational leverage in R&D, clinical development and commercialization.

As of the Latest Practicable Date, we had established a comprehensive small molecule immuno-oncology pipeline of five drug candidates, targeting major tumor immune cell types, such as myeloid-derived suppressor cells, Th17/Tc17 cells, tumor associated macrophages, Treg, and effector T-cells. By covering the major tumor immune cell types, our small molecule immuno-oncology assets possess broad combination potential with both internally and externally developed immuno-oncology and/or precision oncology therapies to unlock synergistic anti-tumor efficacy. ABSK021 is an orally bioavailable, selective, and highly potent small molecule CSF-1R inhibitor with the potential to treat multiple tumor types and other diseases. ABSK043 is an orally bioavailable, highly selective small molecule PD-L1 inhibitor

that may address the disadvantages of anti-PD-1/anti-PD-L1 antibodies, such as high cost, lack of oral bioavailability, limited blood-brain barrier permeability, and immunogenicity, according to Frost & Sullivan. ABSK081 was the only orally bioavailable CXCR4 antagonist in clinical development globally as of the Latest Practicable Date, according to Frost & Sullivan.

To achieve our vision to become a leading biopharmaceutical company, we plan to continue to advance our clinical and pre-clinical drug candidates globally. At the same time, we intend to continue the discovery of differentiated oncology therapies leveraging our in-house R&D capabilities, while executing a multi-tiered business development approach to complement our internal development. We are in the planning stage of building in-house manufacturing and commercialization capabilities to support the potential commercial launches. We will also continue to foster our innovation-driven culture and expand our talent pool to support our long-term growth.

OUR COMPETITIVE STRENGTHS

We believe the following strengths differentiate us from our competitors.

In-house R&D team to discover small molecule precision oncology and small molecule immuno-oncology therapies

We have established a drug discovery platform dedicated to discovering differentiated and innovative oncology therapies. We have an experienced scientific team with a proven track record of drug discovery, which has established our innovation-driven discovery platform.

Our R&D capabilities are underpinned by our discovery team with expertise and a proven track record. Our R&D team is led by our three co-founders, Dr. XU Yao-Chang, Dr. YU Hongping and Dr. CHEN Zhui, who together bring an average of over 20 years of leadership experience and strong entrepreneurial mindset to our Company. Our co-founders have made contributions to dozens of discovery programs, a number of which have led to successful commercialization, such as Ameile (almonertinib), Cymbalta (duloxetine), Balversa (erdafitinib), Reyvow (lasmiditan), Fu Laimei (PEG-loxenatide), Kisqali (ribociclib), Xinfu (flumatinib) and Venclexta (venetoclax). Our pre-clinical R&D team consists of approximately 70 high-caliber scientists, over 80% of whom have obtained post-graduate degrees, and over 30% hold Ph.D. degrees.

We have built an innovation-driven discovery platform with capabilities in cancer genomics and screening; computational and medicinal chemistry; and translational and biomarker science.

- *Cancer genomics and screening.* We have conducted genomic sequencing of more than 400 cancer cell/model samples, established over 400 biochemical, biophysical and cellular assays, and completed more than 20 screening projects.

- *Computational and medicinal chemistry.* We have also established an internally designed and synthesized compound library with more than 3,700 molecules and a virtual compound library of approximately 12 million molecules to support computational and medicinal chemistry.

- *Translational and biomarker science*. Our translational and biomarker-guided research has developed over 300 cellular and *in vivo* models and has completed over 300 *in vivo* studies.

Anchored on translational differentiations, our rigorous asset selection and discovery approaches and innovation-driven discovery platform have led to the discovery of pre-clinical candidates with potential in the clinical setting.

Leveraging our experienced discovery team and our rigorous discovery approaches, we have developed a pipeline of clinical and pre-clinical stage drug candidates with global commercialization rights. Our pipeline consists of a broad range of small molecule precision oncology and small molecule immuno-oncology drug candidates that address critical medical needs in China and globally. Our focus on innovation has led to an intellectual property portfolio, including 68 issued patents and 116 pending patent applications globally. Besides the quality of discovery, we also strive to improve our R&D efficiency and output. As of the Latest Practicable Date, our R&D team had advanced the first eight discovery programs into the IND-enabling stage at about two pre-clinical candidates per year since 2017, and continues to advance all of the other drug assets and programs into next stage.

Portfolio of small molecule precision oncology candidates primarily targeting FGFR, EGFR and KRAS

As of the Latest Practicable Date, we had nine small molecule precision oncology assets, featuring FGFR, EGFR Exon20 and KRAS inhibitors with differentiated potential, for the treatment of urothelial cancer, gastric cancer, cholangiocarcinoma, lung cancer, HCC and other solid tumors. We have also established, and will continue to form strong collaborations with NGS or other innovative technology-based cancer diagnostic companies to fully utilize biomarker driven approaches to guide clinical development and regulatory approval process.

Our pipeline of FGFR drug candidates covers various wild-type and mutant FGFR isoforms. Our pan-FGFR inhibitor (ABSK091) and FGFR inhibitors targeting specific FGFR subtypes (ABSK011, ABSK061) complement each other to achieve a comprehensive indication coverage. Our next-generation FGFR inhibitors against FGFR4 mutations (ABSK012) and FGFR1-3 mutations (ABSK121) enable us to attain coverage by offering sequential treatment options for patients who acquire resistance to first-generation FGFR inhibitors.

FGFR Drug Candidates

Our pipeline of FGFR drug candidates includes the following product candidates:

ABSK091 (pan-FGFR inhibitor)

We believe ABSK091, one of our Core Product Candidates, is one of the most advanced pan-FGFR inhibitors under clinical development in China with possibly differentiated safety and efficacy profiles. We acquired global rights of ABSK091 (previously known as AZD4547) from AstraZeneca in November 2019. ABSK091 is a potentially highly selective small molecule pan-FGFR inhibitor that is being developed for the treatment of various types of solid tumors. It shows potency in inhibiting FGFR1-4, especially in FGFR1-3, and shows selectivity *in vitro*. Although not from a head-to-head study, ABSK091 has demonstrated a favorable safety profile as compared to erdafitinib and pemigatinib, and has achieved clinical proof of concept (PoC) in various indications such as urothelial cancer and gastric cancers, based on the data from Phase I and Phase II clinical trials conducted by AstraZeneca. Cross-clinical trial comparison not from a head-to-head study involves risks and may not be representative of all the relevant clinical trial data. You are cautioned to not place undue reliance on the cross-trial comparison results not from a head-to-head study. We completed a Phase I clinical trial in Taiwan, and are initiating a Phase Ib trial of ABSK091 (AZD4547) in mainland China in patients with late stage advanced solid tumors and a Phase II trial in mainland China to evaluate safety and efficacy of ABSK091 (AZD4547) in patients with urothelial cancer harboring FGFR2 or FGFR3 alterations. We expect that the enrollment of patients for the Phase Ib trial to be completed and the initial results to be available by the end of 2021.

ABSK011 (FGFR4 inhibitor)

ABSK011, one of our Core Product Candidates, is a potentially highly selective small molecule FGFR4 inhibitor that is being developed for the treatment of advanced hepatocellular carcinoma (HCC) with aberrant FGFR4 pathway activation. In pre-clinical head-to-head comparative studies, ABSK011 demonstrated improved potency and favorable physical-chemical properties compared with BLU554. ABSK011 also showed pre-clinical anti-tumor activity in multiple HCC xenograft models with improved efficacy over BLU554 and sorafenib in the same head-to-head study. We have completed a Phase Ia clinical trial in Taiwan in patients with advanced solid tumors. Results from the Phase Ia trial showed favorable safety and quality PK/PD profiles of ABSK011. We have initiated a Phase Ib clinical trial in mainland China to assess the safety and efficacy of ABSK011 in late stage HCC patients with FGF19

overexpression, and dosed the first patient in June 2021. We submitted the IND application for a Phase II study of ABSK011 in combination with the anti-PD-L1 antibody atezolizumab in late stage HCC patients with FGF19 overexpression in July 2021. Roche will provide atezolizumab.

ABSK061 (FGFR2/3-selective inhibitor)

ABSK061 is a potentially highly selective small molecule FGFR2/3 inhibitor. Pre-clinical research has shown that ABSK061 selectively inhibits FGFR2/3 over FGFR1 across various *in vitro* and cellular assays, with little activity against other kinases. Its high selectivity against FGFR2/3 and reduced FGFR1 activity could lead to an improved safety profile due to less off-target side effects, and potentially improved therapeutic window and efficacy as well as better opportunities for treating non-oncology indications. We believe ABSK061 has the potential to be a second generation FGFR inhibitor with its improved selectivity over current FGFR inhibitors such as erdafitinib and infigratinib based on our pre-clinical data. ABSK061 has also shown strong target engagement in FGFR2/3 dependent xenograft models. We are currently carrying out pre-clinical studies and expect to file for IND in the U.S. in solid tumors in the second half of 2021.

ABSK012 (FGFR4 mutant inhibitor)

ABSK012 is an orally bioavailable, highly selective, next-generation small molecule FGFR4 inhibitor with strong potency against both wild-type and mutant FGFR4. In pre-clinical studies, ABSK012 has demonstrated strong activities *in vitro* and in cells against both wild-type FGFR4 and various FGFR4 mutants that are resistant to current FGFR4 inhibitors in clinical development, and excellent *in vivo* efficacy in FGF19-driven and FGFR4-mutant models. We are currently conducting pre-clinical studies and expect to file IND in 2022.

ABSK121 (FGFR1-3 mutant inhibitor)

ABSK121 is a potentially highly selective, next-generation small molecule FGFR inhibitor that targets both wild-type and mutants of FGFR1-3 including those that are resistant to the currently approved or clinical FGFR inhibitors. It could potentially be used to treat various indications, including urothelial cancer, cholangiocarcinoma, and other solid tumors with FGFR alterations. It also has the potential to bring clinical benefits to patients who relapsed or progressed after initial treatment with first-generation FGFR inhibitors. In pre-clinical studies, ABSK121 has demonstrated strong potency against wild-type and various mutations of FGFR1-3, and excellent *in vivo* efficacy in FGFR dependent and FGFR-mutant dependent models. We are currently conducting pre-clinical studies.

EGFR Exon20 and KRAS inhibitors

Beyond our FGFR drug candidates, we are also developing small molecule inhibitors targeting, high-potential oncogenic pathways, including EGFR Exon20 and KRAS. Mutations in these oncogenes frequently occur in multiple cancer types, including large indications such as lung cancer and colon cancer.

Portfolio of small molecule immuno-oncology early stage candidates targeting tumor immune cells

Immuno-oncology is an emerging cancer therapeutic area that has shown market potential, even though the first therapy was only approved less than a decade ago globally. Beyond PD-1/PD-L1 and CTLA-4, many other promising pathways are emerging to further expand the immuno-oncology market.

We have a portfolio of small molecule immuno-oncology drug candidates, consisting of an internally developed pipeline to which we have global commercial rights and an in-licensed product. These five drug candidates target immune cell types in the tumor microenvironment, including tumor associated macrophages (TAMs), myeloid-derived suppressor cells (MDSCs), Treg, Th17/Tc17 cells, and effector T-cells. By covering multiple tumor immune cell types, our small molecule immuno-oncology drug candidates possess combination potential with both internally and externally developed immuno-oncology and/or precision oncology therapies.

The following are our key drug candidates under our small molecule immuno-oncology portfolio.

ABSK021 (CSF-1R Inhibitor)

ABSK021 is an orally bioavailable, selective, potent small molecule CSF-1R inhibitor being developed for the treatment of multiple types of oncology and non-oncology indications. CSF-1R is expressed in myeloid cells, such as TAMs, which are a critical immunesuppressive component of the tumor microenvironment. *In vitro* and *in vivo* pre-clinical data have demonstrated potency and selectivity of ABSK021 against CSF-1R with anti-tumor efficacy. We have completed a Phase Ia clinical trial of ABSK021 in the U.S. for the treatment of patients with advanced solid tumors. Phase Ia clinical trial data have shown that ABSK021 has a favorable safety and tolerability profile. We are initiating a Phase Ib clinical trial in the U.S. and China to evaluate the safety and efficacy of ABSK021 in four different tumor types including TGCT, TNBC, lung cancer and pancreatic cancer.

ABSK043 (Oral PD-L1 Inhibitor)

ABSK043 is an orally bioavailable, highly selective small molecule PD-L1 inhibitor being developed for the treatment of various cancers and potentially non-oncology indications. While anti-PD-1/anti-PD-L1 antibodies have revolutionized cancer treatment, the antibody-based immunotherapies carry a number of disadvantages such as high cost, lack of oral bioavailability, and immunogenicity, which could likely be improved with small molecule

inhibitors. ABSK043 specifically binds to PD-L1 and likely leads to PD-L1 dimerization, and internalization from the cell surface. Pre-clinical data have demonstrated strong inhibition of PD-1/PD-L1 interaction by ABSK043, and rescue of PD-L1-mediated inhibition of T-cell activation. ABSK043 has also demonstrated strong *in vitro* inhibitory effects and excellent safety profile in several pre-clinical models. Our Clinical Trial Notification (CTN) for the phase I clinical trial of ABSK043 was acknowledged by the Therapeutic Goods Administration (TGA) of Australia in July 2021. In August 2021, we dosed the first patient in a Phase I clinical trial of ABSK043 in Australia.

ABSK081 (CXCR4 Inhibitor)

ABSK081 (mavorixafor) was the only orally bioavailable CXCR4 antagonist in clinical development globally as of the Latest Practicable Date, according to Frost & Sullivan. In July 2019, we obtained an exclusive license over the ABSK081 (mavorixafor) compound from X4 Pharmaceuticals, Inc. ("X4") in the Greater China Region for oncology and WHIM indications. ABSK081 is a noncompetitive, allosteric inhibitor being developed for the treatment of WHIM and solid tumors. It blocks CXCR4 signaling *in vitro* with high selectivity against both wild-type and mutant CXCR4. It has also shown strong cellular potency and anti-tumor efficacy in xenograft and syngeneic mouse models. X4 had conducted a number of clinical trials of ABSK081 (mavorixafor), which demonstrated favorable safety as well as efficacy profiles in WHIM and a few cancer types. We have obtained the IND approval from the NMPA and the IRB approval, and have initiated a Phase Ib/II clinical trial of ABSK081 in combination with toripalimab from Junshi for the treatment of TNBC in China in July 2021.

ABSK051 (CD73 Inhibitor)

ABSK051 is a small molecule CD73 inhibitor being developed for the treatment of various tumor types including lung cancer, pancreatic cancer and other cancers. It has demonstrated strong potency in inhibiting the activities of soluble and surface-expressed CD73. It has also shown strong efficacy *in vivo* in various animal models. We have selected ABSK051 as a pre-clinical candidate and are currently conducting pre-clinical studies for ABSK051.

ABSK031 (RORγt Inhibitor)

ABSK031 is an orally bioavailable small molecule RORγt agonist being developed for the treatment of various solid tumors. It has shown potent activity in activating RORγt signaling in biochemical and cellular studies. ABSK031 has also demonstrated strong anti-tumor efficacy in multiple syngeneic tumor models, as well as excellent PK, physical-chemical and safety profiles, which support its further development.

Clinical development capabilities to bring our drug candidates to the potential market

Our clinical development capability has enabled us to receive nine IND approvals in four countries and regions as of the Latest Practicable Date. Our clinical development execution focuses on speed and high quality, supported by our rapidly expanding clinical team consisting of seasoned scientists, physicians and third party principal investigators, CROs, and medical institutions.

We have five IND approvals in mainland China, two IND approvals in Taiwan, one IND approval in the U.S., one TGA approval in Australia, respectively, as of the Latest Practicable Date. We tailor our clinical development activities and strategies for each asset in order to accelerate the time-to-market of our clinical drug candidates. For example, we completed a Phase Ia clinical trial for ABSK011 in only 12 months. With our management team's vision and expertise, we conduct trials in regions that best fit our development goal and timeline, and leverage data collected globally to support the development of our drug candidates in China and other main markets. In addition, we adopt a biomarker-based indication and patient selection approach, which takes into account the level of validation for the mechanism of action (MOA), competitive intensity within the same MOA, and the potential addressable patient population. For example, since the in-licensing of ABSK091, we began with the development of a monotherapy for the treatment of urothelial cancer.

Our clinical development capabilities are underpinned by a team of dedicated and experienced scientists and physicians specializing in oncology indications, including prevalent cancer types in Chinese patients. Led by Dr. JI Jing, our Chief Medical Officer, who has 25 years of experience in leading multinational pharmaceutical companies including many years of experience in clinical trials for FGFR inhibitors such as erdafitinib and infigratinib, our in-house clinical team has assembled approximately 20 scientists and physicians with strong drug development track records. We expect the team to grow into a work force of more than 200 employees by 2023. Our in-house team performs core functions such as designing clinical development strategies, plans, and protocols. We also closely work with CROs, principal investigators and leading academic medical institutions for clinical trial execution. We typically seek to select CROs and clinical trial sites with industry experience, which allow us to expediently conduct and complete clinical trials and obtain regulatory approvals.

We also strategically focus on the synergistic value of combination therapies. Our small molecule precision oncology and small molecule immuno-oncology assets cover diverse mechanisms of action and therefore offer rich combination potential. In the beginning stage, we have been initiating clinical studies by combining our small molecule immuno-oncology assets with external investigational or marketed drugs, including those from Roche and Junshi. For example, we have received IND approval to conduct a Phase Ib/II clinical trial of ABSK081 in combination with toripalimab from Junshi in patients with TNBC in China.

Seasoned management team led by our founders with a proven track record of drug discovery and development, and backed by blue chip investors

We have established a corporate culture consisting of several key philosophies: empowerment, collaboration, quality, innovation, and efficiency. Led by our seasoned management team, we have been well-positioned and prepared to implement these philosophies to rapidly develop and commercialize drug candidates, and achieve sustainable business growth. In particular, our founder and Chief Executive Officer Dr. XU Yao-Chang, a seasoned drug innovator and entrepreneur, has accumulated more than 30 years of drug discovery expertise, and has made contributions to the discovery of approximately 50 programs which led to the commercialization of six drugs. He was the Executive Director in Discovery Chemistry Research at Novartis Institutes for Biomedical Research Inc. when the China Novartis Institutes of Biological Research was set up in Shanghai, China in 2007. He also acted as the general manager of the Hansoh Pharmaceutical Group Shanghai Research and Development Centre (豪森醫藥集團上海新藥研發中心) of Shanghai Hansoh BioMedical Co., Ltd.

Our management's leadership capabilities and industry experience cover stages from discovery and research to clinical development and commercialization. Dr. YU Hongping, one of our co-founders and Senior Vice President of Chemistry, has had more than 20 years of experience in leading global and domestic pharmaceutical companies; Dr. CHEN Zhui, one of our co-founders and Senior Vice President of Biology, has had more than 15 years of industry experience in several global pharmaceutical companies. Mr. YEH Richard, our Chief Financial Officer and Head of Strategic Operations, has had more than 20 years of industry experience in equity financing especially relating to the biotech and pharmaceutical industry. Dr. JI Jing, our Chief Medical Officer, has had more than 25 years of experience as a physician in a medical institution and a medical leader in various multinational biopharmaceutical companies. Mr. LI Yongyi, our General Counsel, has had more than ten years of experience in international law firms and multinational healthcare companies. Dr. XIE Kewei, our Chief Business Officer, has had more than 25 years industry experience, including at global pharmaceutical and healthcare companies. Dr. ZHANG Zhen, our Vice President and Head of CMC, has had more than 10 years of experience in other multinational pharmaceutical companies.

Since our establishment, we have completed five rounds of fund raising led by blue-chip investors. Our investor base is a testament to our capabilities and supports our future success with strong financial support and industry insights.

OUR STRATEGIES

We aspire to become a leading biopharmaceutical company that discovers and develops novel, differentiated therapies in cancer and beyond, addressing critical unmet needs for patients in China and globally. We plan to implement the following strategies to achieve our vision:

Continue to advance our drug candidates

Leveraging our in-house development and clinical capabilities, we intend to continue to advance our clinical programs, achieving quick time-to-market, and successful commercialization. We also plan to maximize the therapeutic value of our assets by expanding the number of indications and combinations for our drug candidates. We intend to pursue an efficient timetables, including capitalizing on existing clinical data obtained through our various in-license agreements with other pharmaceutical companies where applicable. We intend to continue our strategic focus on genetic biomarker-based indication selection, taking into account the level of validation for each MOA, the intensity of global competition within the same MOA and indication, the global addressable patient population, and the size of medical needs. To accelerate global clinical development and increase the probability of success, we will continue to execute an innovative, tailored clinical trial design for each of our drug candidates and strengthen our relationships with CROs and renowned investigators.

Clinical Candidates

In particular, we have formulated the following plans with regards to our clinical stage drug candidates. You are cautioned that we may not be able to successfully develop and/or market the Core Product Candidates or any of our pipeline products.

- *ABSK011*: We have initiated a Phase Ib clinical trial in mainland China to assess the safety and efficacy of ABSK011 in late stage HCC patients with FGF19 overexpression, and dosed the first patient in June 2021. We submitted the IND application for a Phase II study of ABSK011 in combination with anti-PD-L1 antibody atezolizumab in late stage HCC patients with FGF19 overexpression in July 2021.

- *ABSK091*: In December 2020, we received IND approval from the NMPA for a Phase Ib/II clinical trials of ABSK091 for the treatment of patients with urothelial cancer harboring FGFR2 or FGFR3 alterations in mainland China. We are initiating a Phase Ib trial of ABSK091 (AZD4547) in mainland China in patients with late stage advanced solid tumors and a Phase II trial in mainland China to evaluate safety and efficacy of ABSK091 (AZD4547) in patients with urothelial cancer harboring FGFR2 or FGFR3 alterations. We expect that the enrollment of patients for the Phase Ib trial to be completed and the initial results to be available by the end of 2021.

- *ABSK021*: We are initiating a Phase Ib clinical trial in the U.S. and China. The Phase Ib trial is designed to be an open-label, multi-center trial to evaluate the safety, tolerability, the PK profile, and the anti-tumor effect of ABSK021 in four different tumor types, namely TGCT, TNBC, lung cancer and pancreatic cancer.

- *ABSK081*: We obtained the IRB approval and initiated the Phase Ib/II clinical trial in July 2021. The Phase Ib/II clinical trial is an open-label, single-arm study of ABSK081 in combination with toripalimab from Junshi in patients with TNBC. Both the Phase Ib and II trials will evaluate preliminary anti-tumor activity of the combination therapy, and also evaluate immune activation biomarkers and potential tumor biomarkers which are exploratory endpoints. The data from the Phase Ib and II studies will be combined for safety, efficacy, and biomarker analysis.

- *ABSK043*: Our Clinical Trial Notification (CTN) for the Phase I clinical trial of ABSK043 was acknowledged by the Therapeutic Goods Administration (TGA) of Australia in July 2021. In August, we dosed the first patient in relation to a Phase I trial of ABSK043 in Australia.

Pre-clinical Candidates

In addition to the abovementioned clinical stage candidates, we also plan to leverage our in-house R&D capabilities to advance our various pre-clinical programs into clinical development in the near future.

Continue to discover small molecule oncology therapies leveraging our expertise and R&D capabilities

We intend to continue to enhance our R&D capabilities, efficiently discover more drug candidates with high quality, and to further capture the growing trend of the global oncology market. We aim to grow our R&D team by actively recruiting talents with strong academic background and industry experience. We believe an expanded high-quality R&D team will enable us to expedite our drug discovery, development and commercialization processes. We have established a leading scientific advisory board, comprising (i) Dr. Thomas Gajewski, leader of the Immunology and Cancer program, Director of Melonoma Oncology of University of Chicago; (ii) Dr. Scott Biller, former Chief Scientific Officer of Agios Pharmaceuticals; and (iii) Dr. Dayao Zhao, Chief Executive Officer of Affamed Therapeutics and former R&D head of Pfizer China, Xian Janssen Pharmaceutical Ltd. and Genzyme China. We also plan to partner with globally leading academic institutions to conduct research on diseases, targets, and mechanisms of actions which could fit our pipeline expansion strategy.

In terms of our development pipeline, our strategy is to continue to focus on innovative, high-quality small molecule precision oncology and small molecule immuno-oncology therapies and advance them from pre-clinical research to clinical development, which we believe will support our long-term growth. We plan to deliver one to two pre-clinical candidates each year, and aim to advance them into pre-clinical and clinical development. With the expanded team of scientists and physicians and close collaborations with third-party institutions, we plan to further accumulate and leverage our expertise on small molecule drugs to anticipate and discover the next wave of novel therapies, unlocking the increasing market potential where there are highly medical needs. In particular, we intend to deepen our coverage of targeted therapies in areas with large medical needs and markets, such as synthetic lethality and transcriptional regulators with implications in lung, colon, leukemia, and other cancers. We plan to continue to conduct clinical trials in jurisdictions such as Taiwan. We also plan to continue to develop combination therapies combining small molecule precision oncology therapy and immuno-oncology therapy, both with our in-house drug assets and through external collaborations.

Enhance our business development capabilities

We plan to continue to increase our business development activities with leading biopharmaceutical companies to expand our geographic coverage, maximize program value and accelerate the global development of our drug candidates. We have adopted, and intend to continuously refine our evolving and multi-tiered business development strategy:

- *Stage one:* in addition to internal R&D efforts, we have begun expanding our product portfolio through in-licensed assets that complement our pipeline. We will continue to seek assets with novel or differentiated potential, significant near-term commercial value and synergy with our internal programs and expertise.

- *Stage two:* we have begun forming strategic partnerships with internationally and domestic leading pharmaceutical companies to co-develop novel molecules and/or combination therapies or otherwise in areas such as discovery, clinical development, manufacture, marketing and commercialization, leveraging each party's competitive advantages.

- *Stage three:* as we progress to become a late clinical and commercial-stage biopharmaceutical company, we intend to establish broader clinical and commercial collaborations with multinational and prestigious local pharmaceutical companies, through arrangements such as out-licensing transactions. We intend to accelerate the development of our candidates and the access to markets outside China, maximizing the commercial potential of our portfolio in the global market.

We intend to establish a dedicated team in the major markets to implement our business development strategy. We also intend to explore markets outside China, and will perform the necessary trials and undergo the requisite approval processes in the local jurisdictions.

Establish in-house manufacturing and commercialization capabilities

Besides continuing to cooperate with CMOs and commercialization partners, we plan to build in-house manufacturing facilities and commercialization capabilities to support the anticipated launches of our drug candidates. We are at the planning stage of building in-house GMP-compliant manufacturing facilities in Shanghai. We currently expect that the construction of the facilities will be completed as early as 2024. At the same time, we intend to partner with high-quality suppliers for API manufacturing.

We also plan to build a commercialization team to support the initial launches of our clinical stage drug candidates. We intend to recruit industry veterans from both multinational and domestic companies experienced in oncology products supported by a local field force with in-depth understanding of the dynamics of each market.

Continue to nurture our innovation-driven culture to attract and expand our scientific and managerial talent pool

We intend to continue our focus on translational science, biomarker research and medicinal and computational chemistry to guide our discovery and development. To that end, we plan to further foster our culture of innovation, collaboration, quality, and efficiency. Specifically, we intend to provide competitive compensation packages, upgrade our performance evaluation system, and build an internal employee development program.

We also intend to further attract and retain top talents in all respects of our operations, which we believe are critical to the sustainable growth of our business. We plan to initially focus our new hires in scientific research, pre-clinical and clinical development, and CMC to continue to drive our R&D efforts.

OUR DRUG CANDIDATES

As of the Latest Practicable Date, we have strategically designed and developed a diversified pipeline of 12 programs with global R&D and commercialization rights and selectively in-licensed two programs. Our pipeline includes five clinical stage assets and nine pre-clinical stage assets. As of the same date, we had received nine IND approvals in four countries and regions.

The following table summarizes our pipeline and the status of each asset as of the Latest Practicable Date.

Assets	Target	Indication	Mono/Combo	Discovery	IND Enabling	Phase I/Ia	Phase Ib/II	Pivotal	Rights	Partner	Jurisdictions/ Authority (v)
Small Molecule Precision Oncology											
ABSK011	FGFR4	FGF19+ HCC	Monotherapy*						Global		China, NMPA
			Combination therapy (i)								
ABSK091	pan-FGFR (iv)	FGFRalt UC	Monotherapy*				Global		Global	AstraZeneca	China, NMPA
			Combination therapy								
		FGFRalt GC	Monotherapy/ Combination therapy				Global				
		Other solid tumors	Monotherapy/ Combination therapy								
ABSK012	FGFR4 Mutant	RMS and other solid tumors	Monotherapy						Global		N/A
ABSK061	FGFR2/3	Solid tumors	Monotherapy						Global		N/A
ABSK121	pan-FGFR Mutant	Solid tumors	Monotherapy						Global		N/A
ABSK071	KRAS	Solid tumors	Monotherapy						Global		N/A
ABSK111	EGFR Exon20	NSCLC	Monotherapy						Global		N/A
ABSK131	Undisclosed	Multiple tumors	Monotherapy						Global		N/A
ABSK141	Undisclosed	Multiple tumors	Monotherapy						Global		N/A
Small Molecule Immuno-Oncology											
ABSK021	CSF-1R	TGCT and solid tumors	Monotherapy								
		Solid tumors	Combination therapy						Global		U.S., FDA China, NMPA
		cGvHD	Monotherapy								
		ALS (iii)	Monotherapy						Ex-China and Taiwan	Sperogenix (iii)	
ABSK081	CXCR4	TNBC	Combination therapy (ii)								
		Other solid tumors	Combination therapy						Greater China		China, NMPA
		WHIM	Monotherapy					Global			
ABSK043	PD-L1	Multiple tumors	Monotherapy						Global		Australia, TGA
ABSK051	CD73	Multiple tumors	Monotherapy						Global		N/A
ABSK031	RORγt	Multiple tumors	Monotherapy						Global		N/A

Legend:

Development status of Abbisko

Development status of licensors

Note:

All of our product candidates are self-developed, except for ABSK091 and ABSK081.

* *Indicates our Core Product Candidates*

Abbreviations: HCC = hepatocellular carcinoma; RMS = rhabdomyosarcoma; FGFRalt = FGFR altered; UC = urothelial cancer; GC = gastric cancer; NSCLC = non-small cell lung cancer; TGCT = tenosynovial giant cell tumor; cGvHD = chronic graft- versus-host disease; ALS = amyotrophic lateral sclerosis; TNBC = triple-negative breast cancer; WHIM = warts, hypogammaglobulinemia, infections and myelokathexis

Notes:

i. In combination with anti-PD-L1 antibody atezolizumab with Roche

ii. In combination with anti-PD-1 antibody toripalimab with Junshi

iii. In July 2021, we granted Sperogenix the exclusive right to develop, manufacture and commercialize ABSK021 in mainland China, Hong Kong SAR and Macau SAR for non-oncology rare neurological diseases indications, of which ALS will be the first indication to be developed by Sperogenix.

iv. Pan-FGFR inhibitor refers to FGFR1-3 inhibitors.

v. Represent the jurisdiction(s) in which we are conducting clinical trials or have obtained approvals to initiate clinical trials, as well as the name of the relevant regulatory authorities.

CLINICAL STAGE CANDIDATES

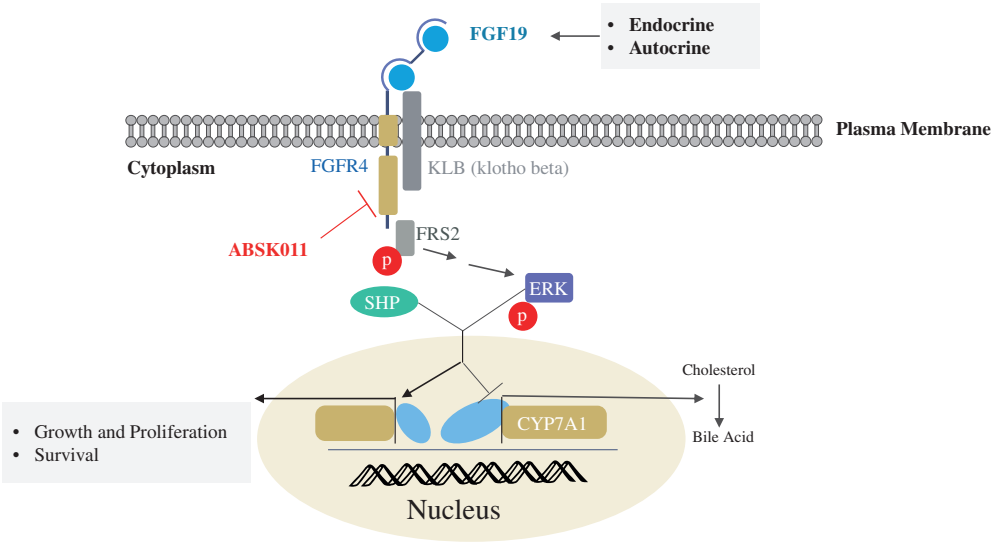
ABSK011

ABSK011, one of our Core Product Candidates, is a potent and highly selective small molecule inhibitor of fibroblast growth factor receptor 4 (FGFR4) that we are investigating in clinical programs in China. ABSK011 is being developed for the treatment of advanced hepatocellular carcinoma (HCC) with hyper-activation of FGF19/FGFR4 signaling. We initiated the development of ABSK011 in the second half of 2016, and selected ABSK011 as a pre-clinical candidate in the first half of 2018. We have completed a Phase Ia clinical trial to determine the safety, tolerability, pharmacokinetics and the maximum tolerated dose (MTD) and/or recommended Phase 2 dose (RP2D) of ABSK011 in patients with advanced solid tumors in Taiwan. Preliminary data from the trial demonstrated a favorable safety profile and quality PK/PD profiles of ABSK011. We believe ABSK011 is potentially a novel FGFR4 inhibitor for the treatment of HCC patients with hyper-activation of FGF19/FGFR4 pathway based on competitive landscape of FGFR4 inhibitors globally, according to Frost & Sullivan. ABSK011 targets first- and second-lines of treatment.

Mechanism of Action

FGFR4, coupled with its ligand, FGF19, regulates bile acid metabolism in hepatocytes and liver regeneration following injury. Aberrant activation of FGFR4 signaling is a major cause of a subset of HCC patients for whom FGF19 is overexpressed in hepatocytes and drives tumor growth. ABSK011 is a potent, FGFR4 inhibitor that can inhibit FGF19-dependent FGFR4 signaling cascade. In HCC cells overexpressing FGF19, ABSK011 inhibits the

auto-phosphorylation of FGFR4 and blocks signal transduction from FGFR4 to downstream pathway activation, ultimately resulting in tumor suppression in HCC patients. The following diagram illustrates the mechanism of action of ABSK011.



Abbreviations: FRS2 = Fibroblast growth factor receptor Substrate 2; ERK = Extracellular Signal-regulated Kinases; SHP = Src homology region domain-containing phosphatase; CYP7A1 = Cytochrome P450 Family 7 Subfamily A Member 1; Source: Company data.

Market Opportunity and Competition

Liver cancer has the fourth highest incidence among all cancers and was the second leading cause of death from cancer in China in 2020, according to Frost & Sullivan. The most common type of liver cancer is HCC, one of the most lethal cancers and the third-most-common cause of cancer-related deaths worldwide. In 2020, the prevalence of HCC patients in China was 390.4 thousand, according to Frost & Sullivan. The FGFR aberration rate in HCC patients is approximately 20.0% in China. In 2020, the number of new HCC cases reached 0.8 million worldwide, and is expected to reach 1.0 million by 2030, representing a CAGR of 2.4%, according to Frost & Sullivan. The number of new HCC cases in China reached 378.6 thousand in 2020, and is expected to reach 473.4 thousand in 2030, representing a CAGR of 2.3%, according to Frost & Sullivan. The increase in the incidence of HCC cases in China is driven by HCC risk factors such as high incidence of chronic viral hepatitis, high incidence of cirrhosis, heavy alcohol and tobacco consumption, and obesity, according to Frost & Sullivan. Hepatocellular carcinoma (HCC) are associated with cirrhosis related to chronic hepatitis B virus (HBV) or hepatitis C virus (HCV) infection. Individuals who are chronic carriers of hepatitis virus have a greater risk of developing HCC. HBV vaccination can prevent inoculators from HBV infection, while there is no currently available HCV vaccination. HBV patient group is the largest hepatitis infection patient group in China and its vaccination has been widely adopted as a public program for children. Due to the HBV vaccination program, incidence of HBV infections has experienced a stable decrease in China from 76.5 million in 2016 to 71.4 million in 2020, and is expected to further decrease to 62.2 million in 2030. As a result, the increase of the HCC incidence is expected to be partially offset by such decrease.

However, as the protection from the HBV vaccination does not last for a lifetime and the vaccination program does not extend to adults, the mitigating effect against HCC might be limited. In addition, risk factors such as excessive alcohol consumption, unhealthy fatty diet, smoking and irregular sleeping habits, significantly drives up the prevalence. For example, the obesity population in China reached 219.7 million in 2020 and is expected to further increase to 328.7 million in 2030. Population with smoking and drinking habits in China is expected to exceed 300 million in 2020. The combined effect has resulted in an increase in the HCC incidence.

Surgery is the recommended first-line treatment for resectable HCC. For advanced or metastatic unresectable HCC, systemic therapies including but not limited to sorafenib (Nexavar, a non-selective kinase inhibitor), lenvatinib (Lenvatinib, a non-selective kinase inhibitor), oxaliplatin based chemotherapy, donafenib, atezolizumab combined with bevacizumab, camrelizumab combined with apatinib are recommened as first-line treatment options. Despite advances in the treatment of HCC, including approvals of nivolumab and prior approvals of the multi-kinase inhibitors such as sorafenib and regorafenib, there remains a significant unmet need for new treatments for HCC, including FGFR4-driven HCC. Approved by the FDA as first-line treatments for advanced HCC, sorafenib and lenvatinib are multi-kinase inhibitors that target VEGFR and many other kinases and exhibit anti-angiogenic effects. Atezolizumab/bevacizumab combination has also been approved by the FDA for the first-line treatment of advanced HCC. Regorafenib, on the other hand, was approved by the FDA as a second-line treatment for advanced HCC based on data from a pivotal trial showing median overall survival of 10.6 months and an 11% ORR in patients with documented disease progression following sorafenib treatment. In clinical practice, however, patients often require dose modifications or discontinue therapy with sorafenib and regorafenib due to tolerability issues. Similarly, atezolizumab/bevacizumab combination therapy is often associated with side effects such as hypertension and hemorrhage. The need for therapies with a favorable risk-benefit profile and the potential to be used alone or in combination with other approved or emerging therapies for advanced HCC remains significantly unmet. ABSK011 is being developed as a first-line of treatment (where patients are not amenable to surgery and have not received any prior systematic therapy), or second-line of treatment (where patients had received one line of treatment) for advanced HCC.

The FGFR4 signaling pathway is a promising direction for the development of molecularly targeted therapies in HCC. The number of patients with an overexpression of FGF19/FGFR4 account for approximately 30% of total HCC patients worldwide, according to Frost & Sullivan.

Certain non-selective kinase inhibitors such as lenvima (Lenvatinib), sorafenib (Nexavar), carry certain levels of FGFR inhibitory activities, and therefore may compete with the selective FGFR inhibitors. The following table illustrates the non-selective kinase inhibitors approved for hepatocellular carcinoma and selected clinical data of ABSK011. There is currently no non-selective kinase inhibitor approved for urothelial cancer or gastric cancer.

Drug Name	FDA Approved Indications	mPFS	ORR	mOS	ARs	Dose Modification for ARs
Regorafenib	• Metastatic colorectal cancer (CRC) • Locally advanced, unresectable or metastatic gastrointestinal stromal tumor (GIST) • Sorafenib treated hepatocellular carcinoma (HCC)	3.1 months	11%	10.6 months	58.3% (dose interruption ARs)	120 mg (1st dose reduction)
Sorafenib	• Unresectable hepatocellular carcinoma (HCC) • Advanced renal cell carcinoma (RCC) • Locally recurrent or metastatic, progressive, differentiated thyroid carcinoma (DTC)	–	–	10.7 months	45% (grade 3-4 ARs)	600 mg (1st dose reduction)
Lenvatinib	• Locally recurrent or metastatic, progressive, radioactive iodine-refractory differentiated thyroid cancer (DTC) • Advanced renal cell carcinoma (RCC) • Unresectable hepatocellular carcinoma (HCC)	7.3 months	41%	13.6 months	62% (dose reduction/ interruption ARs)	8 mg (≥60 kg) 4 mg (<60kg) (1st dose reduction)
Cabozantinib	• Advanced renal cell carcinoma (RCC) • Previously sorafenib treated hepatocellular carcinoma (HCC)	5.2 months	4%	10.2 months	84% (dose interruption ARs)	40 mg (1st dose reduction)
ABSK011 (**Under clinical development**)*	N/A; being developed as first- and second-line treatment of hepatocellular carcinoma (HCC)	–	–	–	30% (grade 3 and above)	–

Abbreviations: mPFS= median progression-free survival; ORR= objective response rate; mOS= median overall survival; AR= adverse reactions

Notes:

i. Information retrieved from FDA labels.

ii. Clinical results such as mPFS, ORR, mOS, and ARs are for indication of hepatocellular carcinoma (HCC) and gastric related indication from FDA label. No head-to-head comparison was conducted between drugs, clinical trials of a drug cannot be directly compared to the clinical trials of another drug and may not be representative of the overall data.

iii. mPFS and ORR figures for sorafenib are not available, as such data is not shown on the FDA labels where numbers in this table were retrieved.

* *Data from the Phase Ia clinical trial of ABSK011 conducted by us. Most common treatment-related adverse events (TRAEs) (≥10%) in dose escalation cohorts included, among others, diarrhea, ALT increase, AST increase, and hyperphosphatemia. As of May 2021, four (30%, n=13) patients had Grade 3 TRAEs, no patients had Grade 4 or 5 TRAEs and no DLT was observed. 180mg QD was selected as the RP2D for the Phase Ib clinical trial. The Phase Ia clinical trial of ABSK011 did not generate efficacy data for FGF19 positive HCC patients. Cross-clinical trial comparison not from a head-to-head study involves risks and may not be representative of all the relevant clinical trial data. In addition, the data presented herein is from an early stage clinical trial and may not be conclusive. You are cautioned to not place undue reliance on the above trial results.*

Source: Frost & Sullivan Analysis

The following table shows the safety data of ABSK011, regorafenib, sorafenib, lenvatinib and cabozantinib. The comparison below is based on the data of Phase Ia clinical trial of ABSK011 conducted by us, and the FDA label information of regorafenib, sorafenib, lenvatinib and cabozantinib. The Phase Ia clinical trial of ABSK011 did not generate efficacy data for FGF19 positive HCC patients. The comparison below is not derived from controlled, head-to-head studies and may not be representative of all the relevant clinical trial data. According to Frost & Sullivan, a number of factors could affect the relevant clinical results and could render cross-trial comparison results less meaningful, including the different patient enrollment standards adopted in different trials (e.g., tumor size and status, prior treatment history, age group), dose regimen, and the other aspects of clinical trial design. You are cautioned to not place undue reliance on the cross-trial comparison results below. For more details, please refer to "Risk factors – Clinical drug development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials and non-head-to-head analysis may not be predictive of future trial results." The items below are presented based on common AEs, not occurrence rate. As a result, you are encouraged to review all of the information below together with "– ABSK011 – Summary of Phase Ia Clinical Trial Data – Safety Data" for the data presented.

	ABSK011[(i)]	
Indication	HCC (under clinical development)	
Dosing Regimen	60mg QD, 120mg QD, 180mg QD and 240mg QD	
Sample size	13	
	All Grades *(%)*	**Grade 3 and Above** *(%)*
Diarrhea	**61.5**	**0**
Fatigue	**15.4**	**0**
Weight loss	**15.4**	**0**
Pruritus	**23.1**	**0**
Alanine aminotransferase increased	46.2	23.1
Aspartate aminotransferase increased	46.2	15.4
Hyperphosphatemia	38.5	0
Direct bilirubin increased	15.4	0
Total bilirubin increased	15.4	0

Note:

i. Includes adverse reactions reported in ≥10% of patients

	Regorafenib[(i)]		**Sorafenib[(i)]**	
Indication	HCC		HCC	
Dosing Regimen	160 mg once daily for the first 21 days of each 28-day cycle, continous use		400 mg twice daily, continuous use	
Sample size	374		297	
	Grade 1-4 *(%)*	**Grade 3-4** *(%)*		**Grade 1-4** *(%)*	**Grade 3-4** *(%)*
Diarrhea	**41**	**3**	**Diarrhea**	**55**	**10(grade 3) <1(grade 4)**
Nausea	**17**	**<1**	**Nausea**	**24**	**1**
Vomiting	**13**	**<1**	**Vomiting**	**15**	**2**
Asthenia/Fatigue	**42**	**10**	**Fatigue**	**46**	**10**
Weight loss	**13**	**2.0**	**Weight loss**	**30**	**2**
HFSR/PPE	51	12	Rash/desquamation	19	1
Pain	55	9	Hand-foot skin reaction	21	8
Fever	20	0	Dry skin	10	0
Hypertension	31	15	Alopecia	14	0
Hemorrhage	18	5	Anorexia	29	3
Mucositis	13	1	Constipation	14	0
Dysphonia	18	0	Liver dysfunction	11	3
Infection	31	8	abdomen pain	31	9
Decreased appetite and food intake	31	3			
muscle spasms	10	0			

Note:

i. Information retrieved from FDA labels; includes adverse reactions reported in ≥10% of patients

	Lenvatinib[(i)]		**Cabozantinib[(ii)]**	
Indication	HCC		HCC	
Dosing regimen	12 mg for patients ≥60 kg 8mg for patients <60kg		60 mg once daily, continuous use	
Sample size	476		467	
	Grade 1-4 *(%)*	**Grade 3-4** *(%)*		**All Grades** *(%)*	**Grade 3-4** *(%)*
Diarrhea	**39**	**4**	**Diarrhea**	**54**	**10**
Nausea	**20**	**1**	**Nausea**	**31**	**2**
Vomiting	**16**	**1**	**Vomiting**	**26**	**<1**
Fatigue	**44**	**7**	**Fatigue**	**45**	**10**
Decreased weight	**31**	**8**	**Weight decreased**	**17**	**1**
Hypothyroidism	**21**	**0**	**Stomatitis**	**13**	**2**
Abdominal pain	30	3	Dyspepsia	10	0
Constipation	16	1	Asthenia	22	7
Ascites	15	4	Mucosal inflammation	14	2
Stomatitis	11	0.4	Decreased appetite	48	6
Pyrexia	15	0	Palmar-plantar erythrodysesthesia	46	17
Peripheral edema	14	1	Rash	21	2
Decreased appetite	34	5	Hypertension	30	16
Arthralgia/Myalgia	31	1	Dysgeusia	12	0
Headache	10	1	Hypothyroidism	8	<1
Proteinuria	26	6	Dysphonia	19	1
Dysphonia	24	0.2	Dyspnea	12	3
Palmar-plantar erythrodysesthesia syndrome	27	3	Pain in extremity	9	<1
Rash	14	0	Muscle spasms	8	<1
Hypertension	45	24			
Hemorrhagic events	23	4			

Notes:

i. Information retrieved from FDA labels; includes adverse reactions reported in ≥10% of patients

ii. Information retrieved from FDA labels; includes adverse reactions reported in ≥5% of patients

Several FGFR4 inhibitors have been under clinical development. However, there were no marketed FGFR4 inhibitors globally as of May 31, 2021. The following table sets forth the current clinical status of FGFR4 inhibitors globally and in China as of May 31, 2021. Considering that FGFR inhibitors, including FGFR4 inhibitors, have been under development in the market for several years, and that there had not been any marketed FGFR4 inhibitors, the development of FGFR4 inhibitors could pose significant challenges and hurdles to us. Because ABSK011 is still at early development stages, it may not be able to reach commercialization in view of such hurdles.

Drug Name	Indications	Company	Highest Phase	First Post Date	Location[1]
ABSK011	**Advanced Solid Tumor**	**Abbisko**	**Phase 1**	**Mar-2020**	**China**
FGF401	Hepatocellular Carcinoma	Everest Medicines/ Novartis[2]	Phase 1/2	Dec-2014	Global
Fisogatinib (BLU554)	Hepatocellular Carcinoma	Blueprint Medicines/ CStone	Phase 1	Jul-2015	Global
	Hepatocellular Carcinoma		Phase 1	Nov-2019	China
H3B-6527	Hepatocellular Carcinoma	H3 Biomedicine	Phase 1	Jul-2016	Global
ZSP-1241	Advanced Solid Tumor	Zhongsheng Pharma	Phase 1	Nov-2018	China
ICP-105	Solid Tumor	Innocare	Phase 1	Aug-2018	China
HS236	Advanced Solid Tumor	Hisun Pharma	Phase 1	Aug-2020	China
BPI-43487	Advanced Solid Tumor	Betta Pharma	Phase 1	Mar-2021	China
SY-4798	Advanced Solid Tumor	Shouyao Holding	Phase 1	Apr-2021	China

Notes:

1. *Location marked "Global" if multiple countries involved other than the U.S. and China; location marked "China" for the trials conducted in China that shows on CDE.*
2. *Everest Medicines licensed in global development and commercialization right of Novartis FGF401 in 2018, Phase1/2 trials have been conducted by Novartis and first posted in December 2014 on ClinicalTrials, in China its first posted in February 2017 on CDE.*

Source: ClinicalTrials, CDE website, Frost & Sullivan Analysis

Competitive Advantages

We believe ABSK011 has the following competitive advantages:

Improved Potency

ABSK011 inhibited the kinase activity of the FGFR4 with an IC_{50} of 4.4nM, which is stronger than BLU554 (IC_{50}=7.7nM) in a head-to-head comparative study. ABSK011 also demonstrated stronger cellular potency than BLU554 in multiple FGF19/FGFR4-dependent HCC cell lines. The following table sets forth a comparison between ABSK011 and BLU554 on the inhibition of cellular proliferation in different HCC cell lines, which shows stronger potency of ABSK011 as compared to BLU554.

	ABSK011	BLU554
Hep3B		
Huh7		
LIXC-012		
LIXC-108		
LIXC-066		

IC_{50} (nM)
0-30
30-100
100-300
>300

Source: Company data

Favorable Physical-chemical Property

ABSK011 has demonstrated excellent overall physical-chemical and drug-like properties, with significant improvement over BLU554, particularly in areas such as solubility and plasma protein binding. These properties may allow ABSK011 to achieve higher free drug exposure in animals and in humans, leading to potentially better target coverage and efficacy. The following table shows plasma protein binding of ABSK011 and BLU554 with mouse or human plasma proteins.

		ABSK011	BLU554
Plasma Protein Binding	mouse		
	human		

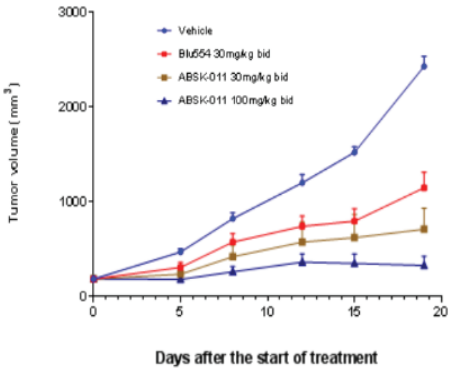
higher than 99%
between 99% and 95%
lower than 95%

Source: Company data

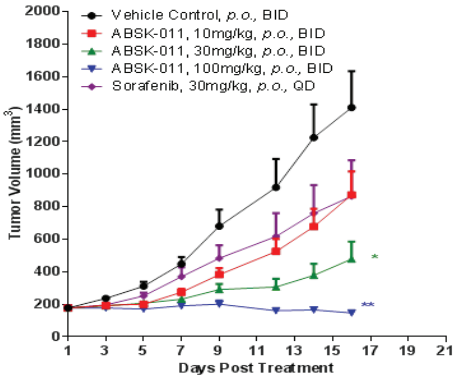
Pre-clinical Anti-tumor Efficacy

ABSK011 has demonstrated dose-dependent anti-tumor efficacy in multiple HCC xenograft models, with improved efficacy compared with BLU554 or sorafenib at the same dose level in head-to-head pre-clinical studies, as indicated in the charts below.

Hep3B Xenograft

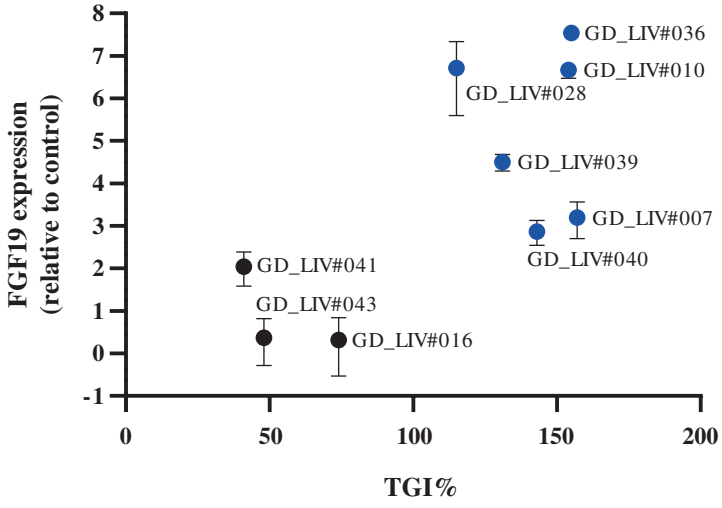


Huh7 Xenograft



Source: Company data.

ABSK011 has demonstrated broad and anti-tumor efficacy in a large panel of patient-derived xenograft models with high FGF19 expression. The ability to induce deep regression in these models and the strong correlation of efficacy and FGF19 expression confirmed the excellent on-target activity of ABSK011. The following graph shows anti-tumor efficacy of ABSK011 in various patient-derived xenograft models in correlation with FGF19 expression.



Abbreviations: TGI = tumor growth inhibition
Source: Company data.

Summary of Phase Ia Clinical Trial Data

Overview

We have completed a Phase Ia clinical trial of ABSK011, which was an open-label, multi-center, dose escalation trial conducted in Taiwan to determine the safety, tolerability, pharmacokinetics and the maximum tolerated dose (MTD)/recommended Phase 2 dose (RP2D) of ABSK011 in patients with advanced solid tumors. The Phase Ia clinical trial data shows that ABSK011 has a favorable safety and quality PK/PD profile. RP2D has also been determined. Based on the encouraging data from the dose escalation study, we have advanced to a Phase Ib study in mainland China to further evaluate its clinical activity in HCC patients with FGF19 overexpression, and dosed the first patient in June 2021.

Trial Design

The primary endpoints of the Phase Ia clinical trial are to evaluate the rate of frequency of the dose limiting toxicity (DLT) of ABSK011 within the first cycle (28 days) of daily administration and determine the MTD and/or RP2D. The secondary endpoints of the Phase Ia clinical trial are to evaluate the safety and tolerability and PK characteristics of ABSK011 upon single and continuous administration of ABSK011. As a part of the treatment for the Phase Ia clinical trial of ABSK011, patients with histologically confirmed solid tumors first received a single dose ABSK011 at Day-3 to be followed by a three-day off as a run-in period to assess the safety and PK of a single-dose. Then, patients continuously received ABSK011 once daily (QD) in repeated 28-day cycles. Patients are assigned the initial dosage of 60mg and the subsequent dosage of ABSK011 would depend on the preset dosage escalation or any other dosage as agreed by the investigator and the sponsor.

Trial Status

We initiated the trial in February 2020 and completed the trial in March 2021 after assessing four respective dosages: 60mg QD, 120mg QD, 180mg QD and 240mg QD. Based on safety, tolerability, PK and PD data, 180mg QD was selected as the RP2D for the Phase Ib clinical trial. As of the data cutoff date of May 9, 2021, we had enrolled 13 patients with advanced solid tumors and 11 were heavily pretreated late stage HCC patients. A majority of the patients enrolled in the dose escalation cohorts had received at least two prior lines of systemic treatment.

Safety Data

As of the data cutoff date of May 9, 2021, among the 13 evaluable patients, we did not observe any dose-limiting toxicity (DLT) at the dosage of 60mg QD, 120mg QD, 180mg QD and 240mg QD, respectively. MOA related adverse event of biliary diarrhea was observed, which was well-controllable and indicated target engagement. The longest exposure was observed in a HCC patient at 60mg QD who had stable disease and received five months of continuous treatment. Most common treatment-related adverse events (TRAEs) (≥10%) in

dose escalation cohorts included, among others, diarrhea, ALT increase, AST increase, and hyperphosphatemia. Four patients had Grade 3 TRAEs, and no patients had Grade 4 or 5 TRAEs. The following table sets forth a summary of TRAEs of ABSK011.

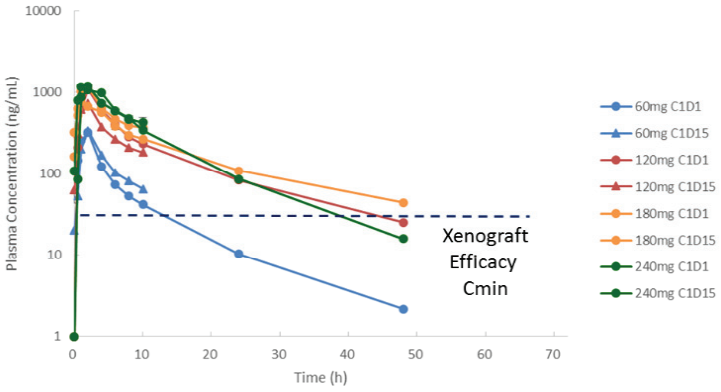
Common TRAEs (≥10%) in the Phase Ia clinical trial of ABSK011

TRAEs	Patients (N=13)	
	Any Grade	Grade 3 and Above
	n (%)	
Diarrhea	8 (61.5%)	0 (0%)
Alanine aminotransferase increased	6 (46.2%)	3 (23.1%)
Aspartate aminotransferase increased	6 (46.2%)	2 (15.4%)
Hyperphosphatemia	5 (38.5%)	0 (0%)
Pruritus	3 (23.1%)	0 (0%)
Direct bilirubin increased	2 (15.4%)	1 (7.7%)
Total bilirubin increased	2 (15.4%)	0 (0%)
Fatigue	2 (15.4%)	0 (0%)
Weight loss	2 (15.4%)	0 (0%)

PK Data

ABSK011 was absorbed quickly after oral administration. The systemic exposure (both AUC and C_{max}) of ABSK011 increased in an approximately proportional manner with the dose increasing from 60mg to 240mg QD. The concentration of ABSK011 reached steady state after eight days of repeated QD dosing. There was no obvious accumulation for ABSK011. The mean $t_{1/2}$ for ABSK011 was 10 hours. Exposure at 180mg QD demonstrated sufficient coverage of the predicted minimal efficacious concentration. The following graph sets forth the human PK as indicated by plasma concentration for ABSK011 under different dose levels over time.

ABSK011 Human PK



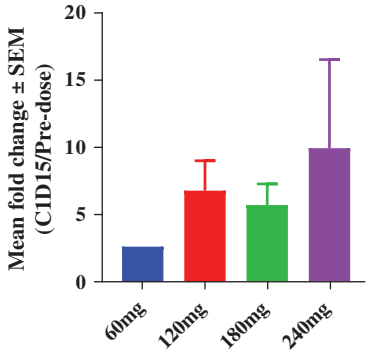
Source: Company data as of March 24, 2021

PD Data

Analysis of PD biomarkers such as the FGF19 levels in peripheral blood showed that ABSK011 led to strong target modulation at all studied doses.

The following chart sets forth the PD data of ABSK011.

ABSK011 PD Data
(FGF19 Levels)



Abbreviations: SEM = standard error of the mean; C1D15 = day 15 of cycle 1
Source: Company data as of March 24, 2021

Clinical Development Plan

After determining RP2D in December 2020, we started preparing for and submitted applications to the ethics committee and the Management Office of Human Genetic Resources (Genetics Office). We also prepared for the trial sites for the Phase Ib clinical trials. After these abovementioned preparations, we initiated a Phase Ib clinical trial of ABSK011 in April 2021 in mainland China, and dosed the first patient in June 2021. The trial is designed to be an open-label, single-arm, multi-center trial to evaluate the preliminary anti-tumor activity of ABSK011 in advanced HCC patients with FGF19 overexpression. The secondary objectives are to further assess safety, tolerability and PK profile. The exploratory objectives are to characterize the potential PD profile, identify the metabolites of ABSK011 and explore potential resistance mechanisms of ABSK011. A total of 20 advanced HCC patients with FGF19 overexpression are expected to be recruited.

Material Communications with Competent Authorities

The NMPA deems that the Phase Ia trial of ABSK011 meets the principal criteria of a typical Phase I clinical trial in China recognized by the NMPA, as demonstrated by the following. In July 2019, we submitted application materials for a pre-IND meeting with the NMPA, which sets out, amongst others, the design of the Phase Ia trial, that the Phase Ia trial would be carried out and that the trial data from Taiwan would be used to support clinical trials in mainland China. Taiwan is not a jurisdiction of Competent Authority (as defined in the Listing Rules) under Chapter 18A of the Listing Rules. Our materials provide that the primary

objective of the Phase Ia trial of ABSK011 is to determine the safety, tolerability, PK, and the MTD/RP2D of ABSK011 in patients with advanced solid tumors. Having reviewed the application materials, the NMPA did not raise any objection to the use of the data from the Phase Ia clinical trial in Taiwan to determine the RP2D for the Phase Ib clinical trial in mainland China in its pre-IND response. Subsequently in February 2020, the NMPA granted us the IND approval for our Phase Ib clinical trial of ABSK011 in mainland China without the need for obtaining further approvals on the basis of the design of the Phase Ia trial in Taiwan. The NMPA has also agreed that the RP2D determined from the Phase Ia trial will be used to initiate the Phase Ib trial in mainland China.

After assessing the safety and PK/PD data of the patients enrolled in the Phase Ia trial, we, as the sponsor of the trial, and the principal investigators together determined that the primary endpoints of the Phase Ia trial had been reached, and that the RP2D of ABSK011 should be 180mg QD for the subsequent Phase Ib clinical trial in mainland China and Taiwan. Once the primary endpoints of the Phase Ia trial were reached, no additional approval or confirmation from the NMPA or the TFDA was required for the initiation of the Phase Ib trial in China as the original trial design had been reviewed by the NMPA and TFDA. It is also uncommon for the NMPA to provide an additional affirmative confirmation or approval for such a further Phase Ib trial. The Phase Ib trial in China was initiated in April 2021.

We submitted the IND application for a Phase II study of ABSK011 in combination with anti-PD-L1 antibody atezolizumab in late stage HCC patients with FGF19 overexpression in July 2021. Roche will provide atezolizumab.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ABSK011 SUCCESSFULLY.

ABSK091 (AZD4547)

ABSK091, previously known as AZD4547, and one of our Core Product Candidates, is a molecularly targeted product candidate and a highly potent and selective inhibitor of FGFR subtypes 1, 2 and 3. ABSK091 (AZD4547) has a chemical structure different from other FGFR inhibitors with similar anti-tumor activities. Both ABSK091 and other inhibitors use a dimethoxyphenyl moiety for the hydrophobic pocket binding in the FGFR kinases. Other than the above, ABSK091 shares few similarities with other FGFR inhibitors in terms of chemical structure. For the hinge binding region, erdafitinib and pemigatinib use bi- and tri-cyclic ring system, respectively, while ABSK091 (AZD4547) uses a monocycle. For the solvent exposure region, erdafitinib and pemigatinib use different chemical moiety as well: erdafitinib uses methyl imidazole, pemigatinib uses morpholine, and ABSK091 (AZD4547) uses dimethylpiperazine. In November 2019, we entered into an exclusive license agreement with AstraZeneca and obtained the global rights for the development, manufacturing and commercialization of ABSK091 (AZD4547). Prior to the in-licensing of ABSK091 (AZD4547), AstraZeneca started conducting clinical trials on AZD4547 in 2009 and discontinued its development of AZD4547 in 2019, during which it sponsored and completed a total of four trials, including two Phase I trials and two Phase II trials. In addition to theAstraZeneca-sponsored studies, several externally sponsored clinical researches have been

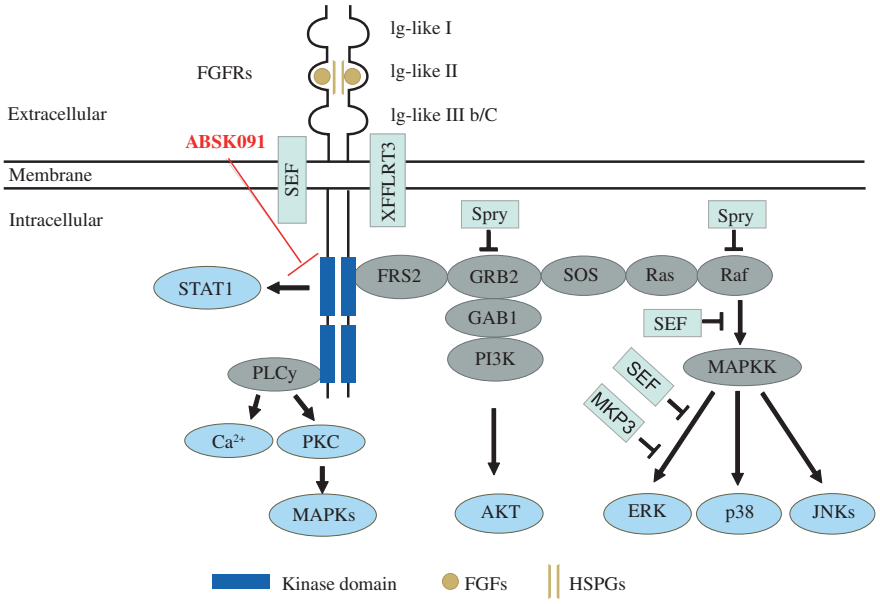
conducted. Results from these trials show that ABSK091 (AZD4547) had preliminary anti-tumor activity in various solid tumors including urothelial cancer, gastric cancer and cholangiocarcinoma, harboring FGFR alterations. ABSK091 (AZD4547) is initially being developed as first- and second-lines of treatment of urothelial cancer harboring FGFR alterations.

We are developing ABSK091 (AZD4547) for the treatment for multiple solid tumors, including but not limited to urothelial cancer, gastric cancer, cholangiocarcinoma and lung cancer. We completed a Phase I study of ABSK091 (AZD4547) in Taiwan in February 2021. In December 2020, we received IND approval from the NMPA for Phase Ib/II clinical trials of ABSK091 (AZD4547) for the treatment of patients with urothelial cancer harboring FGFR2 or FGFR3 alterations in mainland China as well as patients with late stage advanced solid tumors.

Mechanism of Action

The FGFR family consists of four members each composed of an extracellular ligand binding domain, a trans-membrane domain and an intracellular cytoplasmic protein tyrosine kinase domain. Receptor activation leads to the recruitment and activation of specific downstream signaling partners that participate in the regulation of diverse processes such as cell growth, cell metabolism and cell survival. Dysregulation of the FGFR pathway via genetic modifications of FGFR1, 2, 3 or 4, including amplification, translocation and mutations have been described in a range of tumor types, including urothelial cancer, cholangiocarcinoma, gastric cancer, lung cancer and endometrial cancer. Non-clinical data indicate the presence of such modifications confers sensitivity to FGFR inhibitors. Inhibition of FGFR mediated signaling can result in an anti-proliferative and/or pro-apoptotic activity.

ABSK091 (AZD4547) is a potent and selective inhibitor of FGFR1, 2 and 3 receptor tyrosine kinases (enzyme and cellular phosphorylation endpoints), therefore it may have the potential to provide clinical benefit in patients with a variety of advanced solid malignancies who have a FGFR-dependent mechanism. The following diagram illustrates the mechanism of action of ABSK091 (AZD4547).



Source: Company data.
Abbreviations: Ig-like = Immunoglobulin-like; SEF = Similar expression to FGF; XFLRT3 = Fibronectin leucine rich transmembrane protein 3; STAT 1 = Signal transducer and activator of transcription 1; PLCγ= Phospholipase C gamma; FRS2 = Fibroblast Growth Factor Receptor Substrate 2; GRB2 = Growth factor receptor-bound protein 2; PI3K = Phosphoinositide 3-kinases; AKT = Protein kinase B; SOS = SOS Ras/Rac Guanine Nucleotide Exchange Factor; Spry = Sprouty; MAPKK = Mitogen-activated protein kinase kinase; ERK = extracellular signal-regulated kinases; p38 = p38 kinase; JNKs = c-Jun N-terminal kinases; MKP3 = Mitogen-activated protein kinase phosphatase 3; HSPGs = Heparan sulfate proteoglycans.

Market Opportunity and Competition

FGFRs are tyrosine kinase receptors that regulate important biological processes such as cell proliferation and survival. Because of FGFR signaling pathways' potential driving role in tumor cell proliferation, various FGFR targeting therapies are under development. Mutations and aberrant activation of FGFRs have been implicated in the development of various. FGFR aberrations were found in approximately 7.1% of solid tumors in 2020, including bile duct, breast, lung, head and neck, gastric and urothelial cancer, according to Frost & Sullivan.

According to Frost & Sullivan, the overall annual global FGFR-related solid tumor incidence grew from 4.4 million in 2016 to 4.9 million in 2020, representing a CAGR of 3.0%, and is expected to grow to 6.8 million by 2035, representing a CAGR of 3.3%. Such number in China reached 1.4 million in 2020, representing a CAGR of 2.6% from 2016 to 2020, and is expected to reach approximately 1.9 million by 2035, representing a CAGR of 3.2%, according to the same source.

As for solid tumors, we will initially develop ABSK091 (AZD4547) for the treatment of urothelial cancer, gastric cancer, cholangiocarcinoma and lung cancer.

- *Urothelial cancer*. Urothelial cancer is a type of cancer that originates from the urothelial cells, and includes bladder cancer, cancer of the ureter, urethra, and urachus. The most common type of urothelial cancer is bladder cancer. Although urothelial cancer can be treated at an early stage, the treatment method depends on the clinical stage of the cancer and the degree of metastasis. Chemotherapy remains the standard treatment for urothelial cancer. Surgery or radical cystectomy are the recommended first-line treatment for non-muscle invasive or early stage urothelial cancer. For advanced or metastatic urothelial cancer, systemic therapies including but not limited to gemcitabine combined with cisplatin/carboplatin, gemcitabine combined with cisplatin/carboplatin and paclitaxel, atezolizumab, and pembrolizumab are recommended as first-line treatment options. ABSK091 (AZD4547) is under early stage development initially as a first-line of treatment (where patients had not undergone any treatments, including conventional therapies), or second-line of treatment (where patients had received one line of treatment already) for unresectable locally advanced or metastatic urothelial cancer. In 2020, approximately 522.3 thousand and 78.8 thousand new cases of urothelial cancer were recorded globally and in China, respectively, according to Frost & Sullivan. In 2020, the prevalence of urothelial cancer patients in China was 211.9 thousand, according to Frost & Sullivan. The FGFR aberration rate in urothelial cancer is approximately 31.7% in China.

- *Gastric cancer.* Gastric cancer is a common malignant tumor of the digestive tract. The cancer may spread from the stomach to other parts of the body, especially the liver, lungs, abdomen and lymph nodes. The occurrence of gastric cancer is a gradual process that involves multiple steps and different genes. In 2020, approximately 1,089.9 thousand and 469.5 thousand new cases of gastric cancer were recorded globally and in China, respectively, according to Frost & Sullivan. In 2020, the prevalence of gastric cancer patients in China was 675.8 thousand, according to Frost & Sullivan. The FGFR aberration rate in gastric cancer is approximately 6.7% in China. Surgery is the recommended first-line treatment for resectable gastric cancer. For advanced or metastatic unresectable gastric cancer, systemic therapies including but not limited to trastuzumab combined with cisplatin/oxaliplatin and fluorouracil/capecitabine are recommended as first-line treatment options for HER2+ gastric cancer patients, and cisplatin/oxaliplatin combined with fluorouracil/capecitabine/tegafur, gimeracil and oteracil porassium and FOLFOX (a chemotherapy regime consisting of folinic acid, fluorouracil and oxaliptlatin) / XELOX (a chemotherapy regimen consisting of capecitabine and oxaliplatin) combined with nivolumab are recommended as first line treatment options for HER2- gastric cancer patients.

- *Cholangiocarcinoma.* Cholangiocarcinoma is a group of cancers that begin in the bile ducts that connect the liver, gallbladder and small intestine. Cholangiocarcinoma is usually not detected until it has spread beyond the bile ducts to other tissues, and treatment options depend on the degree of metastasis. Chemotherapy remains the standard treatment for cholangiocarcinoma but is limited by its side effects. In 2020, approximately 175.5 thousand and 123.9 thousand new cases of cholangiocarcinoma were recorded globally and in China, respectively, according to Frost & Sullivan. The FGFR aberration rate in cholangiocarcinoma is approximately 25.2% in China.

- *Lung cancer.* Lung cancer has the highest incidence among all cancer types in China, among which NSCLC accounted for approximately 85% of the lung cancer population. NSCLC has a large and increasing patient pool in China. According to Frost & Sullivan, there is a lack of treatment options globally for mutations other than EGFR and ALK, such as KRAS, NFE2L2, serine/threonine kinase 11 and RICTOR amplification. The treatment options available in China for patients with mutations other than EGFR and ALK are limited and only include PD-1 inhibitor, bevacizumab and chemotherapy, representing significant medical needs. There are significant medical needs of NSCLC patients in China because of NSCLC's poor survival rate, complexity of different disease subtypes and drug resistance. The FGFR aberration rate in lung cancer is approximately 15.0% in China.

As of May 31, 2021, Johnson & Johnson's Balversa (erdafitinib), Incyte's pemigatinib and QED Therapeutics' Truseltiq (infigratinib) were the only approved pan-FGFR inhibitors globally. Erdafitinib was approved by the FDA in April 2019 for advanced urothelial cancer, pemigatinib was approved by the FDA in April 2020 for cholangiocarcinoma and infigratinib was approved by the FDA in May 2021 for cholangiocarcinoma. While there were multiple candidates under development, there was no approved pan-FGFR inhibitor in China as of May 31, 2021.

The following table illustrates details of the approved pan-FGFR inhibitors as of May 31, 2021 and selected clinical data of ABSK091.

Drug Name	FDA Approved Indications	ORR	mDoR	ARs	Recommended Dosage	Dose Modification for ARs
Infigratinib	• previously treated, unresectable locally advanced or metastatic cholangiocarcinoma with a fibroblast growth factor receptor 2 (FGFR2) fusion or other rearrangement	23%	5.0 months	64% (Dose interruption ARs)	125 mg	100 mg (1st dose reduction)
Pemigatinib	• previously treated, unresectable locally advanced or metastatic cholangiocarcinoma with a fibroblast growth factor receptor 2 (FGFR2) fusion or other rearrangement	36%	9.1 months	43% (Dose interruption ARs)	13.5 mg	9 mg (1st dose reduction)
Erdafitinib	• locally advanced or metastatic urothelial carcinoma w. FGFR3/FGFR2 alteration	32.2%	5.4 months	67% (Grade 3-4)	8 mg	6 mg (1st dose reduction)
ABSK091 (**Under clinical development**)*	• N/A; initially being developed as first- and second-line treatment of urothelial cancer harboring FGFR alteration	31.3%	-	31% (Grade 3-4)	-	-

Abbreviations: ORR = objective response rate, mDoR = median Duration of Response, AR = adverse reactions

Notes:

i. Information retrieved from FDA Labels.

ii. Data not based on head-to-head comparison between drugs, clinical trials of a drug cannot be directly compared to the clinical trials of another drug and may not be representative of the overall data.

* *Data from the BSICAY Phase Ib trial conducted by AZ in patients with urothelial cancer who have progressed on prior treatments. Grade 3 and 4 therapy-related AEs occurred in 31% of the patients treated with ABSK091 (AZD4547) monotherapy. Discontinuation for AEs occurred in 25% of the patients for ABSK091 (AZD4547) monotherapy. As of April 2019, out of the 16 evaluable patients in the ABSK091 (AZD4547) monotherapy arm, the confirmed response rate was 31.3% (16.1–50.4 %), and one-year OS rate (80% CI) was 42.3% (18.1–64.9%). In the Phase I clinical trial of ABSK091 conducted by us, there were 9 subjects with AE (69.2%, n=13) and no subject with SAE. The Phase I trial of ABSK011 was conducted with a single dose of 80 mg which was well tolerated, and did not generate efficacy data. Cross-clinical trial comparison not from a head-to-head study involves risks and may not be representative of all the relevant clinical trial data. In addition, the data from the Phase I clinical trial conducted by us presented herein is from an early stage clinical trial and may not be conclusive. The data from the BISCAY Phase Ib clinical trial was from a trial conducted by AZ. You are cautioned to not place undue reliance on the above trial results.*

Source: Frost & Sullivan Analysis

Considering that FGFR inhibitors, including pan-FGFR4 inhibitors, have been under development in the market for several years, and that there had only been the few abovementioned approved pan-FGFR inhibitors, the development of pan-FGFR inhibitors could pose significant challenges and hurdles to us. Because ABSK091 (AZD4547) is still at early development stages, it may not be able to reach commercialization in view of such hurdles.

The following table sets forth a comparison between ABSK091 (AZD4547) and other pan-FGFR inhibitors at clinical stage globally as of May 31, 2021:

Drug Name	Indications	Company	Highest Phase	First Post Date	Location[1]
ABSK091[2] (AZD4547)	**Urothelial Carcinoma**	**Abbisko**	**Phase 1b/2**	**Apr-2021**	**China**
Erdafitinib	Advanced Urothelial Carcinoma	Janssen	Phase 3	Nov-2018	China
Pemigatinib	Cholangiocarcinoma	Innovent[3]	Phase 3	Aug-2020	China
Infigratinib	Upper Tract Urothelial Carcinomas, Urothelial Bladder Cancer	QED Therapeutics	Phase 3	Dec-2019	Global
	Advanced Cholangiocarcinoma	LianBio/QED Therapeutics	Phase 3	Feb-2021	China
	Gastric or Gastroesophageal Cancer, Advanced Solid Tumor		Phase 2a	Feb-2021	
Futibatinib	Advanced Cholangiocarcinoma	Taiho Oncology	Phase 3	Sep-2019	the U.S.
	mBreast Cancer			Jul-2019	Global
	Advanced or Metastatic Gastric or Gastroesophageal Cancer, Myeloid or Lymphoid Neoplasms		Phase 2	Dec-2019	Global
	Advanced and Metastatic Urothelial Cancer			Oct-2020	the U.S.
Rogaratinib	Advanced or Metastatic Urothelial Carcinoma	Bayer	Phase 2/3	Jan-2018	Global
Derazantinib	Intrahepatic Cholangiocarcinoma, Combined Hepatocellular	Basilea Pharmaceutica	Phase 2	Jul-2017	Global
	Urothelial Cancer		Phase 1/2	Aug-2019	Global
	Gastric Adenocarcinoma			Oct-2020	Global
ICP-192	Urothelial Cancer	InnoCare	Phase 2	Apr-2020	China
	Urothelial Cancer, Cholangiocarcinoma		Phase 1/2	Sep-2020	the U.S.
Debio1347	Solid Tumor	Debiopharm	Phase 2	Feb-2019	Global
HMPL-453	Advanced Intrahepatic Cholangiocarcinoma	Hutchison	Phase 2	May-2020	China
E7090	Metastatic/Advanced Cholangiocarcinoma	Eisai	Phase 2	Aug-2020	China
	Breast Neoplasms		Phase 1	Oct-2020	Japan
HH185/3D185	Advanced Solid Tumors	Haihe Biopharma/ 3D Medicines	Phase 1	Oct-2018	China
ARQ087	Intrahepatic Cholangiocarcinoma	Sinovant Science	Phase 1	May-2019	China
BPI-17509	Advanced Solid Tumor	Betta Pharmaceuticals	Phase 1	Oct-2019	China
CPL304110	Advanced Solid Tumor	Celon Pharma	Phase 1	Nov-2019	Poland

Notes:

1. *Location marked "Global" if multiple countries involved other than the U.S. and China; location marked "China" for trials conducted in China that show on CDE.*
2. *We in-licensed AZD4547 from AstraZeneca in November 2019.*
3. *Innovent partnered with Incyte that obtained Greater China right of Pemigatinib.*

Source: ClinicalTrials, CDE website, Frost & Sullivan Analysis

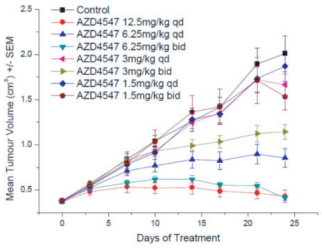
Pre-clinical Anti-tumor Efficacy

ABSK091 (AZD4547) demonstrated dose-dependent efficacy in multiple tumor models with FGFR alterations and strong *in vivo* activities in broad xenograft models. In KMS11 xenograft tumor model, ABSK091 (AZD4547) demonstrated significant anti-tumor response at the dosage levels ≥ 3mg/kg bid. Although not from a head-to-head study, ABSK091 (AZD4547) demonstrated stronger anti-tumor activity than published erdafitinib results in the SNU16 xenograft model (a FGFR2-dependent gastric cancer model). In this model, tumor regression was observed at the dosage level of 12.5mg/kg QD for ABSK091 (AZD4547).

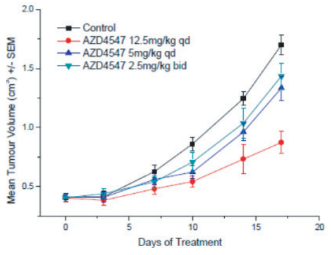
The following diagrams demonstrate the efficacy of ABSK091 (AZD4547) in multiple tumor models with FGFR alterations, as well as the published data relating to the efficacy of erdafitinib in the SNU16 model.

Efficacy of ABSK091 (AZD4547) in xenograft models with FGFR alterations

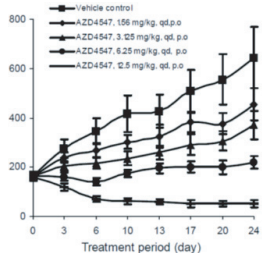
KMS-11



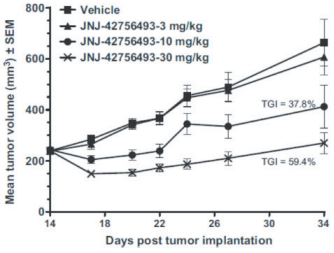
KG1a



SNU16



Efficacy of erdafitinib in SNU16 xenograft model



Source: Perera et al, Molecular Cancer Therapeutics 2017.

Favorable Safety and Efficacy Profile in Clinic

ABSK091 (AZD4547) has shown a favorable safety profile in the clinical trials conducted to date.

The following table shows incidences of AEs potentially related to treatment therapy based on a tumor agnostic study of ABSK091 (AZD4547), in items frequently reported in erdafitinib and pemigatinib clinical trials.

	ABSK091
Indication	Tumor agnostic
Dosing regimen	80mg BD continuous use
Sample size	49
All Grade AE %	80%
Grade≥3 AE %	41%
ADR incidence (all Grades%/Grade≥3%)	
Hyperphosphatemia	<10% and no Grade 3
Dry eye	22%/2%
Oral mucositis	24%/14%
Diarrhea	20%/2%
PPE[1]	10%/6%
Alopecia	24%

Source: Phase II Study of AZD4547 in Patients With Tumors Harboring Aberrations in the FGFR Pathway: Results From the NCI-MATCH Trial (EAY131) Subprotocol W.

Note:

1. PPE: Palmar-plantar erythrodysaesthesia

While head-to-head clinical comparisons have not been conducted, the following table shows AEs of special interest of erdafitinib and pemigatinib from publicly available sources.

	Erdafitinib	**Pemigatinib**
Indication	Urothelial Cancer	Cholangiocarcinoma
Dosing regimen	8mg QD (increase to 9mg QD if serum phosphate level is < 5.5mg/dL and there are no ocular disorders or Grade 2 or greater adverse reactions)	13.5mg QD 2 week on/1 week off
Sample size	87	146
All Grade ADR %	100%	100%
Grade≥3 ADR %	67%	64%
ADR incidence (all Grades%/Grade≥3%)		
Hyperphosphatemia	76%/1%	60%/0%
Dry eye	28%/6%	35%/0.7%
Stomatitis	56%/9%	35%/5%
Diarrhea	47%/2%	47%/2.7%
PPE	26%/6%	15%/4.1%
Alopecia	26%	49%

Source: FDA Multi-disciplinary Review and Evaluation and Label.

The comparison above is based on the data of ABSK091 from a tumor agnostic study conducted by AstraZeneca and publicly available data of erdafitinib and pemigatinib, such as FDA multi-disciplinary review and evaluation and lable. It is not derived from controlled, head-to-head studies and may not be representative of all the relevant clinical trial data. According to Frost & Sullivan, a number of factors could affect the relevant clinical results and could render cross-trial comparison results less meaningful, including the different patient enrollment standards adopted in different trials (e.g., tumor size and status, prior treatment history, age group), dose regimen, and the other aspects of clinical trial design. We believe the safety data presented above includes the most frequently reported adverse events of erdafitinib and pemigatinib from publicly available sources. However, you are cautioned to not place undue reliance on the above cross-trial comparison results. For more details, please refer to "Risk factors – Clinical drug development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials and non-head-to-head analysis may not be predictive of future trial results."

In terms of efficacy, ABSK091 (AZD4547) has achieved clinical proof of concept (PoC) in urothelial cancer, gastric cancers and cholangiocarcinoma. For instance, ABSK091 (AZD4547) monotherapy achieved a confirmed response rate (by RECIST v1.1) of 31.3% in a Phase Ib study in urothelial cancer. In FGFR2 amplified gastric cancer patients from a Phase II study conducted by AstraZeneca, an ORR of 33% (3/9) was observed and the responses were durable with a median progression free survival of responding patients of 6.6 months (ranging from 6.2 months to 10.5 months).

Summary of the BISCAY Phase Ib Trial by AstraZeneca

Overview

Conducted by AstraZeneca, the BISCAY Phase Ib trial is an open-label, randomized, multi-drug, biomarker-directed, multi-center, multi-arm study in patients with advanced urothelial cancer (AUC) who have progressed on prior treatments. The innovative Phase Ib umbrella study is the first multi-drug study combining immunotherapy and small molecule agents using a biomarker-personalized approach in advanced urothelial cancer. The study was open in the U.K., the U.S., France, Spain and Canada.

The BISCAY trial was conducted by AstraZeneca and not by us. We initiated a Phase Ib trial of ABSK091 (AZD4547) in mainland China in patients with late stage advanced solid tumors and are initiating a Phase II trial in mainland China to evaluate safety and efficacy of ABSK091 (AZD4547) in patients with urothelial cancer harboring FGFR2 or FGFR3 alterations. Results from our own trials may be different from trials conducted by AstraZeneca, including results from the BISCAY trial. We believe the data presented below is helpful in evaluating the safety and efficacy of ABSK091 (AZD4547), as it is enerated by FDA regulated trials. PK study in our Phase I clinical trial of ABSK091 (AZD4547) conducted in Taiwan

suggests that there are no ethnic differences between Asian and Caucasian races. Moreover, we plan to include such data from the ABSK091 (AZD4547) monotherapy arm in the NDA application package to NMPA for the treatment of urothelial cancer. Notwithstanding the foregoing, you are cautioned to not place undue reliance on the results from trials conducted by our collaboration partner.

Trial Design

The Phase Ib trial adopted a new, biomarker-driven multi-arm adaptive design. Overall, 391 patients were screened of whom 135 were allocated to one of six study arms. The study is modular in design to allow evaluation of safety, tolerability, pharmacokinetics and anti-tumor activities of multiple anti-cancer agents as monotherapy and in combinations, including FGFR inhibitors in tumors with FGFR DNA alterations (FGFRm).

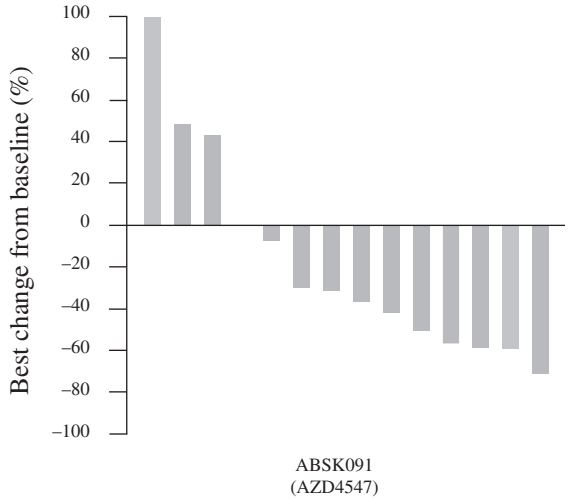
The primary objective of the study was safety and tolerability. Adverse events (AEs) were assessed using Common Terminology Criteria for Adverse Events (CTCAE) v.4. The study was monitored by a safety review committee and had appropriate institutional review board and ethical approval. The predefined efficacy indicators (secondary endpoint) included objective response rate (ORR) (confirmed response, Response Evaluation Criteria in Solid Tumors (RECIST) v.1.1) and PFS/OS (Kaplan–Meier).

Trial Status

The study was initiated in September 2015 and recruitment of patients ended in March 2019.

Efficacy Data

As shown below, data from patients enrolled in the ABSK091 (AZD4547) monotherapy arm demonstrated encouraging anti-tumor activity in advanced urothelial cancer supported by biomarker selection. As of April 2019, out of the 16 evaluable patients in the ABSK091 (AZD4547) monotherapy arm, the confirmed response rate was 31.3 % (16.1–50.4 %), and one-year OS rate (80% CI) was 42.3% (18.1–64.9%). Although not from a head-to-head study, the confirmed response rate is comparable with that of the first approved FGFR inhibitor erdafitinib obtained from the registrational trial of urothelial cancer. Cross-clinical trial comparison not from a head-to-head study involves risks and may not be representative of all the relevant clinical trial data. You are cautioned to not place undue reliance on the above cross-trial comparison results. For more details, please refer to "Clinical drug development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials and non-head-to-head analysis may not be predictive of future trial results."



Note: Waterfall plots assessing maximum reduction in target lesion for the ABSK091 (AZD4547) monotherapy arm.

Source: Nature Medicine, "An Adaptive, biomarker-directed platform study of durvalumab in combination with targeted therapies in advanced urothelial cancer," March 2021

Safety Data

Grade 3 and 4 therapy-related AEs occurred in 31% of the patients treated with ABSK091 (AZD4547) monotherapy. Discontinuation for AEs occurred in 25% of the patients for ABSK091 (AZD4547) monotherapy. The following graphs show safety data from 16 patients enrolled in the ABSK091 (AZD4547) monotherapy arm as of April 2019.

BISCAY: Summary of Adverse Events

AEs	**AZD4547 Monotherapy (N=16) n (%)**
All AEs related to therapy	15 (93.8%)
AEs leading to withdrawal, interruption or dose reduction	14 (87.5%)
AE leading to discontinuation of all treatment	4 (25%)
Grade 3/4	9 (56.3%)
Grade 3/4 related to therapy	5 (31.3%)
Grade 5	0

In ABSK091 (AZD4547) monotherapy, the following AEs were observed:

BISCAY: Common Adverse Events

AEs	Percentage (N=16) n (%)
Fatigue	7 (43.8%)
Anemia	7 (43.8%)
Constipation	6 (37.5)
Dry mouth, and dry skin	5 (31.3%)
Diarrhea, asthenia, urinary tract infection, edema peripheral, and nausea	4 (25%)

Source: Nature Medicine: An adaptive, biomarker-directed platform study of durvalumab in combination with targeted therapies in advanced urothelial cancer supplementary information. March 2021.

Summary of Phase I Clinical Trial Data

Overview

The Phase I clinical trial conducted by us is an open-label, single-center, randomized, two-period, two treatment sequence and cross-over trial in Taiwan that investigated the PK, tolerability and safety of single dose of ABSK091 (AZD4547) given under fast condition or post high-fat meal condition, with an enrollment of 13 Chinese adult subjects. The 80mg ABSK091 (AZD4547) showed a slightly reduced AUC (10%) and C_{max} (11%) under the presence of high-fat food which were considered clinically insignificant. It was recommended that ABSK091 (AZD4547) may be taken regardless of food intake. Finally, single dose of 80mg ABSK091 (AZD4547) was safe and well tolerated.

Trial Design

The Phase I trial evaluated the PK parameters from fed and fasted states of the subjects, including $C_{max,}$ T_{max}, AUC (including $AUC_{(0\text{-}tlast)}$ and $AUC_{(0\text{-}\infty)}$), the incidence and severity of treatment-emergent adverse events (TEAEs), and to determine the method of administration of ABSK091 (AZD4547) for subsequent clinical trials. It also evaluated the serum phosphorus alteration post single administration of 80mg ABSK091 (AZD4547). The Phase I clinical trial results of ABSK091 (AZD4547) would form the basis for determining the method of drug administration for the Phase Ib and Phase II clinical trials in mainland China and for subsequent clinical studies.

As part of the study, the subjects would be randomly allocated to one out of the two treatment sequence cohorts (either on a fasted-fed or fed-fasted sequence). The subjects would then receive a single oral administration of ABSK091 (AZD4547), with a dosage of 80mg, either on an empty stomach (fasted-fed sequence) or after a high-fat meal (fed-fasted sequence), for two times, separated by a washout period of at least 210 hours. Following an overnight fasting of at least 10 hours, the subjects would be administered 80mg of ABSK091 (AZD4547) under either fasted state or fed state by a randomized schedule.

Trial Status

We commenced the Phase I clinical trial in Taiwan in early January 2021, which was completed in the second half of February 2021. The Phase I clinical trial enrolled a total of 13 Chinese subjects, with the purpose of evaluating PK, tolerability, and the serum phosphorus alteration of ABSK091 at 80mg. The total study duration for each subject was approximately three to four weeks. The clinical study report for the trial was issued in April 2021.

Safety Data

The trial results show single dose of 80mg ABSK091 (AZD4547) tablets was safe and well tolerated by Chinese subjects under fed and fasted conditions. The following table sets forth the safety data from this clinical trial.

	Patients (N=13) n (%)
Number of subjects with AE	9 (69.2%)
Number of subjects with SAE	0 (0.0%)
Number of subjects died due to AE	0 (0.0%)
Number of subjects discontinued due to AE	0 (0.0%)
Number of subjects discontinued due to treatment-related AE	0 (0.0%)

PK Data

PK study suggests that there are no ethnic differences between Asian and Caucasian races. In addition, it is believed that there are no clinically meaningful changes of PK behaviors before and after food intake by cancer patients.

Clinical Development Plan

In December 2020, we received IND approval from the NMPA for Phase Ib/II clinical trials of ABSK091 (AZD4547) for the treatment of patients with urothelial cancer harboring FGFR2 or FGFR3 alterations in mainland China. It is expected that a total of 88 patients will be enrolled for the Phase Ib/II clinical trials.

We are initiating a Phase Ib trial of ABSK091 (AZD4547) in mainland China in patients with late stage advanced solid tumors. The primary endpoints of the Phase Ib clinical trial are to evaluate (i) the rate of frequency of DLT of ABSK091 (AZD4547) within the DLT observation period; and (ii) the AEs, SAEs, AESI under CTCAE, trial suspension or dosage reduction due to toxicity of ABSK091 (AZD4547) (if any), physical examinations, ECOG PS, ECGs, echocardiograms and vital sign changes from baseline in laboratory parameters, in order to confirm the safety of ABSK091 (AZD4547) repeated dosing in the Chinese population. We expect the enrollment of patients for the Phase Ib trial to be completed and the initial results from the clinical trial to be available by the end of 2021.

We are also initiating a Phase II trial in mainland China to evaluate safety and efficacy of ABSK091 (AZD4547) in patients with urothelial cancer harboring FGFR2 or FGFR3 alterations. The primary endpoint of the Phase II clinical trial is to evaluate the ORR (based on RECIST 1.1) of ABSK091 (AZD4547) on treating patients diagnosed with advanced urothelial cancer harboring FGFR2 or FGFR3 alterations.

We also plan to explore potential combination therapies between ABSK091 (AZD4547) and anti-PD-1 antibodies in collaboration with third party partners.

The major difference between our Phase Ib and Phase II clinical trials of ABSK091 and trials of AstraZeneca is as follows. The Phase Ib trial of ABSK091 (AZD4547) in mainland China is designed to enroll patients with late stage advanced solid tumors. The primary endpoints of the Phase Ib clinical trial are designed to confirm the safety and PK of ABSK091 (AZD4547) repeated dosing in the Chinese population. The Phase II trial is designed to evaluate safety and efficacy of ABSK091 (AZD4547) in patients with urothelial cancer harboring FGFR2 or FGFR3 alterations. The primary endpoint of the Phase II clinical trial is to evaluate the ORR (based on RECIST 1.1) of ABSK091 (AZD4547) on treating patients diagnosed with advanced urothelial cancer harboring FGFR2 or FGFR3 alterations. In contrast, the trials by AZ were conducted under different trial designs. For example, the trial by AstraZeneca was done on less than 55 patients with urothelial cancer, while our Phase II clinical trial in mainland China would evaluate the anti-tumor efficacy in 88 patients with urothelial cancer harboring FGFR2 or FGFR3 alterations. In addition, there are also differences in dosing regimen, epidemiology and ethnicity between the U.S. and China. As such, the endpoints of the trials by AstraZeneca cannot serve as the endpoints which our trials are designed to address. For example, such AZ trials had different patient enrollment criteria as compared to our Phase Ib and Phase II trials, and covered various indications in addition to urothelial cancer, such as gastric cancer, cholangiocarcinoma and breast cancer. In addition, the trials conducted by AstraZeneca used different dosing frequency and regimen as planned in tour Phase Ib and Phase II trials. The trials by AstraZeneca are also conducted outside of China.

Material Communications with Competent Authorities

We obtained the IND approval of a Phase I clinical trial of ABSK091 by the TFDA on September 30, 2020, and subsequently obtained an IND amendment approval from the TFDA in January 2021 (the "TFDA IND Amendment"). An amendment to the NMPA IND was not required as a result of the TFDA IND Amendment because such TFDA IND Amendment was not substantial and for administrative purpose only. Taiwan is not a jurisdiction of Competent Authority (as defined in the Listing Rules) under Chapter 18A of the Listing Rules.

In January 2021, we obtained the IRB approval from authorities in Taiwan (the "IRB approval"). The IRB approval was valid for one year, with retrospective effective dates ranging from September 2020 to September 2021, and covers a randomized, open-label, two sequence, two-period cross-over study evaluating the relative bioavailability of ABSK091 single dose between fed and fasted states. The Phase I clinical trial in Taiwan was completed in February 2021 and we, as the sponsor of the trial, and the principal investigators together determined that there is no material ethnic difference between Chinese and Caucasian subjects in terms of PK.

No additional approval or confirmation from the NMPA is required because the RP2D selected did not exceed the highest dose in the protocol originally approved by the NMPA. It is also uncommon for the NMPA to provide an affirmative confirmation or approval as we had obtained its IND approvals from the NMPA for Phase Ib and Phase II trials.

Licensing

In November 2019, we entered into an exclusive license agreement with AstraZeneca and obtained the global rights for the development, manufacturing and commercialization of ABSK091 (AZD4547). In particular, the global rights granted by AstraZeneca pursuant to the license agreement include (i) an exclusive license to use the specific know-how to develop, manufacture, commercialize and otherwise exploit the ABSK091 (AZD4547) compound and any pharmaceutical product comprising such compound; (ii) an exclusive license to use the regulatory documentation (including IND and NDA applications, approvals, correspondence and reports to the regulatory authorities, and pre-clinical, clinical and other data contained in any of the documents above); and (iii) a non-exclusive license to use certain other know-how of AstraZeneca. For more details about the licensing arrangement, please refer to "– Collaboration and Licensing Arrangements – Collaboration and License Agreement with AstraZeneca."

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ABSK091 SUCCESSFULLY.

ABSK021

ABSK021 is a potent, orally bioavailable and selective small molecule inhibitor of colony-stimulating factor 1 receptor (CSF-1R). By inhibiting CSF-1R activities that are critical for macrophage recruitment, proliferation, survival and polarization, ABSK021 could provide potential therapeutic options for treating various cancers and other diseases.

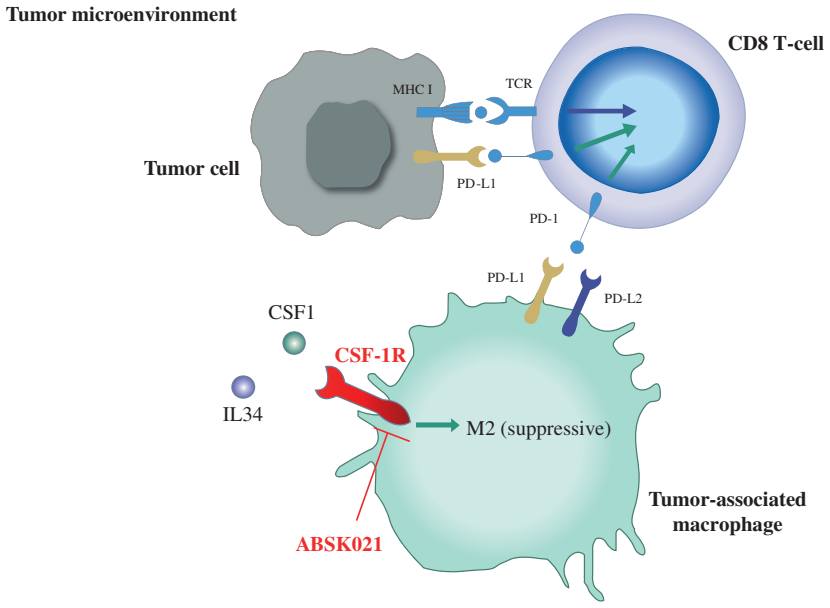
We initiated the development of ABSK021 in the second half of 2016, and selected ABSK021 as a pre-clinical candidate in the second half of 2017. We received the IND approval from the FDA in August 2019 for the Phase Ia and Ib clinical trials in the U.S. and IND approval from the NMPA in October 2020 for the Phase I clinical trial in mainland China. The Phase Ia dose escalation clinical trial in the U.S. commenced in January 2020. The trial has been completed and RP2D for the TGCT cohort has been determined.

Mechanism of Action

Tumor-associated macrophages (TAMs) are a major component of the infiltrated leukocytes that are present in a tumor microenvironment. TAMs in many aspects play critical roles in promoting tumor progression, such as immune suppression, angiogenesis, tumor cell invasion and intravasation, as well as stimulation of extravasation and persistent growth of tumor cells. The previous meta-analysis has reported that over 80% of studies showed a correlation between macrophage density and poor patient prognosis. These evidence suggest that TAMs are attractive targets for potential therapies in cancer treatment.

CSF-1R is expressed in myeloid cells, such as TAMs, which are a critical immune-suppressive component of the tumor microenvironment. CSF-1R signaling has been proven to be critical for macrophage recruitment, proliferation, survival, and polarization. Therefore, inhibition of CSF-1R activity could impair the immunesuppressive function of TAMs as potential therapies for various cancers.

ABSK021 is a potent, orally bioavailable, and selective small molecule CSF-1R inhibitor. The following diagram illustrates the mechanisms of action for ABSK021.



Source: Company data.

Market Opportunity and Competition

With an expanding patient population, the global CSF-1R inhibitor market is expected to grow rapidly in the future, reaching a market size of US$ 0.8 billion by 2025, US$7.2 billion by 2030 and US$13.3 billion by 2035, at CAGRs of 148.4% from 2020 to 2025, 53.7% from 2025 to 2030, and 12.8% from 2030 to 2035. The total CSF-1R inhibitor market of China is expected to reach RMB0.2 billion, RMB10.7 billion and RMB23.3 billion by 2025, 2030 and 2035, respectively, representing a CAGR of 124.6% from 2025 to 2030, and a CAGR of 16.9% from 2030 to 2035.

The FDA has approved small molecule CSF-1R inhibitor pexidartinib (Turalio) from Daiichi Sankyo for the treatment of tenosynovial giant cell tumor in 2019. As of May 31, 2021, a total of six drug candidates (other than ABSK021) were at various levels of clinical development globally. The NMPA has approved small molecule surufatinib (Sulanda), an angio-immuno kinase inhibitor targeting VEGFR, FGFR1 and CSF-1R, from Chi-Med for the treatment of advanced non-pancreatic neuroendocrine tumors in 2020.

The following table provides details of pexidartinib and surufatinib.

Drug Name	Approved Indications	ORR	PFS	DoR	ARs	Recommended Dosage	Dose Modification for ARs
Pexidartinib	• symptomatic tenosynovial giant cell tumor (TGCT) associated with severe morbidity or functional limitations and not amenable to improvement with surgery	38%	-	6.9-24.9 months	38% (Dose reduction/interruption ARs)	800 mg	600 mg (1st dose reduction)
Surufatinib	• non-pancreatic neuroendocrine tumors (NET)	10%	9.2 months	-	48% (Dose interruption ARs)	300 mg	250 mg (1st dose reduction)

Abbreviations: ORR= objective response rate; PFS= progression free survival; mDoR= median Duration of Response; AR= adverse reactions;

i. Information of pexidartinib retrieved from FDA Labels, surufatinib approved by NMPA, information retrieved based on clinical trial SANET-ep.

ii. Data not based on head to head comparison between drugs, clinical trials of a drug cannot be directly compared to the clinical trials of another drug and may not be representative of the overall data.

Source: Frost & Sullivan Analysis

Competitive Advantages

Pre-clinical data indicates that ABSK021 is a potent, orally bioavailable, and selective small molecular CSF-1R inhibitor. *In vitro* pharmacology data demonstrated strong potency and selectivity of ABSK021 against CSF-1R in various biochemical, biophysical and cellular experiments. Moreover, ABSK021 showed strong efficacy *in vivo* in multiple animal models as a single agent or in combination with anti-PD-1 antibodies.

Highly Potent and Selective Inhibitor for CSF-1R

To characterize the potency and selectivity of ABSK021 in a cellular setting, anti-proliferation studies were performed in cell lines including M-NFS-60, M-07e, MV4-11, and NCI-H1703, which were dependent on CSF-1R or its related kinases, KIT, FLT3, and PDGFRA, respectively. As shown in the table below, in a head-to-head study, ABSK021 demonstrated strong inhibition (IC_{50}=25nM) in CSF-1R-dependent M-NFS-60 cells, while its anti-proliferation activity was much weaker in M-07e, MV4-11, and NCI-H1703 cell lines, demonstrating excellent selectivity. In contrast, pexidartinib was three-times weaker than ABSK021 in M-NFS-60 (IC_{50}=78 nM) in potency, and evidently stronger in M-07e, MV4-11, and NCI-H1703, compared with ABSK021.

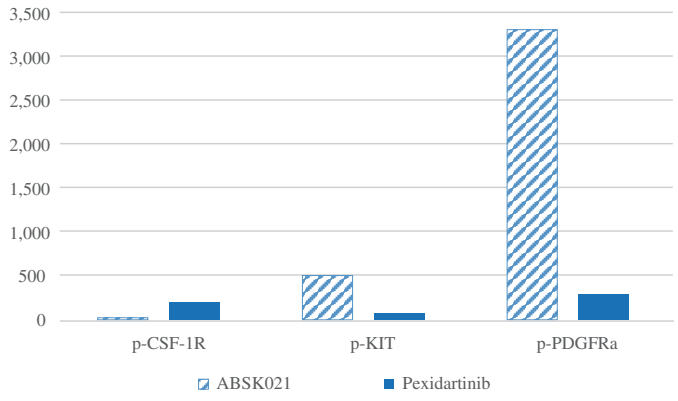
Cellular Anti-proliferation

Cell Line/Target	IC_{50} of ABSK021 (nM)	IC_{50} of pexidartinib (nM)	Selectivity fold of ABSK021	Selectivity fold of pexidartinib
M-NFS-60/CSF-1R	25	78	NA	NA
M-07e/KIT	1,061	35	42	0.5
MV4-11/FLT3	>3,000	135	>120	1.7
NCI-H1703/PDGFRA	>3,000	389	>120	5.0

Source: Company data.

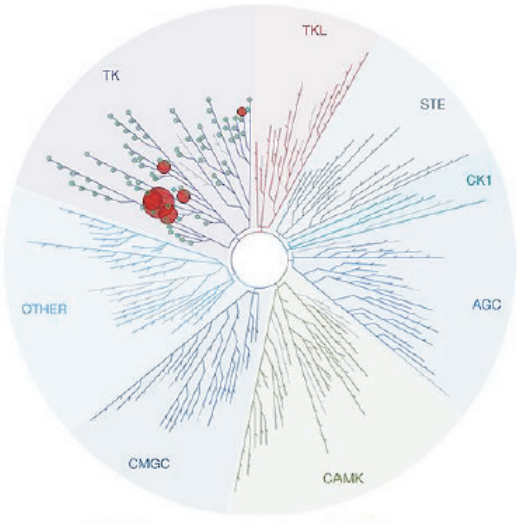
To further confirm the activity and selectivity of ABSK021, we conducted cellular target engagement assay via ELISA on M-NFS-60, M-07e, and NCI-H1703 cell lines. As shown in the table below, ABSK021 demonstrated strong inhibition of p-CSF-1R (IC_{50}=23nM), and much weaker activities on p-KIT and p-PDGFRA. In contrast, pexidartinib had significantly weaker activity for p-CSF-1R (IC_{50}=197nM) and stronger activity for p-KIT and p-PDGFRA, resulting in much lower selectivity folds. These results together demonstrated that ABSK021 in cells is a potent and more selective CSF-1R inhibitor than the approved agent pexidartinib.

IC50s (nM) in Cellular Target Modulation



Source: Company data.

In a KINOMEscan assay against 468 kinases, ABSK021 also demonstrated great CSF-1R selectivity, as it most strongly binded to CSF-1R against other kinases, as illustrated by the dendrogram below. Each branch of the dendrogram represents an individual human kinase. Kinases bound by ABSK021 are indicated by red circles on the kinome tree.



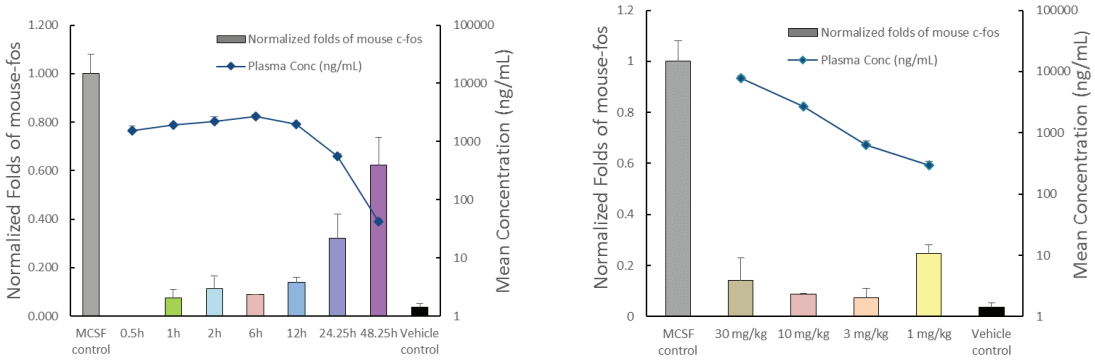
Source: Company data.

Favorable PK/PD Profile

ABSK021 has demonstrated strong *in vitro* and *in vivo* pharmacokinetics profiles in pre-clinical studies. ABSK021 was stable in mouse, rat, dog, monkey, and human liver microsomes, with high permeability in Caco-2 model. For the *in vivo* PK profiles, ABSK021 had excellent oral exposure and >60% oral bioavailability across different species, including mouse, rat, dog, and monkey.

In an *in vivo* PK/PD study of ABSK021 in MCSF-induced female DBA1 naïve mice, the exposure of ABSK021 in plasma at different dosages increased proportionally at six hours post administration, and effectively reduced the CSF-1R-driven c-fos mRNA expression in the spleen, as shown in the charts below. Further, ABSK021 treatment at 10mg/kg significantly downregulated c-fos mRNA expression up to 24h after single dose, and partially recovered at 48h. As a result, the inhibition of CSF-1R signaling by ABSK021 *in vivo* was shown to be dose- and time-dependent. The *in vivo* pharmacodynamics effects of ABSK021 correlated well with its pharmacokinetics profile.

Dose- and time-dependent effects of ABSK021 on mouse c-fos mRNA



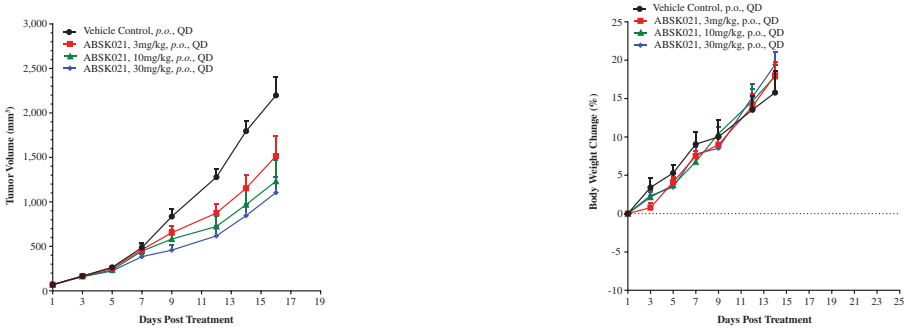
Source: Company data.
Abbreviations: MCSF = macrophage colony-stimulating factor

As a small molecule inhibitor of CSF-1R, ABSK021 is able to penetrate the blood-brain barrier into the central nervous system (CNS). The CNS-penetrating ability was confirmed in an *in vivo* mouse study in which oral administration of ABSK021 could effectively decrease the population of microglia in the brain, a type of resident macrophage cells expressing CSF-1R. Based on these evidence, ABSK021 could potentially be used to treat multiple other macrophage and CSF-1R associated diseases, including central nervous system indications, such as amyotrophic lateral sclerosis (ALS), Alzheimer's disease and multiple sclerosis, among others.

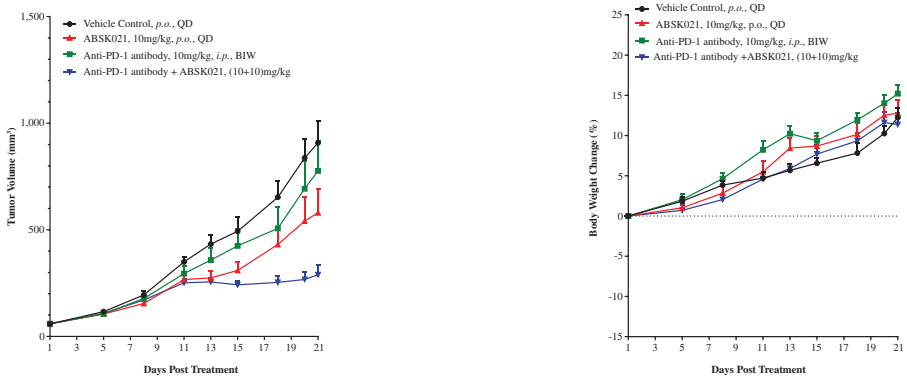
Pre-clinical Anti-tumor Efficacy

ABSK021 exhibited strong anti-tumor efficacy in multiple mouse syngeneic models, as monotherapy or in combination with anti-PD-1 antibody, as shown in the charts below. ABSK021 inhibited the *in vivo* growth of CT26 syngeneic tumor model in a dose-dependent manner. In EMT-6 syngeneic tumor model, ABSK021 demonstrated single agent anti-tumor effect. When ABSK021 was combined with an anti-PD-1 antibody, the strong synergistic anti-tumor efficacy was observed. Both monotherapy and combination treatment with ABSK021 were well tolerated in all studies.

Tumor Growth and Body Weight Changes in CT-26 Model



Tumor Growth and Body Weight Changes in EMT-6 Model



Source: Company data.

Summary of Phase Ia Clinical Trial Data

Overview

We have completed a Phase Ia dose escalation clinical trial in the U.S., which was designed to evaluate the safety and tolerability, determine the RP2D, and characterize the PK profile of ABSK021. Phase Ia clinical trial data has shown that ABSK021 has a favorable safety and tolerability profile. RP2D for the TGCT cohort has been determined.

Trial Design

The Phase Ia clinical trial was designed to be an open-label, multi-center, dose escalation trial. The primary objective of the trial was to determine the safety and tolerability of ABSK021 when administered orally in patients with advanced solid tumors, and to determine the RP2D of ABSK021 in oral administration. The secondary objectives of the trial were to characterize the PK profile of ABSK021 in oral administration and to evaluate the preliminary anti-tumor activity of ABSK021 in patients with advanced solid tumors.

As part of the Phase Ia trial, patients with advanced solid tumors were administered with a single dose of ABSK021 at Day-3 followed by a 3-day off as a run-in period to assess the safety and PK profile of the single dose of ABSK021. The patients would then receive ABSK021 once daily in repeated 28 day cycles. The study included a dose escalation scheme to identify DLT and adverse events.

Trial Status

We commenced the Phase Ia clinical trial in the U.S. in January 2020. We decided to initially conduct Phase Ia clinical trial in the U.S. primarily due to the availability of suitable CROs and other conditions which made the U.S. a more ideal location for the Phase Ia dose escalation study. As of the data cut-off date of May 9, 2021, we have enrolled 20 patients with advanced solid tumors based on the selection criteria stipulated in the clinical trial protocol. All patients enrolled in the dose escalation cohorts had received at least one prior line of systemic treatment. Tumor types included CRC, pancreatic cancer, breast cancer, uterine sarcoma, esophageal cancer, chondrosarcoma, thymoma and other solid tumors. We have completed the Phase Ia clinical trial in the U.S. and RP2D has been determined for the TGCT cohort in the upcoming Phase Ib study.

Interim Safety Data

According to the preliminary results currently available, ABSK021 was well tolerated at 25mg QD, 50mg QD and 75mg QD dosage levels in solid tumor patients. The most frequent TRAEs observed in dose escalation was creatine phosphokinase increase (45%) which was asymptomatic and mechanism of action related. Generally, creatine phosphokinase increase was observed with higher dose levels and recovered after dose stoppage.

Interim Efficacy Data

Based on the preliminary results available, the best response of evaluable patients in the Phase Ia clinical trial in the U.S. is Stable Disease (SD). The longest continuous treatment duration of ABSK021 in patients in the Phase Ia clinical trial is six months.

Clinical Development Plan

We are initiating a Phase Ib clinical trial in the U.S. and China. As we moved into the Phase Ib clinical trial, we intend to study the ethnicity differences to explore clinical responses and prepare for potential late stage clinical trials in both the U.S. and China, and therefore decided to conduct the trial in both the U.S. and China. The Phase Ib trial is designed to be an open-label, multi-center trial to evaluate the safety, tolerability, the PK profile, and the anti-tumor effect of ABSK021 in four different tumor types, namely TGCT, TNBC, lung cancer and pancreatic cancer. Patients will each receive an oral dose of ABSK021 at the RP2D in repeated 28-day cycles. Patients may be discontinued from treatment with the study drug earlier due to unacceptable toxicity, disease progression and/or if treatment is discontinued at the discretion of the investigator or consent is withdrawn.

We conducted the Phase Ia trial of ABSK021 in the U.S. as the Phase Ia dose escalation trial requires close coordination of patient selection and biosample testing, and generally only two to three clinical sites in one country or one region is preferred to ensure efficiency and quality. We intend to address the ethnicity differences as part of the Phase Ib trial in both countries.

We plan to further expand the scale of clinical trials, and pursue commercialization opportunities of ABSK021 in both the U.S. and China.

Material Communications with Competent Authorities

We received the IND approval from the FDA in August 2019 for the Phase Ia and Ib clinical trials in the U.S. and IND approval from the NMPA in October 2020 for the Phase I clinical trial in mainland China. The Phase Ia dose escalation clinical trial in the U.S. commenced in January 2020. The trial has been completed and RP2D for the TGCT cohort has been determined.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ABSK021 SUCCESSFULLY.

ABSK081 (Mavorixafor)

ABSK081 (mavorixafor), also known as X4P-001, is a novel small molecule antagonist to the chemokine (C-X-C motif) receptor 4 (CXCR4) and currently the only orally bioavailable CXCR4 modulator in clinical development globally, according to Frost & Sullivan. ABSK081 (mavorixafor) is a potential treatment option for various cancers in which CXCR4 and its ligand CXCL12 (also referred to as stromal-derived factor 1 alpha SDF-1α) contribute to the tumor microenvironment (TME) that supports immune evasion, neoangiogenesis, and tumor metastasis. ABSK081 (mavorixafor) may also be used for treating other diseases, such as warts, hypogammaglobulinemia, infections and myelokathexis (WHIM) syndrome.

In July 2019, we entered into an exclusive license agreement with X4 Pharmaceuticals, Inc. ("X4") and obtained the rights for the development, manufacturing and commercialization of the licensed compound ABSK081 (mavorixafor), which was formerly known as X4P-001, collectively with any product containing such licensed compound (the "X4 Product") in the licensed territory of mainland China, Taiwan, Hong Kong and Macau in the field of diagnosis, treatment, palliation or prevention of any oncological indication and WHIM Syndrome in humans, excluding mozobil indications and any use for auto-HSCT treatment and allo-HSCT treatments. Prior to the in-licensing of ABSK081 (mavorixafor), there were 194 patients treated with ABSK081 (mavorixafor) in 10 clinical studies (n=70 healthy volunteers, n=16 HIV, n=99 oncology, n=9 WHIM syndrome) sponsored by X4. The WHIM Phase II X4P-001-MKKA study by X4 demonstrated that ABSK081 (mavorixafor), 400mg once daily, mobilized neutrophil and lymphocytes in adult patients with WHIM syndrome and provided preliminary evidence of clinical benefit for patients on long-term therapy.

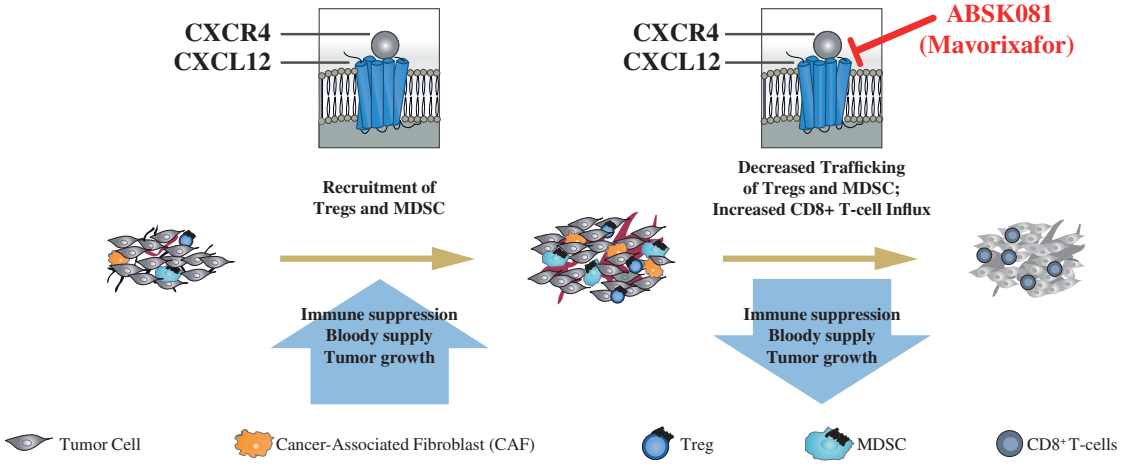
X4 is currently conducting a global registrational Phase III clinical trial in WHIM syndrome. We have obtained the IRB approval, and have initiated a Phase Ib/II clinical trial of ABSK081 (mavorixafor) in combination with toripalimab from Junshi in TNBC patients in China in July 2021.

Mechanism of Action

CXCR4 is a G-protein-coupled receptor expressed on a wide range of cell types, including normal stem cells, hematopoietic stem cells (HSC), mature lymphocytes, and fibroblasts. CXCR4 is also highly expressed and active on multiple types of human cancers, including clear cell renal cell carcinoma (ccRCC), ovarian cancer, and melanoma, and increased expression of CXCR4 on tumor cells has been associated with significantly decreased OS. CXCL12 is the sole ligand of the CXCR4 receptor, expressed by CAFs or some tumor cells and is often present at high levels in the TME. CXCL12 has potent chemotactic activity for lymphocytes and myeloid-derived suppressor cells (MDSCs), and is important in controlling the trafficking of both hematopoietic stem cells and endothelial progenitor cells.

ABSK081 (mavorixafor) is an oral, selective, allosteric inhibitor of CXCR4. Disruption of CXCR4/CXCL12 signaling by ABSK081 (mavorixafor) could modulate the immune cell profile within the TME and increase $CD8^+$ T-cell infiltration, which will favor an improved response of checkpoint inhibitors and other backbone therapies.

The following diagram illustrates the mechanism of action for ABSK081 (mavorixafor).



Source: Company data.

Abbreviations: CXCL12 = C-X-C motif chemokine ligand 12; CXCR4 = C-X-C motif chemokine receptor 4; MDSC = myeloid-derived suppressor cells

Market Opportunity and Competition

The global CXCR4 antagonist market size remained at approximately US$0.2 billion until 2020. Going forward, the global CXCR4 antagonist market is expected to reach a market size of US$1.1 billion in 2025, US$10.3 billion in 2030, and US$19.0 billion in 2035, representing a CAGR of 35.9% from 2020 to 2025, 55.4% from 2025 to 2030, and 13.1% from 2030 to 2035. China's PD-1/PD-L1 inhibitor market is expected to reach RMB1.1 billion, RMB15.2 billion and RMB30.6 billion by 2025, 2030 and 2035, respectively, representing a CAGR of 84.1% from 2020 to 2025, 67.8% from 2025 to 2030, and 15.0% from 2030 to 2035.

Mobozil (plerixafor) is the only CXCR4 antagonist marketed worldwide. However, currently there is no marketed CXCR4 antagonist approved for use as small molecule immuno-oncotherapy.

Currently, four CXCR4 antagonist drug candidates are in various clinical trial stages. Among these five candidates, four, including our ABSK081 (mavorixafor), are classified for use as immunotherapy.

Competitive Advantages

ABSK081 (mavorixafor) is a noncompetitive, allosteric inhibitor that blocks CXCR4 signaling *in vitro* with an IC_{50} of ~20 nM with high selectivity and little, if any, effect on other chemokine (C-X-C motif) receptors. It is the only oral CXCR4 antagonist currently in clinical development globally. Oral dose of ABSK081 (mavorixafor) demonstrated *in vivo* mobilization of WBC and strong anti-tumor efficacy in xenograft and syngeneic mouse models. Its pharmacokinetic profiles were studied in multiple species. Based on the available safety information, treatment with ABSK081 (mavorixafor) is considered to be generally safe and well tolerated in patients.

Strong Selectivity against Both Wild-type and Mutant CXCR4

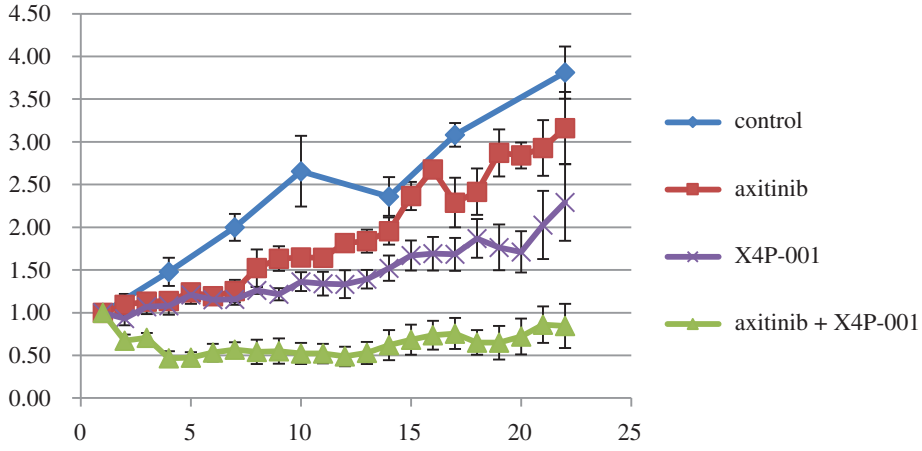
ABSK081 (mavorixafor) inhibited CXCR4 signaling and activation by CXCL12 *in vitro* in a dose-dependent manner, measured by Ca^{++}-flux and GTP-γ-S binding. In addition to wild-type (WT) CXCR4, ABSK081 (mavorixafor) was able to block activity of two CXCR4 variants, R334X and E343X, associated with WHIM syndrome. These mutations result in truncation of the C terminal of CXCR4. ABSK081 (mavorixafor) inhibited both variants to a similar extent as the WT CXCR4, with the IC50 of the WT, R334X and E343X variants of 3.1nM, 8.5nM, and 4.6nM, respectively.

Pre-clinical Anti-tumor Efficacy

ABSK081 (mavorixafor) allosterically blocks CXCL12 activation of CXCR4 and has been shown to decrease tumor growth and improve OS in multiple mouse models. These effects are seen both with ABSK081 (mavorixafor) as a monotherapy and in combinations with various therapeutic agents.

In xenograft mouse models using two human RCC cell lines (A498 and 786), administration of ABSK081 (mavorixafor) alone decreased tumor growth compared to controls. Axitinib (a small molecule tyrosine kinase inhibitor) alone had no apparent effect. The combination of ABSK081 (mavorixafor) with axitinib demonstrated stronger efficacy and synergy. ABSK081 (mavorixafor) was able to suppress the increased level of MDSC infiltrated in tumors treated with axitinib in the combination arm. The following diagrams demonstrate the tumor growth curves under various models.

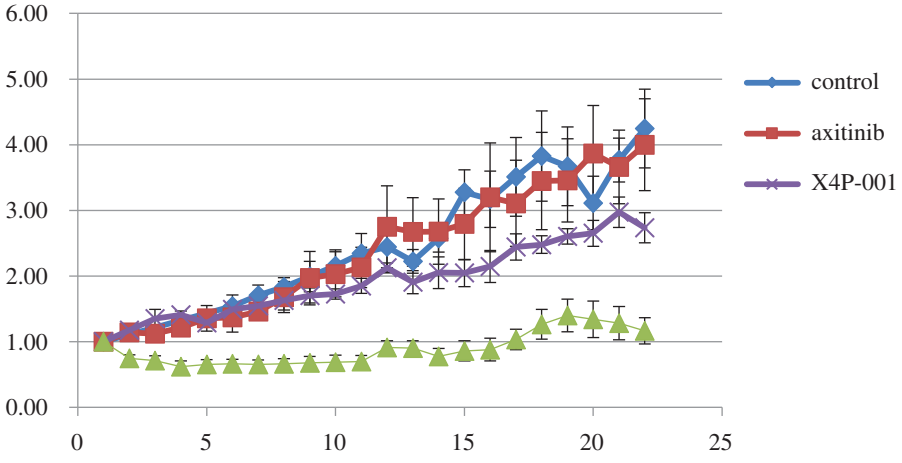
Tumor growth curves in 786 xenograft model



Note: X4P-001 refers to ABSK081 (mavorixafor)

Source: 2016 AACR by X4

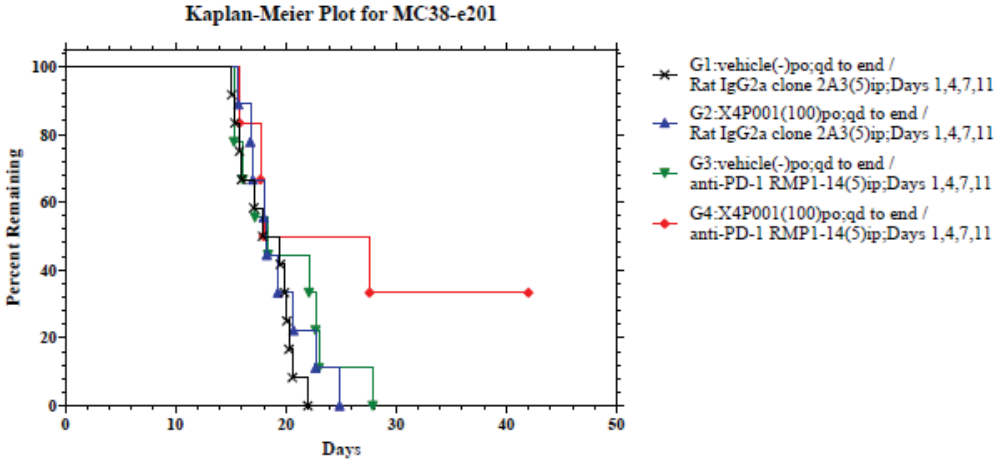
Tumor growth curves in A498 xenograft model



Note: X4P-001 refers to ABSK081 (mavorixafor)

Source: 2016 AACR by X4

In an MC38 colorectal syngeneic model, ABSK081 (mavorixafor) and an anti-PD-1 antibody resulted in delayed tumor growth and animal death, measured by increased survival rate in Kaplan-Meier curves. In addition, immune suppressive MDSC population decreased after ABSK081 (mavorixafor) treatment. The following table illustrates the tumor growth curves under the MC38 syngeneic model.



Note: X4P-001 refers to ABSK081 (mavorixafor)

Source: Data from X4

Summary of a Phase II Trial for WHIM Syndrome by X4

Overview

The Phase II clinical trial of ABSK081 (mavorixafor) is an open-label dose-escalation and extension study that assessed the safety, tolerability, pharmacokinetics, pharmacodynamics, and preliminary efficacy in eight adult patients with genetically confirmed WHIM syndrome. ABSK081 (mavorixafor) was well tolerated with no treatment-related serious adverse events. This study demonstrates that ABSK081 (mavorixafor), 400mg once daily, mobilizes neutrophil and lymphocytes in adult patients with WHIM syndrome and provides preliminary evidence of clinical benefit for patients on long-term therapy.

Trial Design

The trial is an open label prospective international dose escalation study of ABSK081 (mavorixafor) from 50mg to 400mg once daily in adult patients with WHIM syndrome followed by an extension study conducted in two clinical trial sites located in Australia and the United States. The primary objective was to evaluate the safety and tolerability of the drug and the dose required to achieve a consistent increase in circulating neutrophils and lymphocytes. Exploratory objectives evaluated the efficacy of long-term ABSK081 (mavorixafor) on infection rate, skin warts, WBC count, ANC, ALC, and absolute monocyte count (AMC).

All patients had a history of profound leukopenia, neutropenia, lymphopenia, and monocytopenia and exhibited two or more characteristic disease manifestations, including warts and/or hypogammaglobulinemia, and infections requiring antibiotic therapy within the past 12 months. A total of eight patients were enrolled for up to a maximum duration of 28.6 months.

Trial Status

The Phase II clinical trial was completed by X4.

Safety Data

Seven patients (87.5%) experienced one or more treatment emergent adverse event (TEAE). Three patients experienced 11 grade 1 related TEAEs: nausea (four events), nasal dryness (two events), dry mouth (two events), dyspepsia (one event), conjunctivitis (one event), and dermatitis psoriasiform rash (one event). TEAE frequency did not increase with dose. Infections were the most common type of TEAE, were considered unrelated to the study drug, and were reported as outcomes (yearly infection rate). There were two unrelated grade 3 TEAEs (cholecystitis in a patient with multiple gallstones and procedural pain). No related serious adverse event or significant findings in clinical chemistry or urinalysis, ophthalmology, or electrocardiograms were reported.

Efficacy Data

Reduction in the annualized infection rate. The retrospective yearly infection rate in the 12 months prior to the trial was 4.63 (95% CI, 3.3-6.3) events (n = 8) in the safety population, which was comparable to 5 (95% CI, 3.34-6.66) yearly events for the seven patients treated with up to 300mg and to 4.53 (95% CI, 2.1-9.5) yearly events in four patients treated with sub-therapeutic doses of 50mg, 100mg, or 150mg. In contrast, we observed a decreased yearly infection rate of 2.41 (95% CI, 1.29-4.48) for the seven patients treated at 300mg once daily and 2.14 (95% CI, 1.11-4.10) for 400mg once daily. No patient required G-CSF for infection events or prophylactic antibiotics on study. At 300mg and/or 400mg on the extension study, the infection frequency was correlated to the time on treatment. Indeed, during the first six months, the yearly infection rate was 3.14 (95% CI, 1.83-4.46) (n = 7) compared with 2.0 (95% CI, 0.76-3.24) for patients treated for 6 to 12 months (n = 5) and 0.8 (95% CI, 0.02-1.58) for patients treated > 12 months (n = 5), providing preliminary evidence that long-term treatment may further prevent infections in this population. Overall, during the 12 months prior to the study, the most common types of infections involved the lower respiratory tract, followed by the upper respiratory tract and skin. This contrasted with the observed infections on study; the most common infections concerned the upper respiratory tract, followed by the lower respiratory tract.

Reduction in number of cutaneous warts after treatment with ABSK081 (mavorixafor). Patients (n = 4) with one or more cutaneous wart on their hands and/or feet at baseline and treated with up to 300mg or 400mg once daily, demonstrated an average 75% reduction in the number of warts after five to 18 months on study, without the use of topical imiquimod or other treatment. The number of warts was further reduced in the two patients who remained on the study beyond 12 months, with an average 80% reduction. On treatment, larger lesions evolved into multiple smaller warts, and continued treatment allowed clearance of most lesions. One patient displayed the most severe treatment-refractory warts, with 174 lesions on the hands and feet at baseline. Over the course of the study, we observed a gradual, but marked, disappearance of the warts. After six months, a >50% decrease in the number of warts (69 lesions) was observed. At the most recent examination after 18 months on study (and 14 months on mavorixafor, 400mg once daily), the patient presented 33 lesions, corresponding to a >80% reduction in wart burden.

In summary, these data highlight that ABSK081 (mavorixafor) provides improved and durable clinical efficacy compared with current therapeutic options for WHIM syndrome. The excellent tolerability profile and therapeutic benefit of long-term ABSK081 (mavorixafor) on infection rate and wart burden are being investigated further in the ongoing Phase III study of ABSK081 (mavorixafor), once daily, in patients with WHIM syndrome.

Summary of an ABSK081 (mavorixafor) and Axitinib Combination Clinical Trial by X4

Overview

The Phase I/II clinical trial is a multi-center, open-label study of ABSK081 (mavorixafor) in combination with axitinib in patients with histologically confirmed clear cell renal cell carcinoma who have received at least one prior systemic therapy.

Trial Design

The trial is to evaluate the safety, tolerability and clinical activity of ABSK081 (mavorixafor) in combination with axitinib in patients with advanced clear cell RCC, and investigate clinical responses to combination therapy among patient subgroups according to immediate prior therapy. Safety analyses included 65 patients treated with 400mg ABSK081 (mavorixafor) (200mg BID or 400mg QD) plus 5mg BID axitinib. Treatment responses were assessed using RECIST v1.1 every eight weeks from Day 1 for 80 weeks and then every 12 weeks thereafter by blinded, independent central review.

Trial Status

The Phase I/II study was completed by X4 in August 2019.

Safety Data

The following table sets forth the AEs related to ABSK081 (mavorixafor) or axitinib at all grades in 10% and above of all patients, and Grade 3 and above in two or more patients.

Adverse Events (All Grades ≥ 10% and Grade ≥ 3 in > 2 Pts) Related to Mavorixafor or Axitinib (N = 65)		
Adverse Event (Related)	All Grades	Grade ≥ 3
Diarrhea	35 (54%)	7 (11%)
Decreased Appetite	29 (45%)	6 (9%)
Fatigue	29 (45%)	3 (5%)
Hypertension	25 (39%)	14 (22%)
Nausea	19 (29%)	3 (5%)
Weight decreased	14 (22%)	2 (3%)
Dysphonia	14 (22%)	0
Blood Creatinine Increased	13 (20%)	1 (2%)
Hypothyroidism	13 (20%)	1 (2%)
Vomiting	12 (19%)	1 (2%)
Dry Eye	10 (15%)	0
Palmar-Plantar Erythrodysaesthesia	10 (15%)	0
Dyspnoea	9 (14%)	0

Adverse Events (All Grades ≥ 10% and Grade ≥ 3 in > 2 Pts) Related to Mavorixafor or Axitinib (N = 65)		
Adverse Event (Related)	All Grades	Grade ≥ 3
Headache	9 (14%)	0
Anaemia	8 (12%)	2 (3%)
Stomatitis	8 (12%)	1 (2%)
Dyspesis	8 (12%)	0

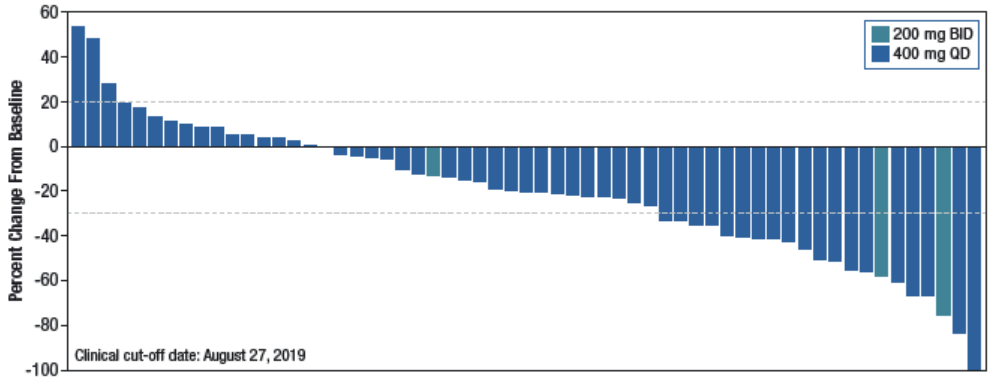
Source: 2019 ESMO presentation by X4

ABSK081 (mavorixafor) and axitinib combination therapy was well-tolerated. The most common AEs were diarrhea, fatigue, decreased appetite, weight decrease, hypertension, nausea, vomiting, cough, blood creatinine increased, and headache and dysphonia. Treatment-related serious AEs were diarrhea, hyperkalemia, and hypertension, and blood creatinine increased, dehydration, fatigue, hepatic enzyme increase, nausea, sepsis, tracheo-oesophageal fistula, and vomiting.

Preliminary Efficacy Data

The combination of ABSK081 (mavorixafor) and axitinib demonstrated encouraging mPFS in this heavily pretreated advanced RCC patient population, where 75% of patients received two or more prior therapies and 83% had an intermediate or poor prognosis. The mPFS in all clinically evaluable patients was 7.4 months, mPFS in the group with immunotherapy as immediate prior therapy was 11.6 months, and mPFS in the group with TKI as immediate prior therapy was 7.4 months, and eight patients remained on study after 17 months. The results suggest that ABSK081 (mavorixafor) may enhance clinical responses to axitinib and other TKIs that target tumor angiogenesis, as well as immunotherapy agents such as CPIs.

Best response in target lesion size



Source: 2019 ESMO presentation by X4

Summary of a Phase Ib Nivolumab Combination Trial for Renal Cell Carcinoma Conducted by X4

Overview

The Phase Ib trial is an open-label multi-center study to evaluate the safety, tolerability, and preliminary clinical activity of ABSK081 (mavorixafor) in combination with nivolumab in patients with advanced ccRCC who did not respond to nivolumab monotherapy. The study results indicated that ABSK081 (mavorixafor) and nivolumab combination therapy in patients with advanced ccRCC demonstrated potential anti-tumor activity and a manageable safety profile. The CXCR4 inhibition mediated by ABSK081 (mavorixafor), in combination with PD-1 blockade to enhance anti-tumor immune responses in patients unresponsive to checkpoint inhibitor monotherapy, is worthy of further study.

Trial Design

The trial had a planned enrollment of up to 20 patients. Treatment with mavorixafor ABSK081 (mavorixafor) in patients who were previously receiving current 240mg nivolumab monotherapy by intravenous (IV) infusion every two weeks for advanced ccRCC; there was no interruption of nivolumab treatment for patients while enrolled in the study. A daily oral dose of 400mg ABSK081 (mavorixafor) was selected based on safety and tolerability in healthy volunteers and HIV-infected patients, as well as evidence of pharmacodynamic activity on circulating white blood cells at the same daily dose. The dose levels of the combination treatment were evaluated and confirmed based on safety data from the first three patients who completed one cycle of treatment (28 days) before they were used in other patients. Combination treatment was continued until either disease progression or unacceptable toxicity deemed to be related to ABSK081 (mavorixafor) or nivolumab.

The primary study objective was to characterize the safety and tolerability of ABSK081 (mavorixafor) in combination with nivolumab in patients who did not respond to immediate prior nivolumab monotherapy. Secondary objectives included the characterization of anti-tumor activity for ABSK081 (mavorixafor) and nivolumab combination treatment.

Trial Status

Nine patients were accrued between December 7, 2016 and August 8, 2018, and the study was terminated by the sponsor due to the low enrollment rate. The study population included eight males and one female (median age, 65 years; range, 49–77 years) who had undergone a median of two prior systemic therapies.

Safety Data

In this study, ABSK081 (mavorixafor) and nivolumab combination therapy was tolerable in most patients with advanced RCC. At least one drug-related AE (related to ABSK081 (mavorixafor) or nivolumab) was reported in all nine patients. The most common (≥ 25%, all grade) drug-related AEs were diarrhea (five patients), nasal congestion (four patients), dry eye, fatigue, and increased AST and ALT (three patients each). Serious AEs (SAEs) related to either ABSK081 (mavorixafor) or nivolumab were autoimmune hepatitis, increased ALT and AST, maculopapular rash, and mucosal inflammation (one patient each). Four patients (44%) discontinued combination therapy for treatment-emergent AEs of autoimmune hepatitis, increased ALT, increased AST, increased lipase, maculopapular rash, and mucosal inflammation. Other reasons for study withdrawal included disease progression in three patients, and clinical deterioration in one patient. One patient continued treatment until study termination. There were no Grade 4 or 5 AEs reported, and all Grade 3 AEs resolved with stoppage of therapy. Five patients experienced at least one Grade 3 drug-related AE, including increased ALT and AST (two patients each), autoimmune hepatitis, chronic kidney disease, increased lipase, maculopapular rash, and mucosal inflammation (one patient each).

The following table sets forth the treatment-emergent AEs related to ABSK081 (mavorixafor) or nivolumab.

Adverse Event	**All Grades[a] ≥ 15% N=9 (%)**	**Grade 3 and Above ≥ 15% N=9 (%)**
Diarrhea	5 (56)	0
Nasal Congestion	4 (44)	0
Alanine Aminotransferase (ALT) increased	3 (33)	2 (22)
Aspartate Aminotransferase (AST) increased	3 (33)	2 (22)
Dry Eye	3 (33)	0
Fatigue	3 (33)	0
Conjunctival Hyperaemia	2 (22)	0

Adverse Event	All Grades[a] ≥ 15% N=9 (%)	Grade 3 and Above ≥ 15% N=9 (%)
Dyspepsia	2 (22)	0
Nausea	2 (22)	0
Rash Pruritic	2 (22)	0

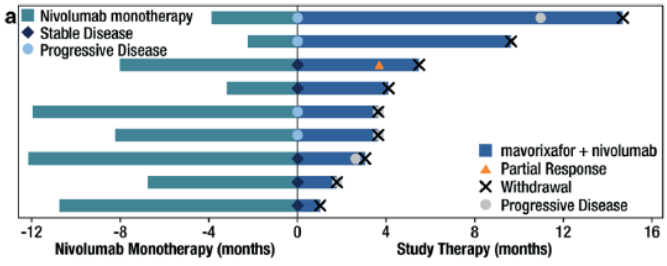
a. Graded according to NCI CTCAE version 4.03

Source: Toni K. Choueiri et al., A phase 1b trial of the CXCR4 inhibitor mavorixafor and nivolumab in advanced renal cell carcinoma patients with no prior response to nivolumab monotherapy, Investigational New Drugs on December 20, 2020.

Efficacy Data

In this study, ABSK081 (mavorixafor) and nivolumab combination therapy showed preliminary evidence of clinical activity in patients whose disease did not respond to single-agent nivolumab therapy.

Based on RECIST v1.1, one patient had a PR on combination therapy, resulting in an ORR of 11%. Seven patients (78%) had SD and one (11%) had PD as their best response. The clinical response of individual patients in the context of the duration of prior nivolumab monotherapy and the duration of ABSK081 (mavorixafor) and nivolumab combination treatment is shown in the following chart.



b

Best Overall Response Mavorixafor + Nivolumab (*n* = 9)	
Best Overall Response*	
Partial Response (PR)	1 (11%)
Stable Disease (SD)	7 (78%)
Progressive Disease (PD)	1 (11%)
Objective Response Rate (CR + PR)	**11%**

*Based upon RECIST 1.1

Notes:
Duration of prior nivolumab monotherapy and combination treatment and best overall responses.
a. Swim lane plot of the duration of prior nivolumab monotherapy and combination treatment. Disease status is noted both at the time mavorixafor was initiated and at the clinical cutoff date.
b. Best overall responses and objective response rate.

Source: Toni K. Choueiri et al., A phase 1b trial of the CXCR4 inhibitor mavorixafor and nivolumab in advanced renal cell carcinoma patients with no prior response to nivolumab monotherapy, Investigational New Drugs on December 20, 2020.

Four patients who progressed on prior nivolumab monotherapy had a best response of stable disease (SD) with ABSK081 (mavorixafor) and nivolumab combination treatment. Among the four patients, median duration of study treatment was 6.7 months (range: 3.7–14.7 months); two patients had SD for over nine months on combination treatment after having PD on previous nivolumab monotherapy. Among five patients with SD on prior nivolumab monotherapy, one had a PR with the combination treatment.

Clinical Development Plan

We have obtained the IRB approval and initiated a Phase Ib/II clinical trial of ABSK081 (mavorixafor) in China in July 2021. The Phase Ib/II clinical trial is an open label, single-arm study of ABSK081 (mavorixafor) in combination with toripalimab from Junshi in patients with TNBC. The Phase Ib clinical trial will evaluate the safety, tolerability, and PK behavior of ABSK081 (mavorixafor) and toripalimab at the specified dose level. Both the Phase Ib and II trials will evaluate preliminary anti-tumor activity of the combination therapy, and also evaluate immune activation biomarker and potential tumor biomarkers which are exploratory endpoints. The data from the Phase Ib and Phase II trials will be combined for safety, efficacy and biomarker analysis.

Material Communications with Competent Authorities

We have obtained the IRB approval and initiated the Phase Ib/II clinical trial in July 2021.

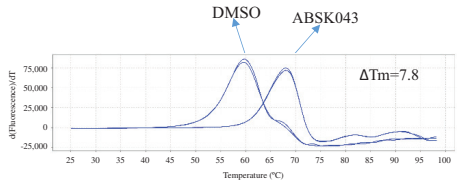
WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ABSK081 (MAVORIXAFOR) SUCCESSFULLY.

ABSK043

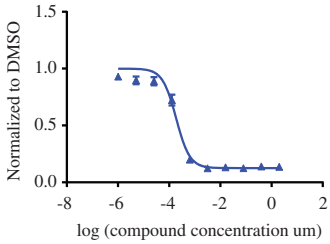
ABSK043 is a small molecule PD-L1 inhibitor. Antibody-based immunotherapies carry a number of disadvantages such as high costs, lack of oral bioavailability, long half-life time, and immunogenicity. ABSK043, as a small molecule PD-L1 inhibitor, may offer various advantages in these areas. ABSK043 specifically binds to PD-L1 and likely leads to PD-L1 dimerization, conformational changes and internalization from cell surface, which makes PD-1 no longer able to bind to PD-L1 and activate downstream signaling and T-cell suppression.

The following graphs set forth the *in vitro* inhibitory effects of ABSK043.

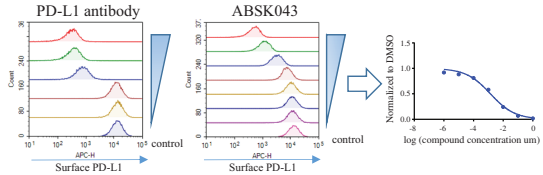
A. Binding to PD-L1 protein



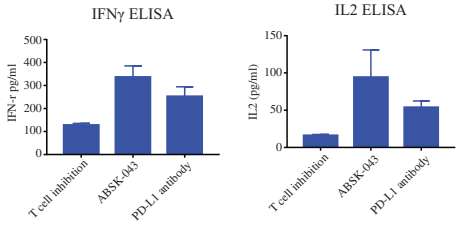
B. *In vitro* blockade of PD-1/PD-L1 interaction



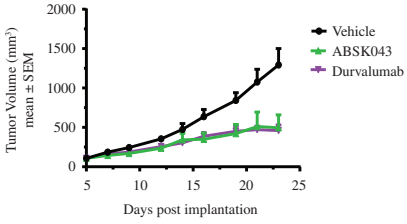
C. PD-L1 dose-dependent internalization



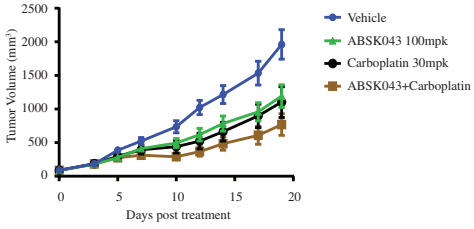
D. Inducing cytokine production of CD8 T cells



E. Comparable efficacy with PD-L1 antibody



F. Synergy with chemotherapy



Notes:

A, B: ABSK043 directly binds to human PD-L1 protein in a thermal shift assay A) and abolishes PD-1/PD-L1 interaction in a HTRF assay B).

C: ABSK043 dose-dependently reduces the levels of functional PD-L1 on the surface of tumor cells.

D: ABSK043's inhibition on cellular PD-1/PD-L1 can induce cytokine production in purified PBMC CD8+ T cells.

E: ABSK043 demonstrated strong in vitro inhibitory effects in humanized melanoma cancer model MC38-hPDL1, comparable to an anti-PD-L1 antibody.

F: ABSK043 can synergize with chemo agents in vivo with combinational ant-tumor effect in MC38-hPDL1 knock-in tumor model.

Source: Company Data

In August 2021, we commenced a Phase I clinical trial of ABSK043 and dosed the first patient in Australia.

Material Communications with Competent Authorities

Our Clinical Trial Notification (CTN) for the Phase I clinical trial of ABSK043 was acknowledged by the Therapeutic Goods Administration (TGA) of Australia in July 2021.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ABSK043 SUCCESSFULLY.

Selective Pre-clinical Stage Drug Candidates

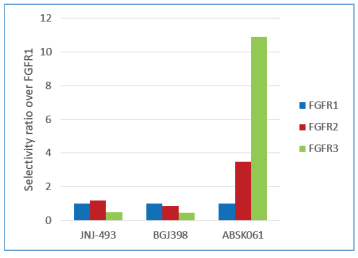
In addition to our clinical stage assets, we have nine pre-clinical assets, which focus on novel targets or methods of actions, and hence have potential to address significant medical needs. Below is a selective list of our pre-clinical stage assets, for which we plan to submit the IND applications in the next 12 to 24 months:

ABSK061

ABSK061 is a FGFR2/3 inhibitor. Its selectivity over FGFR1 could potentially lead to an improved therapeutic window and efficacy, as well as a better opportunity in expanding into treating non-oncology indications. Our pre-clinical studies have shown that ABSK061 selectively inhibits FGFR2/3 over FGFR1 across various biochemical and cellular assays, with little activity against other kinases. ABSK061 has also shown strong target engagement in FGFR2/3 dependent xenograft models.

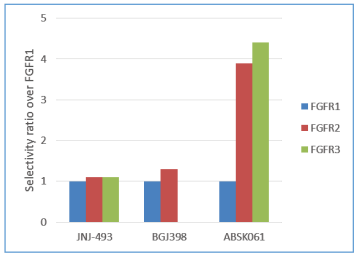
Biochemical

IC_{50} Ratio



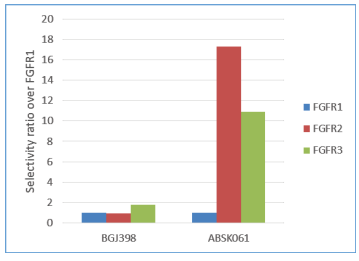
Cellular Proliferation

IC_{50} Ratio

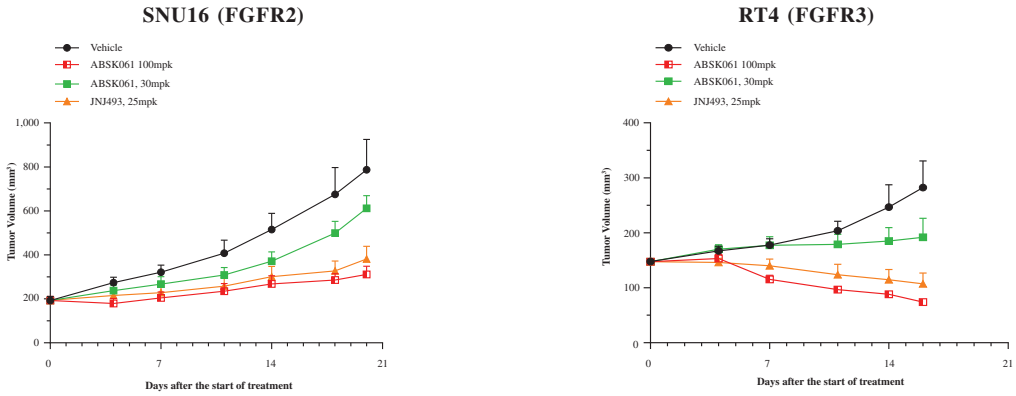


Cellular pERK

IC_{50} Ratio



Notes: ABSK061 exhibited strong inhibitory activity against FGFR2 and FGFR3 and much weaker inhibitory activity against FGFR1 in biochemical assay and in cellular context. The pan-FGFR inhibitors erdafitinib (JNJ-493) and infigratinib (BGJ398) potently inhibited the activity of FGFR1/2/3 to similar extent.



Note: Oral dosing of ABSK061 dose-dependently inhibited tumor growth in multiple FGFR-dependent xenograft mouse models.

JNJ-493 refers to erdafitinib; BGJ398 refers to infigratinib

Source: Company Data

ABSK061 has also demonstrated favorable DMPK properties across species, as well as physicochemical properties and safety profiles. We are currently carrying out pre-clinical studies for ABSK061.

Material Communications with Competent Authorities

We expect to file an IND in the second half of 2021.

ABSK121

ABSK121 is a next-generation FGFR1-3 mutant inhibitor that inhibits not only wild-type FGFR but also FGFR mutations that are resistant to the currently approved FGFR inhibitors. It could potentially be used to treat various cancer indications, including urothelial cancer, cholangiocarcinoma, and other solid tumors with FGFR rearrangement. It also has the potential to bring clinical benefits to patients who relapsed or progressed after initial treatment with the first-generation FGFR inhibitors.

In pre-clinical experiments, ABSK121 demonstrated strong activities against wild-type FGFR1-4 *in vitro* and in cells. It also demonstrated strong potency against FGFR mutants that are resistant to the current FGFR inhibitors in clinic. It has demonstrated favorable *in vivo* efficacy in FGFR-dependent and FGFR-mutant-dependent models. It showed good selectivity against other RTKs in KinomeScan, and is orally bioavailable with good DMPK properties and *in vitro* safety profiles. We are currently conducting pre-clinical studies for ABSK121.

ABSK012

ABSK012 is a next-generation small molecule FGFR4 inhibitor with strong potency against both wild-type and mutant FGFR4. Upon treatment with the first-generation FGFR4 inhibitors, acquired mutations in FGFR4 may occur and lead to resistance. Similar resistant mutations have also been found in tumors such as Rhabdomyosarcoma and drive tumor development. In pre-clinical studies, ABSK012 has demonstrated strong activities *in vitro* and in cells against not only wild-type FGFR4 but also various FGFR4 mutation that are resistant to the current FGFR4 inhibitors in clinical development. It also showed favorable *in vivo* efficacy in FGF19-driven and FGFR4-mutant models. ABSK012 has strong kinase selectivity, good DMPK properties and *in vitro* safety profile. We are currently conducting pre-clinical studies for ABSK012.

Material Communications with Competent Authorities

We expect to file IND in 2022.

ABSK111

ABSK111 is a highly potent and selective small molecule inhibitor for EGFR Exon20 mutations. EGFR Exon20 mutations occur in 3-5% of NSCLC patients, and are resistant to the currently available first, second and third generation EGFR inhibitors. Current clinical compounds targeting these mutations have limited therapeutic window due to limited selectivity against wild-type EGFR. Increased selectivity will likely lead to better target modulation and efficacy in clinical trials. ABSK111 demonstrates strong activity against EGFR Exon20 mutants and clear selectivity against wild-type EGFR in various cellular assays. It has efficacy and PD effects in mouse xenograft models bearing EGFR Exon20 mutation.

We are currently optimizing the physicochemical and other properties of the lead compounds and expecting to nominate the pre-clinical candidate(s) in the near future.

ABSK071

ABSK071 is a highly potent, orally bioavailable, irreversible small molecule inhibitor of a mutant form of KRAS with strong potency in biochemical and cellular settings. KRAS is one of the most mutated oncogenes in many cancer types, including pancreatic, colon, and lung. Due to its molecular structure and high affinity to GTP, KRAS was previously considered undruggable for small molecule inhibitors. KRAS mutations occur in around 30% of lung cancer patients who are in dire need of effective therapies.

ABSK071 has demonstrated strong *in vitro* activities against a KRAS mutant in cellular proliferation and target modulation assays. It has also shown favorable ADME and physicochemical profiles. We are currently evaluating additional properties of ABSK071 and anticipate the selection of a pre-clinical candidate in the near future.

ABSK051

ABSK051 is a small molecule CD73 inhibitor. CD73 plays critical roles in adenosine signaling, and controls the last step (hydrolysis of AMP) of the sequential conversion of extracellular ATP into adenosine. Adenosine generated in a tumor microenvironment can restrain tumor immunity. CD73 inhibition leads to enhanced adaptive immunity against cancer cells, mediated by stimulation of anti-tumor T-cell activation. Targeting CD73 with small molecules could provide advantages, particularly in solid tumor and combination settings. A CD73 small molecule inhibitor, AB680 from Arcus Bioscience, has demonstrated preliminary efficacy in clinical trials of pancreatic cancer patients.

ABSK051 has demonstrated strong potency in inhibiting the activities of both soluble and surface-expressed CD73. It also demonstrated strong efficacy *in vivo* in various animal models. ABSK051 has been selected as a pre-clinical candidate. We are currently conducting pre-clinical studies for ABSK051.

ABSK031

ABSK031 is an orally bioavailable small molecule RORγt agonist with potent activity for RORγt signaling in biochemical, cellular reporter, and Th17 differentiation experiments. ABSK031 has shown potential of activating RORγt and promoting Th17 cell differentiation in rat spleen after oral dosing. It also demonstrated good anti-tumor efficacy in multiple syngeneic tumor models as monotherapy or in combination with anti-PD-1 antibodies. ABSK031 has also demonstrated strong PK, physicochemical, and safety profiles and is suitable for next-stage development.

COLLABORATION AND LICENSING ARRANGEMENTS

Collaboration and License Agreement with AstraZeneca

On November 1, 2019, we entered into an exclusive license agreement (the "AZ Agreement") with AstraZeneca AB ("AZ") concerning the development, manufacturing and commercialization of the licensed compound ABSK091, which was formerly known as AZD4547, and licensed products containing such compound (the "AZ Products") globally. AZ is a multinational pharmaceutical and biotechnology company incorporated in Sweden, which focuses on the discovery, development, and commercialization of prescription medicines in oncology, rare diseases and biopharmaceuticals AZ is listed on Nasdaq and stock exchanges in London, Stockholm.

Pursuant to the AZ Agreement, AZ granted to us (i) an exclusive (including with regard to AZ and its affiliates), sublicensable (subject to certain conditions), royalty-bearing, worldwide license under AZ patents (which include all patents controlled by AZ that are necessary for the development of licensed compound), specific AZ know-how and AZ regulatory documentation related to the licensed compounds and AZ Products, such as research

reports and papers specific to the AZ Products; and (ii) a non-exclusive license to use certain other AZ know-how and data (or general AZ know-how), which are not specifically related to the AZ Products, such as general index of past tests, analytical method documentation, among others. We believe such non-exclusive license to general AZ know-how is not essential or has a material impact on our clinical development and commercialization of ABSK091, and only supplements the specific AZ know-how and AZ regulatory documentation to which we enjoy exclusive worldwide rights. As such, we believe that the non-exclusivity of the license over general AZ know-how would not lead to the emergence of other competitors over ABSK091. Under the AZ Agreement, we are responsible for all costs and expenses to further develop, commercialize and manufacture the AZ Products and are obligated to use commercially reasonable efforts to obtain and maintain relevant regulatory approvals for at least one AZ Product in at least one specified major market country, and to commercialize at least one AZ Product.

We are also responsible for the prosecution and maintenance, and all costs and expenses associated therewith, of the licensed AZ patents and the trademarks used or to be used for the commercialization of the AZ Product worldwide. Pursuant to the AZ Agreement, as between us and AZ, we will own all rights to such trademarks. We also have the sole right to communicate with regulatory authorities and obtain the relevant approvals from such authorities in connection with the AZ Products with the cooperation of AZ at our reasonable request.

In the worst case scenario where the termination of license in relation to ABSK091 granted by AZ occurs, we may no longer continue the development of ABSK091 as a Core Product Candidate. However, we believe we have demonstrated our ability to develop ABSK091 which could lead to milestone and royalty payments in the future to AZ. As such, we do not believe it likely that AZ will terminate the AZ Agreement.

We are required to pay an aggregate of up to US$263.5 million in non-refundable upfront fees and milestone payments pursuant to the AZ Agreement. Milestones typically include development milestones such as initiation of patient dosing, receipt of regulatory approval for marketing a new product or indications, as well as commercial milestones which relate to the amount of aggregate net sales. We are also obligated to pay tiered royalty payments calculated as a low double-digit percentage of net sales of the AZ Product worldwide, subject to customary reductions. Net sales refer to the gross amounts billed or invoiced by us, our affiliates or our or sublicensees to third parties for the sale of the AZ Products, less certain deductions such as amounts repaid or credited by reasons of returns, customs and excise duties, and other taxes or duties. Customary reductions include (i) royalties paid to third parties in order to use the AZ Product; (ii) costs or losses incurred if the use of AZ Product is no longer covered by any valid claim; and (iii) costs or losses incurred if a third party launches a generic product that contains the same or substantially the same active ingredient as the AZ product in the local jurisdiction, among others. Our royalty obligations continue on an AZ Product-by-AZ Product and country-by-country basis commencing on the date of first commercial sale of such AZ Product in such country, and ending on the later of: (i) the expiration of the last to expire licensed AZ patent in such country or in the country of manufacture that contains a valid claim

covering such AZ Product; (ii) the expiration of the regulatory exclusivity period in such country for such AZ Product; and (iii) the tenth (10^{th}) anniversary of the first commercial sale of such AZ Product in such country.

Unless earlier terminated, the term of the AZ Agreement begins on November 1, 2019, and continues until expiration of our royalty obligations under the AZ Agreement. We may terminate the AZ Agreement upon 90 days' written notice. Either party may terminate the AZ Agreement upon the uncured material breach of the other party, or upon the insolvency or bankruptcy of the other party. AZ has the right to terminate the AZ Agreement if we, our affiliates or sublicensees challenge the validity or enforceability of any licensed AZ Patent. The reason for the termination clause is to prevent the licensee, such as our Company, from launching unreasonable challenges in an attempt to avoid payments under the licensing agreement. According to Frost & Sullivan, this type of clause has also appeared in the licensing agreements of a number of other biotech companies. Upon termination by either party, all rights and licenses granted to us under the AZ Agreement will immediately terminate. Upon expiration of the country-by-country royalty terms, the licenses we obtained under the AZ Agreement will become fully paid-up, perpetual and irrevocable with respect to that country.

Since the AZ Agreement, we have obtained an IND approval for ABSK091 from the NMPA and have been initiating Phase Ib and Phase II clinical trials.

Expanding on the relationship under the AZ Agreement, we also entered into a memorandum of understanding of strategic collaboration ("AZ Strategic MOU") with AstraZeneca Investment (China) Co., Ltd. ("AZ China") in December 2020. Under the AZ Strategic MOU, both parties agree to explore collaboration opportunities in various areas, including preclinical drug discovery, clinical development, commercialization and investment. The partnership is intended to leverage both companies' strengths, matching our capabilities in innovation and efficiency with AZ China's capabilities to reach the market. The AZ Strategic MOU also confirmed AZ's interest to invest in us through a fund jointly established by affiliates of AZ and CICC Capital Management Co., Ltd..

To the best of our knowledge, each of AZ and AZ China is an Independent Third Party.

Commercial Rationale for the AZ Agreement

AZ discontinued the development of ABSK091 (AZD4547) in 2019 and entered into the AZ Agreement with us in the same year. The following factors have contributed to the discontinuation of ABSK091 (AZD4547) and entry into the AZ Agreement: (i) given AZ has a large portfolio of oncology drug candidates under development, this would allow AZ to better focus on programs with higher priority, best allocate its resources towards the drug candidates of interest, and align with its overall strategy; (ii) we have a quite comprehensive FGFR related pipeline, the global license grant allows us to quickly develop ABSK091 in mainland China with large patient pool, followed by global development of ABSK091 through leveraging the

clinical data from mainland China; and (iii) AZ would benefit from the milestone payments and royalties payable by us pursuant to the AZ Agreement. We believe the license grant enables us to better capture the large China oncology market and the potential of FGFR inhibitors and oncology combination therapies.

Collaboration and License Agreement with X4 Pharmaceuticals

On July 16, 2019, we entered into an exclusive license agreement (the "X4 Agreement") with X4 Pharmaceuticals, Inc. ("X4") concerning the development and commercialization of the licensed compound ABSK081, which was formerly known as X4P-001, collectively with any product containing such licensed compound as an active pharmaceutical ingredient (the "X4 Product") in the licensed territory of mainland China, Taiwan, Hong Kong and Macau in the field of diagnosis, treatment, palliation or prevention of any oncological indication and WHIM Syndrome in humans, excluding mozobil indications and any use for auto-HSCT treatment and allo-HSCT treatments. X4 is a company incorporated in Delaware and listed on Nasdaq, (NASDAQ: XFOR) which focuses on developing novel therapeutics for the treatment of rare diseases.

Pursuant to the X4 Agreement, we received (i) an exclusive (even as to X4), sublicensable (subject to certain conditions), royalty-bearing license, in the licensed territory, to certain licensed know-how and X4 patents to develop, manufacture and commercialize the licensed compound and X4 Product in the licensed territory; and (ii) the right of first negotiation and right of first refusal with respect to certain additional products developed by X4 in the licensed territory. We retain sole responsibility, and are obligated to use commercially reasonable efforts at our own cost and expense, to develop and obtain regulatory approval for X4 Products in each region of the licensed territory, and commercialize the X4 Products in the licensed territory.

Under the X4 Agreement, we agreed to purchase certain quantities of the licensed compound and X4 Product for clinical and commercial purposes, and are obligated to enter into good faith negotiations with X4 for clinical and commercial supply agreements. At the clinical development stage, it was not cost-efficient to establish manufacturing facilities in China to manufacture the small quantity of compounds used in clinical trials. As such, we decided to purchase the licensed compound from X4, which agreed to sell such compound to us substantially at cost. We are obligated to share with X4 regulatory information and English language copies of documents in connection with obtaining or maintaining necessary regulatory approvals. Except for certain provided circumstances, X4 will provide us with documents, information, technical assistance and support necessary to manufacture the X4 Product after first commercial sale of the X4 Product in mainland China.

Each party under the X4 Agreement solely owns any inventions and data created or generated solely by such party, and jointly owns inventions created jointly. We grant to X4 an irrevocable, perpetual, fully paid up license to our data generated in connection with X4 Products and our inventions created under the X4 Agreement for X4 to develop, manufacture

and commercialize the licensed compound or X4 Product outside the licensed territory. We have the right to commercialize the X4 Product in the licensed territory under any trademark we own. X4 retains the sole right for the prosecution and maintenance of licensed patents.

Pursuant to the X4 Agreement, we are obligated to pay an aggregate of up to US$217.0 million in milestone payments, which includes (i) US$3.0 million financial milestone payment which we had paid during the Track Record Period and as of the Latest Practicable Date; (ii) development milestone payments of up to US$99.0 million divided into individual payments between US$1 million to US$15 million upon (x) regulatory approval of an marketing authorization application for the WHIM syndrome in China, (y) each first patient enrollment for trials on indications other than WHIM syndrone in China, and (z) each regulatory approval for an marketing authorization application for indications other than the WHIM syndrome in China; and (iii) commercial milestone payments of up to US$115.0 million divided into individual payments between US$5 million to US$50 million upon achieving five different sales targets.

We are also obligated to pay, subject to certain customary reductions, tiered royalties calculated at a low double digit percentage of our, our affiliates' and sublicensees' annual net sales of the X4 Product in the licensed territory. Net sales refer to the gross amounts billed or invoiced by us, our affiliates or our or our affiliates' sublicensees to third parties for the sale of the X4 Product, less certain deductions such as amounts repaid or credited by reason of rejections, customs and excise duties and other taxes or duties imposed on the sales of the X4 Product, among others. Customary reductions include (i) royalties paid to third parties in order to use the X4 Product; (ii) costs or losses incurred if the use of X4 Product is no longer covered by any valid claim; and (iii) costs or losses incurred if a third party launches a generic product that contains the same active pharmaceutical ingredient as the X4 Product in the local jurisdiction, among others. We are obligated to make royalty payments on an X4 Product-by-X4 Product and region-by-region basis beginning with the first commercial sale of such X4 Product in such region and continuing until the earlier of: (i) ten (10) years from the first commercial sale of such X4 Product in such region and (ii) entry of a generic product in the region impacting our sales below a certain threshold.

Unless earlier terminated, the term of the X4 Agreement begins on July 16, 2019, and remains in effect until the expiration of our royalty obligations on a region-by-region basis. X4 may terminate the X4 Agreement if we cease developing or commercializing the X4 Product, if we or our affiliates or sublicensees challenge the validity of an X4 Product related patent or if we and X4 fail to enter into a pharmacovigilance agreement. Either party may terminate the X4 Agreement for the other party's uncured material breach, or insolvency or bankruptcy of the other party. Upon termination, but not expiration of our royalty obligations, all rights and licenses granted to us immediately terminate.

To the best of our knowledge, X4 is an Independent Third Party.

Combination Therapy Development Agreement with Junshi

In October 2019, we entered into a combination therapy development agreement (as supplemented by a supplemental agreement dated June 3, 2021, the "Junshi Agreement") with Shanghai Junshi Biomedical Technology Co., Ltd. (上海君實生物醫藥科技股份有限公司, or "Junshi") to explore opportunities in the development of a combination therapy for the treatment of triple-negative breast cancer (TNBC). Under the Junshi Agreement, Junshi is responsible for providing sample anti-PD-1 antibody drug samples, and we are responsible for providing the CXCR4 inhibitor Mavorixafor, which was in-licensed from X4 pursuant to the X4 Agreement. Junshi would timely provide sufficient anti-PD-1 antibody drug samples to us free of charge, and we are responsible for all costs arising out of clinical trials. The Junshi Agreement terminates at the earlier of: (i) both parties have completed their responsibilities and all development programs are concluded; or (ii) the NMPA refuses to grant approval over the combination therapy. We are also responsible for clinical trial design, clinical PI and communications with CROs. Unless the Junshi Agreement is early terminated or the NMPA refuses to grant approval over the combination therapy, neither party is allowed to seek collaborations with any third parties regarding the indication of TNBC during the collaboration. The Junshi Agreement does not provide for any obligations and responsibilities on us or Junshi for quality assurance and safety.

Each party is entitled to their respective intellectual property rights that were preexisting or were generated outside the scope of the Junshi Agreement. Both parties shall jointly own the intellectual property rights arising out of the combination therapy development programs within the scope of the Junshi Agreement. In particular, subject to certain limitations on geographical scope and use and the status of the X4 Agreement, we are entitled to grant X4 licenses over (i) the inventions arising out of the combination therapy development programs; (ii) data arising out of the combination therapy development programs; and (iii) documentations prepared for or submitted to regulatory authorities, as well as correspondence with regulatory authorities, in relation to the development, manufacturing and commercialization of Mavorixafor and its derivatives.

Either party may terminate the Junshi Agreement upon breach of representations and warranties, responsibilities under the Junshi Agreement (if the breaching party refuses to remediate within 60 days) and relevant laws and regulations.

We entered into the X4 Agreement on July 16, 2019, at which time we had not contemplated the combination therapy development in collaboration with Junshi yet. After entering into the X4 Agreement under which we obtained the right to develop, manufacture and commercialize ABSK081 in mainland China, Taiwan, Hong Kong and Macau, we explored opportunities for combination therapies in China, and identified toripalimab as a compound with combination potential with ABSK081, and therefore entered into the Junshi Agreement in October 2019. The X4 Agreement did not contain any requirement on us to seek approval from X4 before entering into any collaborations similar to the one with Junshi.

We are not required to make any payments to X4 for the collaboration with Junshi.

Clinical Supply Agreement with Roche

On February 23, 2021, we entered into a master clinical supply agreement (the "Roche Agreement") with F. Hoffmann-La Roche Ltd. concerning the supply of the atezolizumab compound (the "Roche Compound") by Roche for use in our ABSK011 clinical trial.

Pursuant to the Roche Agreement, we will provide Roche with written notice regarding the amount, a delivery timeline and a draft protocol for each trial. If Roche agrees to supply, we and Roche would execute a mutually acceptable Clinical Supply Agreement Supplement ("CSA Supplement") identifying the relevant protocol, quantity and timing of delivery, and applicable costs. If Roche believes that the Roche Compound is being used in an unsafe manner and we fail to incorporate changes made by Roche into the protocol to address the safe use of the compound, it may terminate the CSA Supplement immediately and stop supplying the Roche Compound free of liabilities. Under the Roche Agreement, we agree to store the Roche Compound in accordance with the storage requirements provided by Roche. Roche and we will agree on the procedures to be used for labeling, quality control and testing, and on the schedule for staggered supply of the Roche Compound. As of the Latest Practicable Date, we had not yet entered into any such agreements.

We, as the sponsor of the trials, are responsible for conducting the trials, complying with all applicable laws, rules and regulations, and timely informing Roche of the status of the trials, including any serious adverse events, serious safety matters or inspections or investigations by regulatory authorities. The ABSK011 combination therapy in combination with anti-PD-L1 antibody atezolizumab from Roche is a separate trial from the monotherapy clinical trial. We chose to collaborate with Roche due to the combination potential of the Roche Compound with ABSK011. If the supply of Roche Compound is materially diminished, or is not available at all, either due to the termination of the Roche Agreement or otherwise, we would explore other potential combination therapies for ABSK011 and purchase other types of compounds, which would require the performance of additional clinical trials. However, the monotherapy clinical trials of ABSK011 would not be affected. Our Directors are of the view that the potential termination or further amendments on the Roche Agreement are not expected to have any material impact on the development and commercialization of ABSK011, as we believe (i) such termination would not affect our clinical trials for ABSK011 as a monotherapy; and (ii) we have the right to explore other combination therapies other than with the Roche Compound. As such, ABSK011 would remain a Core Product Candidate in case of termination of Roche Agreement. The Roche Agreement does not provide for any obligations and responsibilities on us or Roche for quality assurance and safety.

The Roche Agreement is effective for a period of five years beginning February 23, 2021, unless otherwise terminated. Either party may terminate the Roche Agreement upon 60 days' written notice. Upon termination of the Roche Agreement, we would return or destroy all unused Roche Compounds at the Roche's request free of charge.

To the best of our knowledge, Roche is an Independent Third Party.

License Agreement with Sperogenix

In July 2021, we entered into an exclusive licensing agreement with Sperogenix (Shanghai) MedTech Co., Ltd. ("Sperogenix"), a subsidiary of Sperogenix Therapeutics Limited (a platform company focusing on the development and commercialization of rare disease medications in China), with respect to the development and commercialization of innovative drug ABSK021 for indications in the field of non-oncology neurological rare diseases. Sperogenix focuses on the development and commercialization of rare diseases medications in China, such as pulmonary vascular diseases, neurological diseases, inherited metabolic diseases, and non-oncology hematologic diseases.

Under the agreement, Sperogenix will have the exclusive right to develop, manufacture and commercialize ABSK021 in mainland China, Hong Kong SAR and Macao SAR (collectively, the "Sperogenix Territory") for non-oncology neurological rare diseases indications, of which amyotrophic lateral sclerosis (ALS) will be the first indication to be developed by Sperogenix. We will receive an upfront payment and a series of milestone payments as well as royalties on annual net sales from Sperogenix, and reserve the rights for all the other territories and indications. Sperogenix will be responsible for the development of ABSK021 in ALS, including preclinical studies, proof-of-concept clinical trials, pivotal clinical trials, and post-marketing studies, as well as the registration and commercialization of the product in the Sperogenix Territory. The upfront payment and the maximum milestone payments payable by Sperogenix amount to US$270.5 million in the aggregate which consist of US$3.5 million in upfront payment which we had received, and US$267.0 million in milestone payments, consisting of (i) development milestone payments of up to US$16.0 million divided into individual payments between US$2 million to US$10 million upon (a) the first IND filing, (b) the first patient enrollment for different phases of clinical trials, and (c) the first NDA approval; and (ii) commercial milestone payments of up to US$251.0 million divided into individual payments between US$2 million to US$150 million upon achieving six different sales targets.

The Sperogenix Agreement shall terminate in case of material breach by either party, patent challenge, or insolvency. In addition, Sperogenix may terminate the agreement if the IND enabling studies for ABSK021 cannot be completed due to scientific reason or any regulatory set-back. We may terminate the agreement if Sperogenix ceases developing or commercializing ABSK021 for a period of six or more consecutive months. Sperogenix will enjoy perpetual paid-up license in respect of ABSK021 upon expiration of the royalty term.

Framework Agreement with Shanghai Pharma

We entered into a framework collaboration agreement with Shanghai Pharmaceuticals Holding Co., Ltd. (上海醫藥集團股份有限公司) and Shanghai Biomedical Industrial Equity Investment Fund Management Co., Ltd. (上海生物醫藥產業股權投資基金管理有限公司) (together, "Shanghai Pharma") in November 2020 to explore future opportunities to commercialize and market certain of our drug candidates in Greater China, as well as opportunities to pursue strategic cooperation in other areas. Details of our collaboration are

subject to further negotiations. Shanghai Pharmaceuticals Holding Co., Ltd. (上海醫藥集團股份有限公司) is a pharmaceutical company in China that develops and distributes pharmaceutical products in Chinese and international markets. In terms of scale, Shanghai Pharmaceuticals Holding Co., Ltd. (上海醫藥集團股份有限公司) generated total revenue of RMB191.9 billion in 2020, and was ranked as one of the Fortune Global 500 and Top 50 Global Pharmaceuticals for the first time in 2020, according to the annual report of Shanghai Pharmaceuticals Holding Co., Ltd. (上海醫藥集團股份有限公司).

OUR PLATFORM

We have built a platform with the aim of discovering drug candidates with novel and/or differentiated potential. Our platform spans from target identification, drug discovery, clinical development to manufacturing and commercialization.

Research and Development

We believe research and development are critical to our future growth and our ability to remain competitive in the Chinese biopharmaceutical market. We are dedicated to enhancing our pipeline by leveraging our leading in-house R&D capabilities, which spans from early drug discovery to clinical development. Our R&D team has discovered and/or developed our current pipeline of 14 drug candidates within less than five years.

As of the Latest Practicable Date, our R&D team consisted of approximately 103 employees. Our R&D team members have extensive clinical development experience, with a particular focus on oncology. Among our R&D team members, over 80% have obtained post-graduate degrees, and approximately 30% hold Ph.D. degrees. Among our pre-clinical R&D team members, over 80% have obtained post-graduate degrees, and over 30% hold Ph.D. degrees.

Our R&D team is led by our co-founders, Dr. XU Yao-Chang, Dr. YU Hongping and Dr. CHEN Zhui, who collectively have made contributions to dozens of discovery programs, a number of which led to successful commercialization, such as Ameile (almonertinib), Cymbalta (duloxetine), Balversa (erdafitinib), Reyvow (lasmiditan), Fu Laimei (PEG-loxenatide), Kisqali (ribociclib), Xinfu (flumatinib) and Venclexta (venetoclax).

In 2019 and 2020 and the three months ended March 31, 2020 and 2021, our R&D expenses were RMB81.5 million, RMB132.7 million, RMB15.9 million and RMB38.1 million, respectively.

Drug Discovery and Pre-clinical Development

Our drug discovery effort is led by our co-founders Dr. YU Hongping and Dr. CHEN Zhui, serving as our SVP of Chemistry and SVP of biology, respectively, each bringing more than 15 years of drug discovery experience from other multinational pharmaceutical companies.

We use various discovery and engineering technologies to discover and select our lead compounds with suitable pharmaceutical properties and market potential.

Our drug discovery team collaborates with our CMC team at an early stage to complement each team's needs and to ensure continued knowledge sharing, regulatory compliance and a streamlined transition from discovery to development.

Our drug discovery team also includes a translational medicine function that conducts biomarker discovery and bioinformatics data processing and analysis to facilitate our clinical studies. We conduct translational research to assess the effectiveness of treatment, evaluate different ways to customize therapies, and improve personalized medicine guidelines using the new data generated. These insights help further guide us toward new directions in novel drug and biomarker discovery.

Clinical Development

Our clinical development team is led by Dr. JI Jing, who received a M.D. degree from Fudan University and Shanghai Second Medical University, majoring in GI and liver disease. She has over 25 years of experience in early and late-stage clinical development in global pharmaceutical companies, serving as clinical development leader and head of therapy area. She has led and executed a wide range of functions, including medical, clinical operations, quality control, clinical research, clinical pharmacology and patient safety. As of the Latest Practicable Date, our clinical development team consisted of 26 employees, including 20 holding master or doctorate degrees.

Our clinical development team manages all stages of our clinical trials, including clinical trial design, implementation, drug supply, and the collection and analysis of trial data. We have entered into agreements with hospitals and principal investigators located in China, the U.S. and other regions that can support our clinical trials of different indications at different stages. We believe our experience in executing clinical trials helps us accelerate our drug development.

Our regulatory affairs team, led by Mr. WANG Wei, is responsible for the regulatory approval process of our drug candidates, including assembling application dossiers for IND and NDA, addressing inquiries from relevant authorities and monitoring our R&D projects to ensure their compliance with relevant regulations.

We work with contract research organizations ("CROs") to support our pre-clinical and clinical studies in China and overseas. See "– Suppliers" for details.

We selected Taiwan to commence the Phase Ia/I clinical trial of ABSK011 and ABSK091, primarily for the following reasons:

- *Technical incentives.* The Cross Strait Agreement formalized the interchangeable use of certain data from clinical trials across mainland China and Taiwan. Both the TFDA and the NMPA are regulatory members of the ICH, and both the Phase Ia clinical trial of ABSK011 and the Phase I clinical trial of ABSK091 were conducted in accordance with the GCP and ICH guidelines which are mutually recognized in mainland China and in Taiwan. The TFDA's membership of the ICH ensures alignment of its regulatory guidelines with other regulatory authorities and facilitates further strengthening of cooperative relationships between the TFDA and other regulatory authorities.

  We have also taken into account that the technical requirements, the R&D preparation and standards for conducting and completing the clinical trials in Taiwan and mainland China would be comparable, and that the development and approval process of assessing the robustness of a product candidate in Taiwan and mainland China are comparable with each other, according to Frost & Sullivan.

- *Administrative incentives*. We have considered that obtaining the requisite approval to carry out the trial in mainland China would take significantly longer due to the additional administrative requirements in mainland China.

- *Financial incentives*. As the administrative procedures for carrying out a Taiwan clinical trial are less burdensome than in mainland China, the approval processes and clinical trials in Taiwan may also be more cost efficient.

CMC

Our CMC team is led by Dr. ZHANG Zhen. Our CMC team is responsible for (i) process development, scale-up, optimization, characterization and validation; (ii) control method development and validation; and (iii) technology transfer and assessment, among other functions. Our CMC team provides pre-clinical and clinical support throughout the drug development process as follows:

- *Pre-clinical support:* Our CMC team supports, supervises and guides our third-party CROs, which is a critical part of our drug discovery and development process. Our CMC team also evaluates drugability of potential drug candidates during in-licensing evaluation processes.

- *Clinical support:* During the clinical trial stage, our CMC team manages clinical trial material supply by monitoring and providing guidance to our CMOs, which ensure product quality and best-practice supply chain operations.

Going forward, as we establish our in-house manufacturing facilities, our CMC team will also be in charge of managing the manufacturing process.

Manufacturing

We currently outsource our drug candidate production to a small number of qualified CMOs. Specifically, we commission these CMOs to develop and manufacture the active pharmaceutical ingredients and finished products used in our clinical development research. We carefully select our CMOs based on a number of factors, including their reputation, qualifications, relevant expertise, production capacity, track record, geographic proximity, product quality, terms offered, and reliability in meeting production schedules. We will adopt procedures to ensure that our CMOs comply with both the relevant regulatory requirements and our internal guidelines for production standards, processes and facilities. To this end, we commit to predefined specifications for evaluating in-process control and release tests, and we review manufacturing-related documents, including batch records and quality control test results, to ensure that the products we receive from our CMOs are of the appropriate quality. To promote consistent quality over time, we will periodically perform quality audit on all of our CMOs. If a specific CMO deviates from the process protocol, we will conduct special, ad hoc audits of that CMO.

We do not presently possess any capacity or production-related technology. We intend to utilize a manufacturing model that is most efficient for our future business needs, including collaboration with CMOs and/or building our own manufacturing facility in compliance with GMP requirements to ensure timely and stable drug supply.

Commercialization

We plan to formulate a commercialization and marketing plan in anticipation of future product launch. We plan to initially build up our core commercialization capability as the business needs arise, and eventually to further develop it into a full-fledged team as we grow the number of new product launches based upon our current pipeline with the goal of achieving broader patient coverage and efficiency.

Based upon our product profiles, we may also opt to use distribution partnerships in China to maximize the sales potential of our products. With regard to territories outside China, our initial approach is to co-develop our products with partners outside of China or through distribution partnerships in an effort to realize the global value of our launched products. We will design customized marketing strategies for each product depending on its indication and market coverage, while seeking operational synergies among our portfolio. We will also consider seeking inclusion of some of our products into the NRDL and other reimbursement programs. Inclusion into the NRDL is determined by the relevant government authorities and is beyond our control. If we fail in our efforts to have our products included in the NRDL after commercialization, our sales channels may be limited and our revenue from commercial sales

will be highly dependent on patient self-payments, which could make our products less competitive. Additionally, even if our drug products are included into the NRDL, our potential profit margins from the sale of these products could still be hampered due to the significantly lowered prices we are able to charge for our products.

SUPPLIERS

We use a limited number of CROs to support our pre-clinical and clinical studies in China and overseas. We select our CROs by considering their academic qualifications, industry reputation, compliance with relevant regulatory agencies and cost competitiveness.

Below is a summary of the key terms of a typical agreement that we enter with our CROs.

- *Services.* The agreement and/or work orders set forth certain details on each of the pre-clinical and clinical trials to be conducted by the CROs, including testing facilities, methods, approach, among others.

- *Term.* CROs are typically required to complete the prescribed services within a specific time limit set forth in the master agreement or specific work orders.

- *Payments.* We are required to pay CROs pursuant to the provided timetable and milestones.

- *Risk allocation.* The agreements typically assign risks of unsuccessful trial results or other losses to the negligent or at-fault party.

For the years ended December 31, 2019 and 2020, and the three months ended March 31, 2021 our purchases from our five largest suppliers in aggregate accounted for 46.8%, 52.5% and 46.7% of our total purchases, respectively, and our purchases from our largest supplier alone accounted for 24.7%, 20.8% and 22.2% of our total purchases, respectively. Purchases primarily included third-party contracting services for research and development purposes, raw materials, equipment, construction and management services. All of our five largest suppliers during the Track Record Period are Independent Third Parties, and none of our Directors, their respective associates nor any shareholder who, to the knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, has any interest in any of our five largest suppliers during the Track Record Period.

The following table sets forth the details of our top five suppliers for the three months ended March 31, 2021:

Suppliers	Products/ Services Procured	Principal Business	Place of Incorporation	Listed Company	Credit Terms	Length of Relationship (since)	Procurement Amount *(RMB'000)*	Procurement Contribution *(%)*
A	Clinical research	Pharmaceutical-related industrial products and health-related industrial products technology development	PRC	Yes	Within 60 days upon receipt of invoice	November 2020	6,826	22.2
B	Clinical research	Technology development, technology transfer, technology consulting, technology services in the field of pharmaceutical science; big data services; import and export business of goods and technology	PRC	No	Within 60 days upon receipt of invoice	July 2019	2,255	7.3
C	Raw materials, equipment and testing services	Research and development of pharmaceutical compounds, chemical drugs and biological products; import and export of goods and technology	PRC	Yes	Within 30 business days upon receipt of invoice	January 2018	1,832	6.0
D	Clinical research	Clinical trials; laboratory testing services	Australia	Yes	Within 45 days upon receipt of invoice	March 2021	1,815	5.9
E	Clinical research	Pharmaceutical science and technology; biotechnology; sales of Class I medical device	PRC	No	Within 60 business days upon receipt of invoice	December 2020	1,624	5.3
Total							**14,352**	**46.7**

The following table sets forth the details of our top five suppliers for the year ended December 31, 2020:

Suppliers	Products/ Services Procured	Principal Business	Place of Incorporation	Listed Company	Credit Terms	Length of Relationship (since)	Procurement Amount *(RMB'000)*	Procurement Contribution *(%)*
X4 Pharmaceuticals, Inc.	In-license of ABSK081	Biotechnology	the U.S.	Yes	Down payment: within 15 business days; Subsequent payments: within 45 days upon reaching milestone	July 2019	20,682	20.8
G	Clinical research	Non-clinical safety assessment; clinical trial testing and clinical trial management services	the U.S.	Yes	Within 45 days upon receipt of invoice	June 2019	17,386	17.5
H	Property leases, Utilities	Land development and operation; high-tech incubation facilities development and operation; property management and consulting; sales of construction materials	PRC	No	Rent: within 15 days before each quarter; Utilities: within 30 days upon receipt of invoice	December 2016	5,302	5.3

Suppliers	Products/ Services Procured	Principal Business	Place of Incorporation	Listed Company	Credit Terms	Length of Relationship (since)	Procurement Amount *(RMB'000)*	Procurement Contribution *(%)*
I	Raw materials, equipment and testing services	Development of pharmaceutical compounds, chemicals, biological drugs, biological products; sales of chemical products (excluding hazardous chemicals); medical research and experimental development; import and export of goods and technology	PRC	No	Within 30 business days upon receipt of invoice	October 2019	4,964	5.0
C	Raw materials, equipment and testing services	Research and development of pharmaceutical compounds, chemical drugs and biological products; import and export of goods and technology	PRC	Yes	Within 30 business days upon receipt of invoice	January 2018	3,895	3.9
Total							**52,229**	**52.5**

The following table sets forth the details of our top five suppliers for the year ended December 31, 2019:

Suppliers	Products/ Services Procured	Principal Business	Place of Incorporation	Listed Company	Credit Terms	Length of Relationship (since)	Procurement Amount *(RMB'000)*	Procurement Contribution *(%)*
AstraZeneca AB	In-license of ABSK091 (AZD4547)	Development and production of tablets; import and export of various commodities and technologies	Sweden	Yes	Down payment: within 5 business days; Subsequent payments: within 45 days upon reaching milestone	November 2019	17,236	24.7
H	Property leases, Utilities	Land development and operation; high-tech incubation facilities development and operation; property management and consulting; sales of construction materials	PRC	No	Rent: within 15 days before each quarter; Utilities: within 30 days upon receipt of invoice	December 2016	7,556	10.8
K	Toxicological research service	Biomedical technology research and development; testing services; import and export of various commodities and technologies	PRC	No	Within 20 days upon receipt of invoice	January 2018	3,025	4.3

Suppliers	Products/ Services Procured	Principal Business	Place of Incorporation	Listed Company	Credit Terms	Length of Relationship (since)	Procurement Amount *(RMB'000)*	Procurement Contribution *(%)*
L	Equipment	Hazardous chemicals business; food business; Class III medical equipment business; gas business	PRC	No	Within 30 days of the timelines provided in the contract	December 2016	2,537	3.6
M	Pharmacokinetics research	Pharmaceutical research; natural product chemistry research; drug metabolism research; drug safety evaluation research, and disease control drug development	PRC	No	Down payment: within 3 weeks upon signing the contract; Subsequent payments: within 3 weeks of the timelines provided in the contract	March 2017	2,385	3.4
Total							**32,739**	**46.8**

We believe that there are adequate alternative sources with comparable quality and prices for major supplies that we procure for our operations. We believe that the supply of key equipment, research services and licenses were and will continue to be stable. Other than the agreements with certain CROs and licensors, we order supplies and services on a purchase order basis and do not enter into long-term dedicated capacity or minimum supply arrangements.

CMOs

We outsource to a limited number of CMOs the manufacturing of certain drug substances for clinical supply, and may continue to do so to meet our pre-clinical and clinical development needs. We are also in the planning stage of building our self-owned manufacturing facilities and are communicating with the local government, and currently expect to complete the construction of such facilities within three to four years. As of the Latest Practicable Date, we had not obtained the land use right for the planned facilities. We will adopt procedures to ensure that the facilities and production qualifications of our CMOs are in compliance with the relevant regulatory requirements and our internal guidelines. We select our CMOs based on their qualifications, relevant expertise, production capacity and the terms offered by them.

We procure raw materials and manufacturing equipment from suppliers around the world. We select our suppliers by considering their quality, industry reputation and compliance with relevant regulatory agencies. We have a backup supplier for most raw materials. As business needs arise, we plan to enter into long term supply agreements with CMOs with terms consistent with market practice. We will also require the CMOs to adhere to the relevant CFDA and FDA guidelines as well as cGMP requirements.

COMPETITION

The pharmaceutical and biotechnology industries are characterized by rapidly advancing technologies, competition and a strong emphasis on proprietary drugs. While we believe our seasoned management team, leading R&D capability, biopharmaceutical platform and pipeline of clinical and pre-clinical stage proprietary assets provide us with competitive advantages, we face potential competition from many different sources, including major pharmaceutical, specialty pharmaceutical and biotechnology companies, academic institutions, and public and private research institutions. Any drug candidates that we successfully develop and commercialize will compete with existing drugs and new drugs that may become available in the future.

We primarily focus on the research and development of small molecule precision oncology and small molecule immuno-oncology drug therapies. We face fierce competition from existing products and product candidates under development in the entire oncology market, not only in the FGFR inhibitor market. As of May 31, 2021, there were four approved non-selective kinase inhibitors globally, namely regorafenib, sorafenib, lenvatinib and cabozantinib; three pan-FGFR inhibitors approved globally, namely infigratinib, pemigatinib, and erdafitinib; and no marketed FGFR4 inhibitors globally. In addition to approved oncology therapy options, there are a large number of competing drug candidates currently under different clinical stages. The field of cancer treatment has developed significantly in the past decade. Conventional treatment methods such as surgery, radiotherapy and chemotherapy have been widely utilized to treat cancer. Alternative treatments such as precision oncology and immuno-oncology are generally used only if the other therapy options are not suitable or effective on patients. Among the alternative treatments available, small molecule precision oncology therapies act on specific targets on cancer cells that are associated with cancer growth, and immuno-oncology therapies are designed to stimulate the patient's own immune system to generate or augment an antitumor immune response. See "Industry Overview" for more details on the competitive landscape of the various markets in which we compete.

Conventional Cancer Therapies

Conventional treatment methods such as surgery, radiotherapy and chemotherapy have been widely utilized to treat cancer. Generally precision oncology and immuno-oncology drugs are only utilized when the conventional treatment methods are not available or effective.

- *Surgery*. Surgery is a procedure in which a surgeon removes tumors and nearby tissues from the patient's body. Surgery is the foundation of solid tumor treatment, and is most suitable for tumors that are still in the early development stage and are contained in one area; for metastasized cancers, surgery is less suitable an option.

- *Radiotherapy.* Radiotherapies deliver high doses of radiation to kill cancer cells and shrink tumors. Radiotherapies also affect nearby healthy cells, thus causing side effects such as fatigue, hair loss and skin changes.

- *Chemotherapy.* Chemotherapies use single or combination anti-cancer drugs to stop or slow the growth of cancer cells. It targets all fast growing cells whether or not healthy, thus causing side effects such fatigue, hair loss, easy bruising and bleeding, and infection of other diseases.

Small Molecule Precision Oncology

Small molecule precision oncology therapies include selective and non-selective kinase inhibitors and other types of inhibitors. Non-selective kinase inhibitors exert its anti-cancer activity by simultaneously targeting a wide range of kinases, or targeting multiple signaling molecules in multiple signaling pathways. Selective kinase inhibitors target on specific signaling molecule in a single process, such as the epithelial growth factor receptor (EGFR), vascular endothelial growth factor receptor (VEGFR), and fibroblast growth factor receptor (FGFR). Certain non-selective kinase inhibitors such as lenvima (Lenvatinib), sorafenib (Nexavar), carry certain levels of FGFR inhibitory activities in pre-clinical settings, and therefore may compete with the selective FGFR inhibitors.

Selective inhibitors targeting FGFR may target different FGFR subtypes, such as pan-FGFR or specific FGFR subtypes (e.g. FGFR4). Competition in the FGFR inhibitor market is fierce, and there are a large number of competing drug candidates currently under different clinical stages. According to Frost & Sullivan, the global small molecule precision oncology market grew from US$31.3 billion in 2016 to US$54.2 billion in 2020, representing a CAGR of 14.7%, and is expected to grow to US$91.8 billion, US$109.4 billion and US$128.2 billion, respectively, representing CAGRs of 11.1%, 3.6% and 3.2% from 2021 to 2025, from 2026 to 2030 and from 2031 to 2035, respectively. According to Frost & Sullivan, as of the Latest Practicable Date, globally, there were three approved pan-FGFR inhibitors, pemigatinib by Incyte, erdafitinib by Janssen and infigratinib by QED Therapeutics, and a total of 16 pan-FGFR inhibitor drug candidates under various stages of clinical development, including ABSK091 (AZD4547); for FGFR4 and pathway, there had not been any marketed FGFR4 inhibitors, and only nine drug candidates worldwide were under various stages of clinical development, including ABSK011, according to Frost & Sullivan.

According to Frost & Sullivan, the global pan-FGFR inhibitor market size reached approximately US$0.1 billion in 2020, and is expected to increase to US$21.5 billion in 2035. As of May 31, 2021, there were three pan-FGFR inhibitors approved globally (infigratinib, pemigatinib and erdafitinib) and there was no approved pan-FGFR inhibitor in China. Although no FGFR4 inhibitor has been approved to market yet, several FGFR4 inhibitor drug candidates are under clinical development globally which are focusing on the treatment of multiple types of solid tumors such as liver cancer, head and neck cancer, esophageal cancer, and cholangiocarcinoma. In 2030, the global incidence of liver cancer, head and neck cancer, esophageal cancer and cholangiocarcinoma is expected to reach approximately 1,164.7

thousand, 1,138.6 thousand, 793.7 thousand and 354.9 thousand, which is expected to further increase to 1,301.9 thousand, 1,237.4 thousand, 892.7 thousand and 412.7 thousand in 2035, respectively. The cancer incidence number primarily takes into consideration the prevalence of risk factors of each cancer type, and is based on the cancer epidemiology study from the National Central Cancer Registry ("NCCR"), the International Agency for Rsearch on Cancer ("IARC") of the World Health Organization, as well as research papers published in well-regarded journals in biology and oncology, such as Cancer Communications, Thoracic Cancer, Chinese Journal of Cancer Research, Science China – Life Sciences, Frontiers in Oncology, the Lancet Gastroenterology & Hepatology, International Journal of Cancer, Asian Pacific Journal of Cancer Prevention, China Cancer, Chinese Journal of Cancer Research, and Breast Cancer Research and Treatment, among others. With such large demand driven by the increasing patient population, the global FGFR4 inhibitor market is expected to reach to US$3.3 billion in 2035, according to Frost & Sullivan. The rapid growth in both global pan-FGFR and FGFR4 inhibitor market is expected, with the approval of more FGFR inhibitors that specifically target FGFR 1, 2, 3, 4 or pan-FGFR, as well as more FGFR inhibitors for specific FGFR alterations, and as more indications are expected to become applicable for FGFR inhibitors.

Immuno-oncology

According to Frost & Sullivan, the global small molecule immuno-oncology market is still at a preliminary development stage, with a market size of approximately US$8.9 million in 2020, and is expected to grow to US$5.1 billion, US$37.6 billion and US$67.4 billion in 2025, 2030 and 2035, respectively, representing CAGRs of 49.4% from 2025 to 2030 and 12.4% from 2030 to 2035. According to Frost & Sullivan, these increases are expected primarily due to the expectation that an increasing number of small molecule immuno-oncology drug candidates, such as those described below, will complete clinical trials and achieve commercialization. According to Frost & Sullivan, as of May 31, 2021, for CSF-1R pathway, pexidartinib was the only CSF-1R inhibitor approved by the FDA and surufatinib (an angio-immuno kinase inhibitor targeting VEGFR, FGFR1 and CSF-1R) was the only NMPA approved drug that could target CSF-1R; in addition, a total of six drug candidates (other than ABSK021) were under various stages of clinical development globally; for CXCR4, plerixafor was the only marketed drug globally but was not approved for oncology indications, and three drug candidates, including our ABSK081 (mavorixafor), are under various stages of clinical development.

In addition to small molecule immuno-oncology drugs, immune-therapies come in a variety of forms including biologics such as antibody drugs, which modify the immune system to recognize and eradicate the tumor cells. Biologics immuno-oncology drugs are synthesized from living organisms. Multiple biologics immuno-oncology drugs have been approved and marketed for different indications, including anti-PD-1 antibody pembrolizumab for melanoma, non-small cell lung cancer, head and neck squamous cell cancer, anti-CTLA-4 antibody ipilimumab for melanoma and renal cell carcinoma, and anti-PD-L1 antibody atezolizumab for urothelial cancer, non-small cell lung cancer and triple-negative breast cancer.

For more information on the competitive landscape of our drug candidates, see "– Our Drug Candidates."

AWARDS AND RECOGNITIONS

In 2018, we were named as one of the "Shanghai Multinational Research and Development Companies" by the Shanghai Municipal Commission of Commerce.

INSURANCE

We maintain insurance policies that we consider to be in line with market practice and adequate for our business. Our insurance policies cover adverse events in our clinical trials. We do not maintain property loss insurance, product liability insurance or key-person insurance, but have a plan to purchase the abovementioned insurance.

EMPLOYEES

The following table sets forth a breakdown of our employees by function as of the Latest Practicable Date:

Function	**Number**	**Percentage of total**
		%
Research	65	45.1
Pre-clinical Development	12	8.3
Clinical Development	26	18.1
Scientific Strategy and Operations	15	10.4
Others	26	18.1
Total	144	100

As of the Latest Practicable Date, all of our employees are based in mainland China.

Employment Agreements with Key Management and Research Staff

We enter into standard confidentiality and employment agreements with our key management and research staff. The contracts with our key personnel typically include a standard non-compete clause that prohibits the employee from competing with us, directly or indirectly, during his or her employment and for no less than one year after the termination of his or her employment. The contracts also typically include undertakings regarding assignment of inventions and discoveries made during the course of his or her employment. For further details regarding the terms of confidentiality and employment agreements with our key management, see "Directors and Senior Management" in this prospectus.

We believe that we maintain a good working relationship with our employees. We believe we have not experienced any significant labor disputes or any significant difficulty in recruiting staff for our operations. None of our employees are currently represented by labor unions.

LAND AND PROPERTIES

In 2016, we rented office space and R&D facilities in the Zhangjiang Incubation Center of approximately 350 sq.m., and subsequently moved to the Zhangjiang Creative Park of approximately 1,000 sq.m. In 2017, our total office space and R&D facilities reached approximately 1,580 sq.m., located in Zhangjiang Creative Park and Zhangjiang Medical Valley. As of the Latest Practicable Date, the abovementioned leases had been terminated, and we had rented a total of 4,082.33 sq.m. of combined office and laboratory space in Shanghai Zhangjiang High Tech Park with a lease term ending in August 2027, as well as office space of 2,075 sq.m. in the Pudong District of Shanghai with a lease term ending in August 2026. In addition, as of the Latest Practicable Date, we were in the negotiation process of a property of 4,599 sq.m. in Wuxi to replace a prior rental of a total of 884 sq.m. laboratory space in Wuxi which had been terminated.

INTELLECTUAL PROPERTY

Intellectual property rights are central to the success of our business. Our commercial future will depend, in part, on our ability to acquire and protect our intellectual property rights for commercially significant technologies, inventions and know-how. This could involve the acquisition of new patents, the defense of existing patents, and the protection of our trade secrets. We will also have to operate without infringing, misappropriating or otherwise violating the valid, enforceable intellectual property rights of third parties.

As of the Latest Practicable Date, we owned 68 patents (including in-licensed patents with global rights) and had filed 116 patent applications in 16 countries and regions, including mainland China, Taiwan, Hong Kong, the U.S., Japan, Canada, Korea, European Union, Australia, Russia, Brazil, Mexico, India, Philippines, Israel and Singapore.

The following table sets forth an overview of our material granted patents and filed patent applications in connection with our clinical and pre-clinical drug candidates as of the Latest Practicable Date:

Product	Patent type	Patent title	Patent applicant/holder**	Jurisdiction	Patent status	Patent expiration	Scope of patent protection
ABSK011	Compound patent	FGFR4 inhibitor, preparation methods and pharmaceutical uses thereof	Abbisko Therapeutics Co., Ltd.	Taiwan, Canada*, United States*, Russia*	Granted	2037/12/13	A compound of formula (IVa-1)
				China*, Hong Kong, Australia*, Japan*, Korea*	Granted	2037/12/13	
				United States, European Union*, Philippine*, India*	Pending	N/A	
ABSK091	Compound patent	Acylaminopyrazoles as FGFR inhibitors	AstraZeneca AB	China*, Australia*, Korea*, Switzerland*, Germany*, Spain*, France*, Great Britain*, Italy*, Netherlands*, Sweden*, Turkey*, Hong Kong	Granted	2027/12/19	A compound of formula (I)
		Novel compounds		Russia*, Taiwan(NP)	Granted	2027/12/19	
		Pyrazole derivatives as protein kinase inhibitors		Canada*	Granted	2027/12/19	
		Methods of treating cancer with a pyrazole		United States(CNT4),	Granted	2027/12/17	

Product	Patent type	Patent title	Patent applicant/holder**	Jurisdiction	Patent status	Patent expiration	Scope of patent protection
		Compounds		United States(CNT5)	Granted	2027/12/17	
		N-[5-[2-(3,5-dimethoxyphenyl) ethyl]-2H-pyrazol- 3-yl] 4-(3,5-dimethylpiperazin-1-yl) benzamide and salts thereof		United States(NP)	Granted	2028/03/12	
	Formulation patent	Pharmaceutical formulation of n-[5- [2-(3,5-dimethoxyphenyl) ethyl]-2H-pyrazol-3-yl]-4-[(3R,5S)-3, 5-dimethylpiperazin-1-yl] benzamide	AstraZeneca AB	China*, Australia*, Japan*, Russia*, Hong Kong, European Union*, Switzerland(EP), Germany(EP), Spain(EP), France (EP), Great Britain(EP), Italy(EP), Netherlands(EP), Sweden(EP), Turkey(EP)	Granted	2033/12/18	A pharmaceutical composition
				Taiwan	Granted	2033/12/19	
				United States (CNT)	Granted	2033/12/16	
				Canada*	Granted	2033/12/18	

Product	Patent type	Patent title	Patent applicant/holder**	Jurisdiction	Patent status	Patent expiration	Scope of patent protection
ABSK021	Compound patent	N-(azaaryl) cyclolactam-1-carboxamide derivative, preparation method therefor, and use thereof	Abbisko Therapeutics Co., Ltd.	Taiwan	Granted	2038/05/22	A compound of formula (IIa)
				China*, Hong Kong, Australia*, Japan*	Granted	2038/05/21	
				United States*, European Union*, Canada*, Philippine*, India*, Singapore*, Israel*, Korea*, Mexico*, Brazil*, Russia*	Pending	N/A	
	Crystal patent	Crystalline acid salt of CSF-1R inhibitor, preparation method therefor and use thereof		China	Pending	N/A	N/A
	Process patent	Preparation method for intermediate of CSF-1R inhibitor and acid salt thereof		China	Pending	N/A	N/A
	Process patent	Preparation method for CSF-1R inhibitor and acid salt thereof		China	Pending	N/A	N/A

Notes:

* PCT entered into nationalization phase

** Unless otherwise indicated, patent for applications within the same product is the same, and is therefore disclosed once.

The term of individual patents may vary based on the countries in which they are obtained. In most countries and regions in which we file patent applications, including mainland China, Taiwan, Hong Kong, the U.S., Japan, Canada, Korea, Europe, Australia, Russia, Brazil, Mexico, India, Philippines, Israel and Singapore, the term of an issued patent is generally 20 years from the filing date of the formal patent application on which the patent is based in the applicable country or region. In the U.S., a patent's term may be lengthened in some cases by a patent term adjustment, which extends the term of a patent to account for administrative delays by the United States Patent and Trademark Office, or USPTO, in excess of a patent applicant's own delays during the prosecution process, or may be shortened if a patent is terminally disclaimed over a commonly owned patent having an earlier expiration date.

The actual protection provided by a patent varies on a claim-by-claim and country-by-country basis and depends upon many factors, including the type of patent, the scope of its coverage, the availability of any patent term extensions or adjustments, the availability of legal remedies in a particular country or region, and the validity and enforceability of the patent. We cannot provide any assurance that patents will be issued with respect to any of our owned or licensed pending patent applications or any such patent applications that may be filed in the future, nor can we provide any assurance that any of our owned or licensed issued patents or any such patents that may be issued in the future will be commercially useful in protecting our product candidates and methods of manufacturing the same.

We may rely, in some circumstances, on trade secrets and/or confidential information to protect aspects of our technology. We seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with consultants, scientific advisors and contractors, and invention assignment agreements with our employees. We have entered into confidentiality agreements and non-competition agreements with our senior management and certain key members of our R&D team, and other employees who have access to trade secrets or confidential information about our business. Our standard employment contract, which we use to employ each of our employees, contains an assignment clause, under which we own all the rights to all inventions, technology, know-how and trade secrets derived during the course of such employee's work.

These agreements may not provide sufficient protection of our trade secrets and/or confidential information. These agreements may also be breached, resulting in the misappropriation of our trade secrets and/or confidential information, and we may not have an adequate remedy for any such breach. In addition, our trade secrets and/or confidential information may become known or be independently developed by a third party, or misused by any collaborator to whom we disclose such information. Despite any measures taken to protect our intellectual property, unauthorized parties may attempt to or successfully copy aspects of our products or to obtain or use information that we regard as proprietary without our consent. As a result, we may be unable to sufficiently protect our trade secrets and proprietary information.

We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems. Despite any measures taken to protect our data and intellectual property, unauthorized parties may attempt to or successfully gain access to and use information that we regard as proprietary. See "Risk Factors – Risks Relating to Our Intellectual Property Rights" for a description of risks related to our intellectual property.

We conduct our business under the brand name of Abbisko. We have filed various trademark applications in mainland China and Hong Kong. We are also the registered owner of three domain names.

As at the Latest Practicable Date, we had not been involved in any proceedings in respect of, and we had not received notice of any claims of infringement of, any intellectual property rights that may be threatened or pending, in which we may be a claimant or a respondent.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and as of the Latest Practicable Date, we had not been a party to any actual, or are aware of any threatened material legal or administrative proceedings. We are committed to maintaining the highest standards of compliance with the laws and regulations applicable to our business. However, we may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business. We complied with all relevant laws and regulations applicable to its business in all material respects during the Track Record Period and as of the Latest Practicable Date.

ENVIRONMENTAL MATTERS AND WORKPLACE SAFETY

We strive to operate our facilities in a manner that protects the environment and the health and safety of our employees, patients and communities. In addition, We are subject to various environmental protection and occupational health and safety laws and regulations. We believe we have adequate policies ensuring compliance with all environmental protection, health, safety and social regulations. Our Directors consider that the annual cost of compliance with the applicable health, safety, social and environmental laws and regulations was not material during the Track Record Period and we do not expect the cost of such compliance to be material going forward. Our operations involve the use of hazardous and flammable materials, including chemicals and biological materials, and may also produce hazardous waste products. We have implemented, or will implement, detailed policies and protocols to manage hazardous, toxic and flammable chemicals. In particular, these policies include (i) adoption of materials that cause minimum environmental concerns to the extent possible; (ii) environmental protection training for employees whose job involves handling of waste and material disposal; (iii) formulating and implementing company-wide detailed procedures and standards in managing environmental or health related risks; and (iv) planning and implementing emergency response mechanisms. Specifically, we restrict the usage of hazardous and flammable chemical materials in our laboratory on an as-necessary basis, and we also adopted protocols that govern the operation procedures of our laboratories as well as policies on fire safety to avoid harm and

accidents related to our business operations and pre-clinical and clinical development activities. During the Track Record Period, we spent approximately RMB1.1 million in total with respect to environmental protection, primarily consisting of costs for waste and hazardous material handling and disposal.

Training and Development

We provide formal and comprehensive company-level and department-level training to our new employees, followed by on-the-job trainings, coached by assigned mentors in order to efficiently get our employees familiarized with their responsibilities. We also provide training and development programs to new employees at least once each quarter to ensure employee awareness and compliance with our various policies and procedures. Given our emphasis on operating an integrated platform for our drug development processes, some of the training is conducted jointly by different groups and departments serving different functions but working with or supporting each other in our day-to-day operations.

Employee Benefits

Our employees' remuneration consists of salaries, bonuses, employees' provident fund, and social security contributions and other welfare payments. In accordance with applicable Chinese laws, we have made contributions to social security insurance funds (including pension plan, unemployment insurance work-related injury insurance, medical insurance and maternity insurance) and housing funds for our employees. As at the Latest Practicable Date, we had complied with statutory social security insurance fund and housing fund obligations applicable to us under Chinese laws in all material aspects.

We also strive to provide a safe working environment for our employees, and have implemented, or will implement, work safety guidelines setting out safety practices, accident prevention and accident reporting. For example, our employees are required to hold relevant qualifications, as well as wear the proper safety gear when present in laboratories. We conduct regular safety inspections and maintenance for our research facility. In terms of corporate governance, we consider that our Directors and members of our senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control. We have not had any significant workplace accidents in our history.

During the Track Record Period and as of the Latest Practical Date, we had not been imposed by regulatory authorities with any penalties related to environmental and workplace safety.

Impact of the COVID-19 Outbreak

Since the end of December 2019, the outbreak of COVID-19 has materially and adversely affected the global economy. In response, China has imposed widespread lockdowns, closure of work places and restrictions on mobility and travel to contain the spread of the virus. As of the Latest Practicable Date, substantially all of the Chinese cities had eased or lifted domestic travel restrictions and resumed normal social activities, work and production.

The government lockdown and other restrictive measures had resulted in significantly reduced mobility of our employees, causing most of the employees to work remotely during early phases of COVID-19 outbreak. As a result, we had implemented various precautionary measures and adjusted our employee's work arrangements according to the relevant regulations and policies, which had allowed us to maintain a sufficient number of personnel on-site who managed to work under flexible schedule to continue our research and development activities.

During the COVID-19 outbreak, we experienced some delays in the patient enrollment process and data entry for certain of our clinical trials in China, particularly at the beginning of the COVID-19 pandemic. Nonetheless, there has not been any material disruption of our ongoing clinical trials. We had resumed full and normal operations since March 2020. The COVID-19 pandemic has not caused any early termination of our clinical trials or necessitated removal of any patients enrolled in the clinical trials. To manage the risks associated with the COVID-19 pandemic, we adopted various measures, such as cooperating with clinical trial sites to offer personal protection equipment such as masks to our enrolled patients, engaging in frequent communications with our principal investigators to identify and address any issues that may arise, suggesting the investigators to communicate with the enrolled patients on visiting local qualified hospitals for follow-up evaluations if necessary. To minimize the temporary impacts of the COVID-19 impact, we have mobilized internal and external resources and leveraged our strong research and development capabilities to accelerate the temporarily delayed development programs and strive to remediate the temporary disruption caused by the COVID-19 outbreak. We have not experienced and currently do not expect any material delays in regulatory affairs with respect to our clinical trials or any long-term impact on our operation or deviation from our overall development plans due to the COVID-19 pandemic.

To some extent, reduced transportations and disruption to manufacturing and logistics networks in China due to the COVID-19 outbreak affected our suppliers' abilities to manufacture and transport consumables, equipment and other supplies necessary for our operations. Nevertheless, as of the Latest Practicable Date, most of our suppliers had resumed normal operations and we had not experienced any material disruption or shortage of supplies during the COVID-19 outbreak since the outbreak of COVID-19.

As of the Latest Practicable Date, we had no suspected or confirmed active COVID-19 cases on our premises or among our employees. To prevent any spread of COVID-19 in our offices and production facilities, we have implemented preventive measures such as regularly sterilizing and ventilating our offices and production facilities, checking the body temperature of our employees daily, keeping track of the travel history and health conditions of employees, and providing face masks and disinfectant to employees attending our offices and facilities. We will continue to implement our remedial measures and may implement additional measures as necessary to ease the impact of the COVID-19 outbreak on our operations. However, we cannot guarantee you that the COVID-19 pandemic will not further escalate or have a material adverse effect on our results of operations, financial position or prospects.

PERMITS, LICENSES AND OTHER APPROVALS

During the Track Record Period and as of the Latest Practicable Date, we obtained all requisite licenses, approvals and permits from relevant authorities that are material to our current operations. The following table sets forth the relevant details of the material permits, licenses and approvals we hold for our operations. None of such permits, licenses or approvals are about to expire or require renewal.

Licenses/Permit	Holder	Authority	Grant Date	Expiry Date
Archival filing for Level-2 Bio safety of Pathogenic Microbial Laboratories (二級病原微生物實驗室)	Abbisko Shanghai	Shanghai Pudong Municipal Health Commission (上海市浦東新區衛生健康委員會)	January 11, 2020	N/A
Acceptance Notice for Clinical Trials (No. CXHL1900418) (臨床試驗通知書) (編號:CXHL1900418)	Abbisko Shanghai	NMPA	February 20, 2020	N/A
Acceptance Notice for Clinical Trials (No. CXHL1900419) (臨床試驗通知書) (編號:CXHL1900419)	Abbisko Shanghai	NMPA	February 20, 2020	N/A
Acceptance Notice for Clinical Trials (No. CXHL1900420) (臨床試驗通知書) (編號:CXHL1900420)	Abbisko Shanghai	NMPA	February 20, 2020	N/A
Notice of Approval for Clinical Drug Trials (No. CXHL2000394) (藥物臨床試驗批准通知書) (編號:CXHL2000394)	Abbisko Shanghai	NMPA	October 26, 2020	N/A

Licenses/Permit	Holder	Authority	Grant Date	Expiry Date
Notice of Approval for Clinical Drug Trials (No. CXHL2000395) (藥物臨床試驗批准通知書) (編號:CXHL2000395)	Abbisko Shanghai	NMPA	October 26, 2020	N/A
Notice of Approval for Clinical Drug Trials (No. CXHL2000396) (藥物臨床試驗批准通知書) (編號:CXHL2000396)	Abbisko Shanghai	NMPA	October 26, 2020	N/A
Notice of Approval for Clinical Drug Trials (No. CXHL2000511) (藥物臨床試驗批准通知書) (編號:CXHL2000511)	Abbisko Shanghai	NMPA	December 7, 2020	NA.
Notice of Approval for Clinical Drug Trials (No. CXHL2000512) (藥物臨床試驗批准通知書) (編號:CXHL2000512)	Abbisko Shanghai	NMPA	December 7, 2020	NA.
Notice of Approval for Clinical Drug Trials (No. JXHL2000183) (藥物臨床試驗批准通知書) (編號:JXHL2000183)	Abbisko Shanghai	NMPA	September 7, 2020	NA.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

We recognize that risk management is critical to the success of our business operation. Key operational risks faced by us include changes in general market conditions and the regulatory environment of the Chinese and global biologics markets, our ability to develop, manufacture and commercialize our drug candidates, and our ability to compete with other pharmaceutical companies. See "Risk Factors" for a discussion of various risks and uncertainties we face. We also face various market risks. In particular, we are exposed to credit, liquidity and currency risks that arise in the normal course of our business. See "Financial Information – Market Risk Disclosure" for a discussion of these market risks. We have adopted

a series of risk management policies which set out a risk management framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an ongoing basis. The following key principles outline our approach to risk management:

- Our Audit Committee will oversee and manage the overall risks associated with our business operations, including (i) reviewing and approving our risk management policies to ensure that it is consistent with our corporate objectives; (ii) reviewing and approving our corporate risk tolerance; (iii) monitoring the most significant risks associated with our business operations and our management's handling of such risks; (iv) reviewing our corporate risk in light of our corporate risk tolerance; and (v) monitoring and ensuring the appropriate application of our risk management framework across our Group.

- Our Chief Financial Officer, Mr. YEH Richard, will be responsible for (i) formulating and updating our risk management policy and targets; (ii) reviewing and approving major risk management issues of our Company; (iii) promulgating risk management measures; (iv) providing guidance on our risk management approach to the relevant departments in our Company; (v) reviewing the relevant departments' reporting on key risks and providing feedback; (vi) supervising the implementation of our risk management measures by the relevant departments; (vii) ensuring that the appropriate structure, processes and competencies are in place across our Group; and (viii) reporting to our Audit Committee on our material risks.

- The relevant departments in our Company, including but not limited to the finance department and the human resources department, are responsible for implementing our risk management policy and carrying out our day-to-day risk management practice. In order to standardize risk management across our Group and set a common level of transparency and risk management performance, the relevant departments will (i) gather information about the risks relating to their operation or function; (ii) conduct risk assessments, which include the identification, prioritization, measurement and categorization of all key risks that could potentially affect their objectives; (iii) prepare a risk management report annually for our Chief Executive Officer's review; (iv) continuously monitor the key risks relating to their operation or function; (v) implement appropriate risk responses where necessary; and (vi) develop and maintain an appropriate mechanism to facilitate the application of our risk management framework.

We consider that our directors and members of our senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control.

We maintain strict anti-corruption policies on personnel with external communication functions. We will also ensure that our commercialization team complies with applicable promotion and advertising requirements, which include restrictions on promoting drugs for unapproved uses or patient populations and limitations on industry-sponsored scientific and educational activities.

During the Track Record Period, we have regularly reviewed and enhanced our internal control system.

Investment Risk Management

We engage in short-term investments with surplus cash on hand. Our investment portfolio primarily consisted of structured deposits, which had been converted to bank deposits as of the Latest Practicable Date. Under the supervision of our Chief Financial Officer, our finance department is responsible for managing our short-term investment activities. Before making any investment proposal, our finance department will assess our cash flow levels, operational needs and capital expenditures. Our investment policy, which will remain in effect after Listing and be amended from time to time thereafter as our Directors see fit after careful considerations and deliberations, provides the guidelines and specific instructions on the investment of our funds. Our investment strategy aims to minimize risks by reasonably and conservatively matching the maturities of the portfolio to anticipated operating cash needs. We make our investment decisions on a case-by-case basis after thoroughly considering a number of factors, including but not limited to macro-economic environment, general market conditions and the expected profit or potential loss of the investment. Our portfolio to date has been required to hold only instruments with an effective final maturity of 12 months or less, with effective final maturity being defined as the obligation of the issuer to repay principal and interest.

Under our investment policy, we are prohibited from investing in high-risk products and the proposed investment must not interfere with our business operation or capital expenditure. As of the Latest Practicable Date, our investment decisions do not deviate from our investment policy. We believe that our internal investment policies and the related risk management mechanism are adequate.

We have also implemented strict anti-bribery and anti-kickback policies which include (i) legal basis under PRC law on the potential consequences of bribery activities; (ii) adverse commercial consequences to our Group of bribery; (iii) detailed procedures to follow during various business activities and communications with government authorities and business partners to avoid intentional and inadvertent bribery activities, including requests for quotations, evaluating and securing suppliers, receiving and evaluating price quotes, receiving materials, and auditing suppliers, among others; (iv) prohibited activities, which include, among others, unlawful off-the-book transactions, unsanctioned promotional events, improper gifts, sponsorships or donations; for example, our employees are forbidden from accepting any personal gifts or improper entertainment invitations from suppliers; and (v) penalties we may impose on employees who violate the abovementioned provisions.

We adhere to a series of policies and protocols with regards to protection of patient data and privacy. In particular, we strictly follow the requirements on patient data and privacy included in (i) the Guideline for Good Clinical Practice promulgated by the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (the ICH); (ii) Declaration of Helsinki adopted by the 18th World Medical Association (WMA) General Assembly and last amended by the 64th WMA General Assembly; and (iii) applicable PRC laws such as the Data Security Law. See "Regulations – Overview of Laws and Regulations in the PRC – Regulation on Data Security."

Internal Control on Multi-jurisdictional Clinical Trials

We have a number of ongoing or planned clinical studies in China and other countries. For example, we are initiating a Phase Ib clinical trial in the U.S. and China, which is designed to evaluate the safety, tolerability, the PK profile, and the anti-tumor effect of ABSK021 in four different tumor types, namely TGCT, TNBC, lung cancer and pancreatic cancer. Any transfer of clinical trial data in connection with our product development efforts and regulatory communications is subject to the applicable local data and privacy protection laws, including those in China and the U.S. We do not currently transfer any clinical trial data or other potentially sensitive information cross-order. The data we receive from our CROs do not contain personally identifiable information. If we need to transfer any sensitive information cross border in the future, we plan to implement controls and arrangements both internally and with our CROs, which include measures to ensure that the cross-border transfer of such clinical and sensitive data and information is permitted, any requisite approvals are properly obtained and applicable filings made with the competent authorities and in accordance with relevant laws and regulations, especially with regards to transfers between the U.S. and China.

Although the laws and regulations in this area and the nature of our potential clinical studies are evolving, to date, we had not experienced any material difficulty in data transfer, and we believe our transfer of relevant clinical trial data and information between China and the U.S. is in the line with market practice.

For the potential impact and related risks for cross-border data privacy, see "Risk Factors – Risks Relating to Our Pre-Clinical and Clinical Development of Our Drug Candidates – We may be restricted from transferring our scientific data abroad."

BOARD OF DIRECTORS

As of the date of this Prospectus, our Board of Directors consists of nine Directors, comprising four executive Directors, two non-executive Directors and three independent non-executive Directors.

The table below sets forth certain information in respect of the members of the Board of Directors of our Company:

Name	Age	Date of Joining our Group	Date of Appointment as a Director	Position	Roles and Responsibilities
Dr. XU Yao-Chang	64	April 12, 2016	March 28, 2018	Executive Director, CEO, Chairman of Board	Providing overall guidance on the business and strategic development and the management of our Group
Dr. YU Hongping	53	April 12, 2016	March 28, 2018	Executive Director, Senior Vice President, Chemistry	Overall strategic planning, business direction and overseeing research and development
Dr. CHEN Zhui	47	May 23, 2016	March 28, 2018	Executive Director, Senior Vice President, Biology	Overall strategic planning, business direction and overseeing research and development
Mr. YEH Richard	53	November 9, 2020	January 5, 2021	Executive Director, Chief Financial Officer, Head of Strategic Operations	Overall strategic planning, developing financial strategies and investor relations
Dr. XIA Gavin Guoyao	42	July 1, 2016	October 22, 2018	Non-executive Director	Participating in formulating the Company's corporate and business strategies

Name	Age	Date of Joining our Group	Date of Appointment as a Director	Position	Roles and Responsibilities
Ms. TANG Yanmin (唐艷旻)	49	June 10, 2021	June 10, 2021	Non-executive Director	Participating in formulating the Company's corporate and business strategies
Dr. SUN Piaoyang (孫飄揚)	63	September 30, 2021	September 30, 2021	Independent non-executive Director	Supervising and providing independent judgment to our Board
Mr. SUN Hongbin (孫洪斌)	45	September 30, 2021	September 30, 2021	Independent non-executive Director	Supervising and providing independent judgment to our Board
Mr. WANG Lei (王磊)	49	September 30, 2021	September 30, 2021	Independent non-executive Director	Supervising and providing independent judgment to our Board

Note: As of the Latest Practicable Date, none of our Directors or senior management are related to other Directors or senior management of our Company.

EXECUTIVE DIRECTORS

Dr. XU Yao-Chang, aged 64, is a co-founder of our Group. Dr. Xu founded our Group on April 12, 2016 and was appointed as a Director, chairman of the board and CEO of our Company on March 28, 2018. Dr. Xu was designated as an executive Director of our Company on June 10, 2021.

Dr. Xu has over 30 years of experience in research and development in oncology and other disease areas. Dr. Xu began his career at the University of Sherbrooke in Canada as a postdoctoral researcher in 1988. He then worked at BioChem Pharma Inc., a company engaged in new drug research and development for anti-virus and anti-tumor in the early 1990s. Dr. Xu served as senior organic chemist from October 1993 and subsequently Head of Discovery Chemistry Research until January 2006 at Eli Lilly & Company, a pharmaceutical company engaged in the development of pharmaceutical products for treatment in areas of oncology, diabetes, immunology and neurodegeneration. From January 2006 to March 2012, Dr. Xu served as the executive director at Novartis International AG, a pharmaceutical company principally engaged in the development, manufacture and marketing of branded and generic prescription drugs, active pharmaceutical ingredients (APIs), biosimilars and ophthalmic products. From March 2012 to March 2016, Dr. Xu served as the general manager of the Hansoh Pharmaceutical Group Shanghai Research and Development Centre (豪森醫藥集團上海新藥研發中心) of Shanghai Hansoh BioMedical Co., Ltd. (上海翰森生物醫藥科技有限公司), a subsidiary of 江蘇豪森藥業集團有限公司 ("**Hansoh**"), a pharmaceutical company

engaged in the development of pharmaceutical products in areas of anti-tumor, central nervous system and diabetes. During his tenure at Hansoh, Dr. Xu also served as the Chairman of Hengrui-Hansoh new drug discovery Committee (恒瑞-豪森醫藥研發委員會).

Dr. Xu has served as a director at Abbisko Hong Kong since April 2018, a director and the chief executive officer at Abbisko Shanghai since April 2016, a director at Abbisko Wuxi since July 2020 and a director at Abbisko Australia since December 2020, all four of which are wholly-owned subsidiaries of the Company.

Dr. Xu obtained his Bachelor's degree in chemistry from Nanjing University in the PRC in July 1982, and his Doctoral degree in organic chemistry from the University of Chicago in the United States in July 1988. He served as an Industrial Alternate Councilor from 2010 to 2012 for American Chemical Society, the Division of Medicinal Chemistry. He also has been an elected member of the Medicinal Chemistry Committee of the Chinese Pharmaceutical Association.

Dr. YU Hongping, aged 53, is a co-founder of our group. Dr. Yu founded our Group on April 12, 2016 and was appointed as a Director of our Company and senior vice president, Chemistry on March 28, 2018. Dr. Yu was designated as an executive Director of our Company on June 10, 2021.

Dr. Yu worked as a senior research chemist at the Merck Frosst Centre for Therapeutic Research from October 2002 to April 2007, a pharmaceutical company engaged in the development, manufacture and marketing of pharmaceutical drugs, vaccines and animal-health products. From April 2007 to February 2012, Dr. Yu served as a Senior Research Investigator I at Novartis Institutes for BioMedical Research Co., Ltd., a pharmaceutical company engaged in the development, manufacture and marketing of branded and generic prescription drugs, active pharmaceutical ingredients (APIs), biosimilars and ophthalmic products. From October 2012 to February 2016, Dr. Yu served as the deputy general manager of medicinal chemistry at Hansoh (Shanghai) Pharmaceutical Co., Ltd (上海翰森生物醫藥科技有限公司) (formerly known as 上海捷森藥物化學科技有限公司).

Dr. Yu has served as a director at Abbisko Hong Kong since April 2018 and as a director at Abbisko Shanghai since April 2016, both of which are wholly-owned subsidiaries of the Company.

Dr. Yu obtained his Bachelor's degree in chemistry and his Master's degree in science from Tsinghua University in the PRC in July 1991 and March 1994, respectively. He obtained his Doctoral degree in chemistry from the University of British Columbia in Canada in November 2000 and was a postdoctoral research fellow at that university between July 2001 and September 2002.

Dr. CHEN Zhui, aged 47, is a co-founder of our Group. Dr. Chen joined our Group on May 23, 2016 and was appointed as a Director of our Company and senior vice president, Biology in March 28, 2018. Dr. Chen was designated as an executive Director of our Company on June 10, 2021.

Prior to joining the private healthcare sector, Dr. Chen worked at the University of Texas Southwestern Medical Center in the United States until October 2006. From October 2006 to November 2008, Dr. Chen served as a senior scientist at Abbott Laboratories in the United States. From December 2008 to February 2014, Dr. Chen served as an Investigator II at China Novartis Institutes of Biological Research. From February 2014 to May 2016, he served as an associate director in oncology research for Johnson & Johnson.

Dr. Chen has served as a director at Abbisko Hong Kong since April 2018 and a director at Abbisko Shanghai since June 2016, both of which are wholly-owned subsidiaries of the Company.

Dr. Chen obtained his Bachelor's degree in Biochemistry from the University of Texas in the United States in May 1997. He obtained his Doctoral degree from Duke University in the United States in December 2003. He has been a member of the American Association of Cancer Research since 2007.

Mr. YEH Richard, aged 53, joined our Group as Chief Financial Officer and head of strategic operations on November 9, 2020 and was appointed as a Director of our Company on January 5, 2021. Mr. Yeh was designated as an executive Director of our Company on June 10, 2021.

Mr. Yeh has over 20 years of experience working for investment banks and multinational biopharmaceutical companies. Prior to joining our Company, Mr. Yeh has been the Chief Financial Officer of CStone Pharmaceuticals, a company listed on the Hong Kong Stock Exchange (HKEX: 2616) from July 2018 to April 2020. Prior to joining CStone Pharmaceuticals, Mr. Yeh was a Managing Director and the business unit leader of Asia Pacific healthcare equity research at Goldman Sachs (Asia) L.L.C. in Hong Kong. Before that, Mr. Yeh served as the head of China healthcare research team at Citigroup Capital Markets Asia Limited. In October 1995, he joined Amgen Inc., a leading global biotechnology company traded on the NASDAQ (stock code: AMGN), as a research associate conducting drug research.

Mr. Yeh obtained an MBA from Cornell University in the United States in May 2002 and a Master of Science from the University of Toronto in Canada in November 1995. He graduated from the University of Manitoba in Canada with a bachelor of science in May 1993.

NON-EXECUTIVE DIRECTORS

Dr. XIA Gavin Guoyao (previously known as Guoyao Xia), aged 42, joined our Group as non-executive director of Abbisko Shanghai on July 1, 2016 and was appointed as a Director of our Company on October 22, 2018. Dr. Xia was designated as a non-executive Director of our Company on June 10, 2021.

Dr. Xia has joined Lilly Asia Ventures since February 2015 and currently serves as a venture partner at Lilly Asia Ventures. Since August 2019, he has served as a director of ClinChoice Medical Development Limited, a clinical contract research organization engaged in offering flexible solutions to pharmaceutical, biotechnology, medical device and consumer products clients. Dr. Xia served as a director of Shanghai Kun Yuan Biotechnology Co., Ltd. (上海鵑遠生物技術有限公司), a company engaged in NGS testing (next generation sequencing (NGS) allows clinicians to test many genes of a cancer simultaneously) and early detection and screening of cancers, from August 2016 to February 2021. He also served as a director of Jacobio Pharmaceuticals Co., Ltd. (北京加科思新藥研發有限公司) from July 2018 to March 2020, an indirectly wholly-owned subsidiary of Jacobio Pharmaceuticals Group Co., Ltd. (加科思藥業集團有限公司) (a company currently listed on the Hong Kong Stock Exchange (HKEX: 1167)). He has served as a director of Alebund Biotech Inc., a company engaged in drug discovery and development for kidney diseases, since November 2019 and has also served as its chief executive officer since October 2019.

Dr. Xia obtained his dual Bachelor's degrees in chemistry and economics from Peking University in the PRC in July 2001, and obtained his Doctoral degree in chemistry from the University of Chicago in the United States in June 2007.

Ms. TANG Yanmin (唐艷妥) aged 49, joined our Company on June 10, 2021 and was designated as a non-executive Director of our Company on the same day.

Ms. Tang worked at Asia Baokang Pharmaceutical Consulting (Beijing) Co., Ltd. (亞洲保康藥業諮詢(北京)有限公司) as general manager of the Beijing office from December 2002 to August 2015. Ms. Tang has been serving as a partner at Suzhou Qiyuan Equity Investment Management Partnership Enterprise (Limited Partnership) (蘇州啟元股權投資管理合夥企業(有限合夥)) since December 2015.

Ms. Tang has been serving as a director and vice general manager of Beijing Sinotau International Pharmaceutical Technology Co., Ltd. (北京先通國際醫藥科技股份技術有限公司) and a director of Beijing Sinotau Pharmaceutical Technology Co., Ltd. (北京先通生物醫藥技術有限公司) since May 2016. Since March 2019, Ms. Tang has also served as a director of Sinocelltech Group Ltd (北京神州細胞生物技術集團股份公司) (Shanghai Stock Exchange stock code: 688520). Ms. Tang is also currently a director of Sino Biological Inc. (北京義翹神州科技股份有限公司) ("**Sino Biological**") and a director of Suzhou Keyu Biotechnology Limited (蘇州克愈生物科技有限公司). She has been serving as non-executive director of

Jacobio Pharmaceuticals Group Co., Ltd. (HKEX: 1167) and a director of Jacobio Pharmaceuticals Co., Ltd. and Jacobio (HK) Pharmaceuticals Co., Limited since August 2018. Ms. Tang also serves as a director of Cure Genetics Co., Ltd (蘇州克睿基因生物科技有限公司). Ms. Tang has also been serving as a director of Guangdong Xiantong Molecular Imaging Technology Co., Ltd. (廣東先通分子影像科技有限公司) since September 2020.

Our Board believes that Ms. Tang will be able to devote sufficient time to our Group as a non-executive Director due to the following reasons:

(i) our Company appreciates that if a person serves on the Board of more than seven listed companies, he/she may not be able to devote sufficient time to each company. In the case of Ms. Tang, while she serves as non-executive director of two other listed companies, the remaining eight companies where she holds director positions are unlisted companies. Unlike listed companies, unlisted companies are not required to comply with the complicated listing rules or securities laws which apply to listed companies (including but not limited to the requirements on the disclosure of inside information, publication of annual/interim reports, disclosure or approval procedures of major transactions or connected transactions, corporate governance and restrictions on the issuance and dealing of listed securities). Therefore, as compared with acting as director of listed companies, the time Ms. Tang is required to spend for acting as director of unlisted companies is significantly less;

(ii) among the 8 unlisted companies, she has no executive or management responsibility in 6 of them. While she will attend board meetings of these companies from time to time, as a non-executive director, she does not need to attend to the day-to-day operations or management of those companies;

(iii) Ms. Tang's role in our Group is non-executive in nature and she will not be involved in the daily management of our Group's business, thus her engagement as our Company's non-executive Director will not require her full-time participation;

(iv) she is not a chief executive officer or full-time executive director of any listed company;

(v) Ms. Tang has a lot of experience for serving as a director of listed biotech companies and is familiar with the business operation of biotech companies and the Listing Rules. With her background and experience, Ms. Tang is fully aware of the responsibilities and time involvement for a non-executive director. She has sufficient understanding of her role as a non-executive director in other listed companies and of estimating the time required for attending to the affairs of each listed company; and

(vi) pursuant to the Code as set out in Appendix 14 to the Listing Rules, our Board will regularly review whether each of the Directors is spending sufficient time in performing his responsibilities. Our Board will, from time to time, review the attendance record of our Directors in our Board. Our Board may request the relevant Director(s) to provide an update to our Board in relation to any changes to his/her significant commitments in the event that any concerns arise as to the time committed to our Group by any Director, which our Board will consider where there is any re-election of Director proposed.

Ms. Tang obtained her Bachelor's degree in pharmacy in English from Shenyang Pharmaceutical University (瀋陽藥科大學) in the PRC in July 1996 and her master's degree in business administration for senior management from Cheung Kong Graduate School of Business (長江商學院) in the PRC in September 2008.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. SUN Piaoyang (孫飄揚), aged 63, was appointed as an independent non-executive Director of our Company on September 30, 2021.

Dr. Sun has served as a director and a member of the strategic committee of Jiangsu Hengrui Pharmaceuticals Co., Ltd. (江蘇恒瑞醫藥股份有限公司) (Shanghai Stock Exchange Code: 600276) ("**Jiangsu Henrui Pharmaceuticals**") since March 2003 and as the Chairman of the board of Jiangsu Hengrui Pharmaceuticals from 2003 to January 2020 and as the acting Chairman of the board of Jiangsu Henrui Pharmaceuticals from July 2021 until the next chairman of the board of Jiangsu Henrui Pharmaceuticals is elected. Dr. Sun has served as the Chairman of the board and an executive director of Jiangsu Hengrui Pharmaceutical Group Co., Ltd. (江蘇恒瑞醫藥集團有限公司) since February 2020.

Dr. Sun obtained his Bachelor's degree in pharmaceutical chemistry from China Pharmaceutical University in the PRC in July 1982. He obtained his Doctoral degree in organic chemistry from Nanjing University in December 2004.

Mr. SUN Hongbin (孫洪斌), aged 45, was appointed as an independent non-executive Director of our Company on September 30, 2021.

Mr. Sun has served as an independent non-executive Director of New Century Healthcare Holding Co. Limited (HKEx Stock Code: 1518) since December 2016. He has served as an independent non-executive Director of CStone Pharmaceuticals (HKEx Stock Code: 2616) since February 2019. He has served as an independent non-executive Director of Mobvista Inc. (HKEx Stock Code: 1860) since July 2020. Mr. Sun has served as a director of Shanghai MicroPort MedBot (Group) Co., Ltd. ("**Shanghai Microport**"), an applicant seeking to list on the Main Board of the Stock Exchange, since April 2020 and as a non-executive director of Shanghai Microport from June 2021. He has been the chief financial officer of MicroPort

Scientific Corporation (微創醫療科學有限公司), a company listed on the Stock Exchange (stock code: 0853), since July 2010 and served as its executive director from July 2010 to September 2012. Mr. Sun has over 22 years of finance and audit experience. Mr. Sun was the deputy financial director of Otsuka (China) Investment Co., Ltd. (大冢(中國)投資有限公司) from January 2004 to January 2006 and served as its general manager from January 2006 to August 2010. From August 1998 to January 2004, he was an assistant manager in the audit department of KPMG Huazhen (畢馬威華振會計師事務所) in Shanghai.

Mr. Sun obtained his Bachelor's degree in accounting from Shanghai Jiaotong University in the PRC in July 1998. Mr. Sun became a member of the Chinese Institute of Certified Public Accountants in December 2009 and became a Chartered Financial Analyst in April 2010.

Mr. WANG Lei (王磊), aged 49, was appointed as an independent non-executive Director of our Company on September 30, 2021.

Mr. Wang worked at Shanghai Roche Pharmaceutical Co., Ltd. (上海羅氏製藥有限公司) from 1996 to 2013, as Virology/Osteoporosis/Anemia BU VP, International Product Manager, National Sales Manager and Strategic Marketing Business Leader, consecutively.

Mr. Wang joined AstraZeneca China in 2013 as Vice President for GI, Respiratory, Anaesthesia and was promoted to President of AstraZeneca China in 2015. In 2017, Mr. Wang was appointed as Executive Vice President, International Region and China Country President.

Mr. Wang holds an EMBA from China Europe International Business School, and a Bachelor of Arts from Shanghai International Studies University in the PRC. Mr. Wang is the Member of the 12th Jiangsu Provincial Committee of the Chinese People's Political Consultative Conference and the Member of the 16th Wuxi Municipal People's Congress. Mr. Wang serves as the Vice Chairman of the Federation of Enterprises and Entrepreneurs in Shanghai Pudong New District (上海市浦東新區企業、企業家聯合會) and Council Member of Shanghai Yangtze River Delta Institute of Business Innovation (上海長三角商業創新研究院).

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. The table below shows certain information in respect of our senior management:

Name	Age	Date of Joining our Group	Date of Appointment as Senior Management	Position	Roles and Responsibilities
Dr. XU Yao-Chang	64	April 12, 2016	April 12, 2016	Executive Director, CEO, Chairman of the Board	Providing overall guidance on the business and strategic development and the management of our Group
Dr. YU Hongping	53	April 12, 2016	April 12, 2016	Executive Director, Senior Vice President, Chemistry	Overall strategic planning, business direction and overseeing research and development
Dr. CHEN Zhui	47	May 23, 2016	May 23, 2016	Executive Director, Senior Vice President, Biology	Overall strategic planning, business direction and overseeing research and development
Mr. YEH Richard	53	November 9, 2020	November 9, 2020	Executive Director, Chief Financial Officer, Head of Strategic Operations	Overall strategic planning, business developing financial strategies and investor relations
Dr. JI Jing (嵇靖)	51	February 1, 2021	February 1, 2021	Chief Medical Officer	Leading cross-functional teams and overseeing company-wide clinical development and regulatory strategies
Dr. XIE Kewei	60	December 14, 2020	December 14, 2020	Chief Business Officer	Overseeing the Group's business development activities and strategy

Name	Age	Date of Joining our Group	Date of Appointment as Senior Management	Position	Roles and Responsibilities
Mr. LI Yongyi (李勇毅)	46	June 1, 2021	June 1, 2021	General Counsel	Overseeing the Group's legal and compliance matters
Dr. ZHANG Zhen (張臻)	48	April 1, 2021	April 1, 2021	Vice President and Head of chemistry, manufacturing and control (CMC)	Overseeing the Group's chemistry, manufacturing and controls in the drug development cycle

Note: As of the Latest Practicable Date, none of our Directors or senior management are related to other Directors or senior management of our Company.

Dr. Xu is our Chairman of the board, executive Director and CEO. For the biography of Dr. Xu, please refer to "– Board of Directors – Executive Directors" of this section.

Dr. Yu is our executive Director and senior vice president, chemistry. For the biography of Dr. Yu, please refer to "– Board of Directors – Executive Directors" of this section.

Dr. Chen is our executive Director and senior vice president, biology. For the biography of Dr. Chen, please refer to "– Board of Directors – Executive Directors" of this section.

Mr. Yeh is our executive Director, chief financial officer and head of strategic operations. For the biography of Mr. Yeh, please refer to "– Board of Directors – Executive Directors" of this section.

Dr. JI Jing (嵇靖), aged 51, joined our Group as Chief Medical Officer on February 1, 2021 and is responsible for leading cross-functional teams and overseeing company-wide clinical development and regulatory strategies.

Dr. Ji worked as a doctor at Shanghai First People's Hospital from July 1995 to December 1997. She served as the clinical research manager at Merck Sharp & Dohme, a pharmaceutical company engaged in the development of vaccines, medicines and health products, from December 1997 to March 2003. From September 2003 to September 2005, Dr. Ji served as the clinical development manager at Sanofi S.A., a biopharmaceutical company engaged in manufacture of pharmaceutical products. From June 2006 to January 2010, Dr. Ji served as the head of medical affairs at GlaxoSmithKline plc, a pharmaceutical company engaged in the development, manufacture and marketing of pharmaceutical products. From January 2010 to April 2015, Dr. Ji served at Johnson & Johnson Medical (Shanghai) Ltd. (強生(上海)醫療器材有限公司), a pharmaceutical company that engaged in the development of medical devices,

pharmaceuticals, and consumer packaged goods. From April 2015 to May 2020, Dr. Ji served as the head of cardiovascular, renal and metabolism therapeutic area and vice president at AstraZeneca plc, a pharmaceutical and biotechnology company engaged in the development and manufacture of pharmaceutical products. From May 2020 to January 2021, Dr. Ji served as the senior vice president of medical and clinical development at Shanghai Lianbio Development Co., Ltd (上海聯拓生物科技有限公司).

Dr. Ji obtained her Bachelor of Medicine degree from Fudan University and Shanghai Second Medical University in the PRC in July 1993 and Master's degree in medicine from Fudan University and Shanghai Second Medical University in the PRC in July 1995.

Dr. XIE Kewei, aged 60, has been with our Group serving the function of chief business officer since December 14, 2020 and is responsible for overseeing the Group's business development activities.

Prior to joining our Group, Dr. Xie served as the vice president of corporate development and technology at Scientific Protein Labs from February 2016 to December 2020. Before that, he had served at Bayer Healthcare LLC, a multinational pharmaceutical and life science company, and at Ben Venue Laboratories, Inc., a former subsidiary of Boehringer Ingelheim.

Dr. Xie obtained his Bachelor of Science degree in genetics from Fudan University in the PRC in July 1983. He obtained his Master's degree in science from Fudan University in the PRC in July 1986. He obtained his Doctoral degree in biology from Yale University in the United States in May 1994 and obtained his MBA from Yale University School of Management in May 1997.

Mr. LI Yongyi (李勇毅), aged 46, joined our Group as General Counsel on June 1 2021, and is responsible for overseeing the Group's legal and compliance matters.

Mr. Li worked as an attorney at Latham & Watkins LLP from March 2010 to April 2011. From June 2013 to June 2017, Mr. Li served as vice president and General Counsel at Cardinal Health China. From July 2017 to May 2021, Mr. Li served as vice president and General Counsel at Eli Lilly China.

Mr. Li obtained his Bachelor of Engineering degree in management information systems from the University of Science and Technology Beijing in the PRC in July 1997. He obtained his Master of Arts degree and Juris Doctor degree from Duke University in the United States in May 1999 and May 2007, respectively.

Dr. ZHANG Zhen (張臻), aged 48, joined our Group as vice president and head of Chemistry, Manufacturing and Controls on April 1, 2021 and is responsible for overseeing the Group's chemistry, manufacturing and controls in the drug development cycle.

Dr. Zhang served as a senior director of the research and development department of Shanghai Chempartner Co Ltd from December 2009 to January 2013. He served as the Director, Stability China of Bristol Myers Squibb from January 2013 to July 2013. He served as a director of small molecule development at Johnson & Johnson from July 2013 to March 2021.

Dr. Zhang obtained his Bachelor of Science degree in chemistry from Nanjing University in the PRC in July 1994. He obtained his Doctoral degree from the Rutgers University in the United States in October 2002.

DIRECTORS' AND SENIOR MANAGEMENT'S INTERESTS

Save as disclosed above, none of our Directors or senior management members has been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Prospectus.

Save as disclosed above, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of our Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

As of the Latest Practicable Date, save for the interests in the shares of the Company held by Dr. Xu, Dr. Chen, Dr. Yu and Mr. YEH Richard, our executive Directors, which are disclosed in the section headed "Statutory and General Information – C. Further Information about our Directors" in Appendix IV in this Prospectus, none of our Directors held any interest in the securities within the meaning of Part XV of the SFO.

As of the Latest Practicable Date, none of our Directors or senior management are related to other Directors or senior management of our Company.

JOINT COMPANY SECRETARIES

Ms. TIAN Huimin (田慧敏), has been appointed as one of our joint company secretaries. Ms. Tian has been a supervisor at Abbisko Shanghai since June 2016 and head of operations of the Group since January 2019. She has been a supervisor of Abbisko Wuxi since July 2020. Ms. Tian served as an administrative director at Abbisko Shanghai from May 2016 to December 2018. She obtained her Bachelor's degree in industrial engineering from Nanjing University of Aeronautics and Astronautics in June 2003. She obtained her Master's degree in management science and engineering from Nanjing University of Aeronautics and Astronautics in March 2006. She obtained her Bachelor's degree in law from Nanjing University in March 2007. She obtained her Master's degree in business management from the University of Hong Kong in November 2015.

Ms. CHAN Yin Wah (陳燕華), has been appointed as one of our joint company secretaries. Ms. Chan is an associate director of SWCS Corporate Services Group (Hong Kong) Limited ("**SWCS**"). Ms. Chan joined SWCS in 2011 and has extensive company secretarial professional experience. Ms. Chan holds a bachelor's degree in economics and a master's degree in professional accounting. She is a fellow member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. Ms. Chan is also a fellow member of the Association of Chartered Certified Accountants.

EMPLOYMENT ARRANGEMENTS OF SENIOR MANAGEMENT

We normally enter into (i) an employment contract and (ii) a confidentiality and non-competition agreement with our senior management members and other key personnel. Below sets forth the key terms of these contracts we enter into with our senior management members and other key personnel.

- *Terms*: We normally enter into employment contracts with our senior management members and other key personnel with a term of 3 years.

Confidentiality

- *Confidential information.* The employee shall keep confidential information, including but not limited to technical information such as our inventions, experiment records, databases, blueprints and manuals and operational information, such as customer lists, sales networks, distribution channels, pricing policies or information on suppliers in confidence.

- *Obligation and duration:* The employee shall not, for the term of his or her employment and thereafter, directly or indirectly, use, divulge, publish or otherwise disclose or allow to be disclosed any aspect of any confidential information, until the Company declares such information no longer confidential or such information enters into the public domain. The employee shall also return all documentations, devices, equipment, or other company assets per our instructions.

INTELLECTUAL PROPERTY RIGHTS

- *Acknowledgement:* The employee acknowledges and agrees that we shall have complete, absolute and exclusive intellectual property rights in the work that they produce, solely or jointly with others, during the period of the employee's employment with the Company, (i) that is substantially developed using our technical facilities or business information etc., or (ii) that results from any task assigned to the employee, any work performed by the employee for us and on our behalf, or is otherwise within the employee's scope of work. The employee also agrees to waive all pre-emptive rights in favour of the Company as absolute owner of the intellectual property, where the Company seeks to transfer its intellectual property rights.

- *Assignment:* The employee agrees to assist us to acquire and exercise the abovementioned intellectual rights in all appropriate ways, including (i) disclosing all necessary information and data to us and (ii) taking all necessary action such as making an application or registration for us to acquire such rights.

NON-COMPETITION

- *Non-competition obligation:* The employee shall not, without express prior approval from the Company, own, manage, operate or control any other entity that competes with the Company.

- *Duration:* The non-competition obligations shall subsist throughout the employee's period of employment and up to 1 year after termination of employment.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors receive compensation in the form of fees, salaries, bonuses, other allowances, benefits in kind, contribution to the pension scheme and other share-based compensation. We determine the compensation of our Directors based on each Director's responsibilities, qualification, position and seniority. Each of the independent non-executive Directors has entered into an appointment letter with our Company effective upon the date of this Prospectus. For additional information, please refer to the section headed "Statutory and General Information – C. Further Information about our Directors – 1. Particulars of Directors' Service Contracts and Appointment Letters" in Appendix IV to this Prospectus.

The aggregate amount of remuneration of our Directors (including fees, salaries, contributions to pension schemes, bonuses, allowances, equity-settled share options expenses and other benefits in kind) for the years ended December 31, 2019 and 2020 and the three months ended March 31, 2021 were approximately RMB4.8 million, RMB6.5 million and RMB2.5 million, respectively.

It is estimated that remuneration and benefits in kind (excluding any discretionary bonus which may be paid to any Directors) equivalent to approximately RMB10.0 million in aggregate will be paid and granted to our Directors by us in respect of the financial year ending December 31, 2021 under arrangements in force at the date of this Prospectus.

The aggregate amount of remuneration of our five highest paid individuals, including 3 Directors for the years ended December 31, 2019 and 2020 and 4 directors for the three months ended March 31, 2021 were approximately RMB8.3 million, RMB10.4 million and RMB3.3 million, respectively.

During the Track Record Period, no remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining, our Group. No compensation was paid to, or receivable by, our Directors, past Directors or the five highest paid individuals for the Track Record Period for the loss of office in connection with the management of the affairs of any member of our Group. None of our Directors waived any emoluments during the same period.

For additional information on Directors' remuneration during the Track Record Period as well as information on the highest paid individuals, please see Notes 8 and 9 of the Accountants' Report set out in Appendix I to this Prospectus. For the details of the stock options that we granted to our Directors and senior management, please see the section headed "Statutory and General Information – D. 2019 Share Incentive Plan" in Appendix IV to this Prospectus.

Save as disclosed above in this section and the sections headed "Financial Information," "Appendix I – Accountants' Report" and "Appendix IV – Statutory and General Information" in this Prospectus, no other payments have been paid or are payable in respect of the Track Record Period to our Directors by our Group.

CORPORATE GOVERNANCE

We have established the following committees in our Board of Directors: an Audit Committee, a Remuneration Committee and a Nomination Committee. The committees operate in accordance with terms of reference established by our Board of Directors.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Code. The Audit Committee consists of three independent non-executive Directors, namely, Mr. SUN Hongbin, Dr. SUN Piaoyang and Mr. WANG Lei. Mr. SUN Hongbin, being the chairperson of the Audit Committee, holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee include, without limitation, assisting our Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of our Group and overseeing the audit process.

REMUNERATION COMMITTEE

The Company has established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Code. The Remuneration Committee consists of one executive Director, being Mr. YEH Richard and two independent non-executive Directors, being Mr. WANG Lei and Mr. SUN Hongbin. Mr. WANG Lei is the chairperson of the Remuneration Committee. The primary duties of the Remuneration Committee include, without limitation, the following: (i) making recommendations to the

Board on our policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing the policy on such remuneration; (ii) determining the specific remuneration packages of all Directors and senior management, or alternatively, making recommendations to the Board on such remuneration packages; and (iii) reviewing performance-related elements of the total remuneration package for executive Directors to align their interests with those of Shareholders.

NOMINATION COMMITTEE

The Company has established the Nomination Committee with written terms of reference in compliance with the Code. The Nomination Committee consists of one executive Director, being Dr. XU Yao-Chang, and two independent non-executive Directors, being Dr. SUN Piaoyang and Mr. SUN Hongbin. Dr. XU Yao-Chang is the chairperson of the Nomination Committee. The primary duties of the Nomination Committee include, without limitation, reviewing the structure, size and composition of the Board, assessing the independence of independent non-executive Directors and making recommendations to the Board of Directors on matters relating to the appointment of Directors.

DIVERSITY

We are committed to promoting the culture of diversity in the Company. We have strived to promote diversity to the extent practicable by taking into consideration a number of factors in our corporate governance structure.

We have adopted the board diversity policy which sets out the objective and approach to achieve and maintain diversity of our Board in order to enhance the effectiveness of our Board. Pursuant to the board diversity policy, we seek to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, race, language, cultural background, educational background, industry experience and professional experience. Our Directors have a balanced mix of knowledge and skills, including knowledge and experience in the areas of chemistry, biotechnology, clinical research and life sciences. They obtained degrees in various areas including chemistry, biology, biological science, and management. We have also taken, and will continue to take steps to promote gender diversity at the Board level of our Company. Our Board comprises 8 male members (including 4 executive Directors, 1 non-executive Director and 3 independent non-executive Directors) and 1 female member (a non-executive Director). Given that we have only one female member in the Board, our Company expects to maintain the same gender mix in the Board after Listing to achieve gender diversity at the Board level. After Listing, the nomination committee will revisit the Board Diversity Policy and monitor its implementation from time to time. Our nomination committee will also use its best efforts to identify and recommend suitable female candidates for the Board's consideration in the future to ensure that gender diversity can be maintained.

We are also committed to adopting a similar approach to promote diversity within management (including but not limited to the senior management) of the Company to enhance the effectiveness of corporate governance of the Company as a whole.

Our Nomination Committee is delegated by our Board to be responsible for compliance with relevant codes governing board diversity under the Corporate Governance Code. After the Listing, our Nomination Committee will review the board diversity policy from time to time to ensure its continued effectiveness and we will disclose in our corporate governance report about the implementation of the board diversity policy on an annual basis.

CORPORATE GOVERNANCE CODE

Pursuant to code provision A.2.1 of the Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairperson and the chief executive officer should be segregated and should not be performed by the same individual. We do not have a separate chairperson and the chief executive officer and Dr. Xu, our chief executive officer and chairperson of our Board, currently performs these two roles. Therefore, our Board expects that there will be a deviation from code provision A.2.1 of the Code upon Listing. Our Board believes that, in view of Dr. Xu's experience, personal profile and his roles in our Company as mentioned above, Dr. Xu is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as our chief executive officer. Our Board also believes that the combined role of chairperson and chief executive officer can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board. Our Board will continue to review and consider splitting the roles of chairperson of our Board and the chief executive officer of our Company at a time when it is appropriate by taking into account the circumstances of our Group as a whole. We aim to implement a high standard of corporate governance, which is crucial to safeguard the interests of our Shareholders. To accomplish this, we expect to comply with the Corporate Governance Code after the Listing save for the deviation as disclosed above.

COMPLIANCE ADVISER

We have appointed Somerley Capital Limited as our Compliance Adviser pursuant to Rule 3A.19 of the Listing Rules. Our Compliance Adviser will provide us with guidance and advice as to compliance with the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, our Compliance Adviser will advise our Company in certain circumstances including: (a) before the publication of any regulatory announcement, circular, or financial report; (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases; (c) where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this Prospectus or where the business activities, development or results of our Group deviate from any forecast, estimate or other information in this Prospectus; and (d) where the Stock Exchange makes an inquiry to our Company under Rule 13.10 of the Listing Rules.

The term of appointment of our Compliance Adviser shall commence on the Listing Date and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date.

COMPETITION

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business and requires disclosure under Rule 8.10 of the Listing Rules.

From time to time our non-executive Directors may serve on the boards of both private and public companies within the broader healthcare and biopharmaceutical industries. However, as these non-executive Directors are neither our controlling shareholders nor members of our executive management team, we do not believe that their interests in such companies as directors would render us incapable of carrying on our business independently from the other companies in which they may hold directorships from time to time.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following completion of the Share Subdivision and the Global Offering, assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme, the following persons will have interests and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed to us pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company:

Substantial Shareholder	**Capacity/ Nature of interest**	**Total number of Shares/ underlying shares**	**Approximate percentage of interest in our Company immediately after the completion of the Share Subdivision and the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme)** *(%)*	**Approximate percentage of interest in our Company immediately after completion of the Share Subdivision and the Global Offering (assuming the Over-allotment Option is fully exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme)** *(%)*
Dr. Xu[(1)]	Founder of discretionary trust; interest in controlled corporation; interests held jointly with another person; interest of a party to an agreement regarding interest in our Company	164,581,300	23.43	22.75

Substantial Shareholder	Capacity/ Nature of interest	Total number of Shares/ underlying shares	Approximate percentage of interest in our Company immediately after the completion of the Share Subdivision and the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme) *(%)*	Approximate percentage of interest in our Company immediately after completion of the Share Subdivision and the Global Offering (assuming the Over-allotment Option is fully exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme) *(%)*
Dr. Yu[(1)]	Interest in controlled corporation; interests held jointly with another person; interest of a party to an agreement regarding interest in our Company	164,581,300	23.43	22.75
Dr. Chen[(1)]	Founder of discretionary trust; interest in controlled corporation; interests held jointly with another person; interest of a party to an agreement regarding interest in our Company	164,581,300	23.43	22.75
LAV GP III, L.P.[(2)]	Interest in controlled corporation	51,454,060	7.32	7.11
LAV Corporate GP, Ltd.[(2)]	Interest in controlled corporation	51,454,060	7.32	7.11
Yi Shi[(2)]	Interest in controlled corporation	75,295,790	10.72	10.41
Qiming Venture[(3)]	Beneficial owner	47,323,020	6.74	6.54

Substantial Shareholder	Capacity/ Nature of interest	Total number of Shares/ underlying shares	Approximate percentage of interest in our Company immediately after the completion of the Share Subdivision and the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme) *(%)*	Approximate percentage of interest in our Company immediately after completion of the Share Subdivision and the Global Offering (assuming the Over-allotment Option is fully exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme) *(%)*
Qiming Corporate GP VI, Ltd[3]	Interest in controlled corporation	48,596,400	6.92	6.72
Elbrus Investments[4]	Beneficial owner	46,508,460	6.62	6.43
Temasek Holdings (Private) Limited[4]	Interest in controlled corporation	52,810,460	7.52	7.30

Notes:

1. Yaochang Family Holding Limited, Chogir Limited, Jamdrok Limited and Dr. Yu's Holdco directly owns 70,290,520 Shares, 4,948,690 Shares, 4,948,680 Shares and 9,897,370 Shares respectively. Dr. Xu is the settlor of a discretionary trust, the Xu Family Trust, of which Trident Trust Company (HK) Limited acts as its trustee and the beneficiaries of which are Dr. Xu's family members. Yaochang Family Holding Limited is wholly owned by Hery International Development Limited, which is in turn is wholly owned by Trident Trust Company (HK) Limited as the trustee of the Xu Family Trust. Each of Dr. Xu (as settlor of the Xu Family Trust), Trident Trust Company (HK) Limited and Hery International Development Limited are deemed to be interested in the 70,290,520 shares in the Company held by Yaochang Family Holding Limited. Dr. Chen is the settlor of a discretionary trust, the Zabuye Trust, of which Trident Trust Company (HK) Limited acts as its trustee and the beneficiaries of which are Dr. Chen's family members. Chogir Limited is wholly owned by Zabuye Limited, which in turn is wholly owned by Trident Trust Company (HK) Limited as the trustee of the Zabuye Trust. Jamdrok Limited is wholly owned by Dr. Chen. Each of Dr. Chen (as the settlor of the Zabuye Trust), Trident Trust Company (HK) Limited and Zabuye Limited are deemed to be interested in the 4,948,690 Shares in the Company held by Chogir Limited. Dr. Chen is also deemed to be interested in the 4,948,680 Shares in the Company held by Jamdrok Limited. Dr. Yu's Holdco is wholly owned by Dr. Yu.

   Dr. Xu, Dr. Yu and Dr. Chen entered into an acting-in-concert agreement on May 26, 2021, pursuant to which they acknowledged and confirmed that (i) since 2016, each of Dr. Xu, Dr. Yu, Dr. Chen and their controlled entities has been acting in concert at the shareholders' meetings of Abbisko Shanghai and the Company; (ii) they will continue to act in concert at the shareholders' meeting of the Company; and (iii) in the event that the parties are unable to reach consensus on matters of the Company, each of the parties shall exercise their respective voting rights in accordance with the instructions of Dr. Xu. As such, each of Dr. Xu, Dr. Chen and Dr. Yu (i.e. the Concert Parties) are deemed to be interested in the Shares each other is interested in.

   Computershare Hong Kong Trustees Limited, the trustee of Abbisko Cayman Limited Trust, held 37,054,800 Shares. Futu Trustee Limited, the trustee of Abbisko Galaxy Myth Trust and Abbisko Glorious Ode Trust, held 37,441,240 Shares through its wholly owned corporations Abbisko Galaxy Limited and Abbisko Glorious Ode Limited. Pursuant to trust deeds dated September 10, 2021 and August 25, 2021, Computershare Hong Kong Trustees Limited and Futu Trustee Limited will exercise their voting rights in accordance with the instructions of Dr. Xu. As such, the Concert Parties are deemed to be interested in the Shares held by Computershare Hong Kong Trustees Limited and Futu Trustee Limited.

2. Absolute Investment, Sky Infinity and LAV Biosciences Fund V, L.P. directly owns 34,302,700 Shares, 17,151,360 Shares and 11,235,730 Shares respectively. Absolute Investment Limited is wholly-owned by LAV Biosciences Fund III, L.P.. Sky Infinity Investment Limited is wholly-owned by Lilly Asia Ventures Fund III, L.P.. The general partner of both LAV Biosciences Fund III, L.P. and Lilly Asia Ventures Fund III, L.P. is LAV GP III, L.P., whose general partner is LAV Corporate GP, Ltd., a company owned by Yi Shi. LAV Biosciences Fund V, L.P. is a Cayman exempted limited partnership fund. The general partner of LAV Biosciences Fund V, L.P. is LAV GP V, L.P., whose general partner is LAV Corporate V GP, Ltd., a company owned by Yi Shi.

   Each of LAV Star Limited, LAV Star Opportunities and LAV Amber Limited is a cornerstone investor of our Company and will subscribe for 5,042,400 Shares, 5,042,400 Shares and 2,521,200 Shares (assuming an Offer Price of HK$12.31, being the mid-end of the indicative Offer Price range). LAV Star Limited is wholly-owned by LAV Fund VI, L.P. and LAV Star Opportunities Limited is wholly-owned by LAV Fund VI Opportunities, L.P. The ultimate beneficial owner of LAV Star Limited and LAV Star Opportunities Limited is Yi Shi. LAV Amber Limited is wholly owned by LAV Biosciences Fund V, L.P..

   Based on the above, under the SFO, LAV Biosciences Fund III, L.P. is deemed to be interested in the 34,302,700 Shares held by Absolute Investment Limited. Each of LAV GP III, L.P. and LAV Corporate GP, Ltd. (through its interests in controlled corporations) is interested in the 34,302,700 Shares held by Absolute Investment Limited and the 17,151,360 Shares held by Sky Infinity Investment Limited. LAV Biosciences Fund V, L.P. is deemed to be interested in the 2,521,200 Shares held by LAV Amber Limited. Yi Shi (through his interests in controlled corporations) is deemed to be interested in the 34,302,700 Shares held by Absolute Investment Limited, the 17,151,360 Shares held by Sky Infinity Investment Limited and the 13,756,930 Shares LAV Biosciences Fund V, L.P. is interested in.

3. Qiming Venture and Qiming Managing directly owns 47,323,020 Shares and 1,273,380 Shares respectively. Each of Qiming Venture and Qiming Managing is an exempted limited partnership managed and controlled by its ultimate general partner Qiming Corporate GP VI, Ltd.. Based on the above, under the SFO, Qiming Corporate GP VI, Ltd. is deemed to be interested in (through its interests in controlled corporations) the 47,323,020 Shares and 1,273,380 Shares held by Qiming Venture and Qiming Managing respectively.

4. Elbrus Investments directly owns 46,508,460 Shares. Elbrus Investments is a company incorporated in Singapore, being a wholly-owned subsidiary of Temasek Life Sciences Private Limited, which is in turn a wholly-owned subsidiary of Fullerton Management Pte Ltd, which is in turn a wholly-owned subsidiary of Temasek Holdings (Private) Limited. Under the SFO, each of Temasek Life Sciences Private Limited, Fullerton Management Pte Ltd and Temasek Holdings (Private) Limited is deemed to be interested in (through their interests in controlled corporations) the 46,508,460 Shares held by Elbrus Investments.

   In addition, taking into account 6,302,000 Shares to be subscribed by Aranda Investments Pte. Ltd. (assuming an Offer Price of HK$12.31, being the mid-end of the indicative Offer Price range) as a cornerstone investor of the Company, an indirect wholly-owned subsidiary of Temasek Holdings (Private) Limited, Temasek Holdings (Private) Limited is deemed to be interested in the 6,302,000 Shares held by Aranda Investments Pte. Ltd.

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a "**Cornerstone Investment Agreement**", and together the "**Cornerstone Investment Agreements**") with the cornerstone investors set out below (each a "**Cornerstone Investor**", and together the "**Cornerstone Investors**"), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe at the Offer Price for a certain number of Offer Shares (rounded down to the nearest whole board lot of 2,000 Shares) that may be purchased for an aggregate amount of US$128 million (or approximately HK$993.2 million) (calculated based on the conversion rate of US$1.00 to HK$7.7593) (the "**Cornerstone Placing**").

Assuming an Offer Price of HK$12.16, being the low-end of the indicative Offer Price range set out in this Prospectus, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 81,668,000 Offer Shares, representing approximately 58.03% of the Offer Shares pursuant to the Global Offering and approximately 11.63% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme).

Assuming an Offer Price of HK$12.31, being the mid-point of the indicative Offer Price range set out in this Prospectus, the total number of Offer Shares to be subscribed by the Cornerstone Investor would be 80,670,000 Offer Shares, representing approximately 57.32% of the Offer Shares pursuant to the Global Offering and approximately 11.48% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme).

Assuming an Offer Price of HK$12.46, being the high-end of the indicative Offer Price range set out in this Prospectus, the total number of Shares to be subscribed by the Cornerstone Investor would be 79,698,000 Offer Shares, representing approximately 56.63% of the Offer Shares pursuant to the Global Offering and approximately 11.35% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme).

The Company is of the view that, the Cornerstone Placing will help to raise the profile of the Company and to signify that such investors have confidence in the business and prospect of the Group. Other than the 7 existing shareholders or their close associates who are Cornerstone Investors as described below, our Company became acquainted with each of the Cornerstone Investors through introduction by certain Underwriters in the Global Offering.

To the best knowledge of our Company, (i) each of the Cornerstone Investors is an Independent Third Party and is not our connected person; (ii) none of the Cornerstone Investors is accustomed to take instructions from our Company, the Directors, chief executive, substantial shareholders, existing Shareholders or any of its subsidiaries or their respective close associates; and (iii) none of the subscription of the relevant Offer Shares by any of the Cornerstone Investors is financed by our Company, the Directors, chief executive, substantial shareholders, existing Shareholders or any of its subsidiaries or their respective close associates, except for, in each case where applicable, those Cornerstone Investors (namely, Janchor Partners Pan-Asian Master Fund, LAV Star Limited, LAV Star Opportunities Limited, LAV Amber Limited, Aranda Investments Pte. Ltd., Epsomite Gem Investments Ltd, Lake Bleu Prime Healthcare Master Fund Limited, OrbiMed Genesis Master Fund, L.P., OrbiMed New Horizons Master Fund, L.P. and Worldwide Healthcare Trust Plc, and BlackRock Global Funds – World Healthscience Fund) who are existing Shareholders of the Company or their close associates, who make their own investment decisions and finance the same. Details of the actual number of the Offer Shares to be allocated to each of the Cornerstone Investors will be disclosed in the allotment results announcement to be issued by the Company on or around October 11, 2021.

To the best knowledge of our Company, three Cornerstone Investors or its shareholders are listed on the respective stock exchange: (i) UBS AM Singapore is a wholly owned subsidiary of UBS Asset Management AG, an investment management company, which is wholly ultimately owned by UBS Group AG, the shares of which are listed on the SIX Swiss Exchange (stock code: UBSG) and the New York Stock Exchange (stock code: UBS); (ii) Blackrock is listed on the New York Stock Exchange (stock code: BLK); and (iii) Worldwide Healthcare Trust PLC is listed on the London Stock Exchange (stock code: WWH.LON). Save as disclosed above, none of the Cornerstone Investors or their controlling entity is listed on any stock exchange. Each of the Cornerstone Investors has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing.

The Cornerstone Placing will form part of the International Offering, and the Cornerstone Investors will not acquire any Offer Shares under the Global Offering other than pursuant to the Cornerstone Investment Agreements. The Offer Shares to be subscribed by the Cornerstone Investors will rank *pari passu* in all respect with the fully paid Shares in issue and other than the Offer Shares to be subscribed by LAV Star Limited, LAV Opportunities Limited and LAV Amber Limited, will be counted towards the public float of the Company under Rule 8.08 of the Listing Rules. Such Offer Shares will not count towards the public float for the purpose of Rule 18A.07 of the Listing Rules. Immediately following the completion of the Global Offering, except from LAV, none of the Cornerstone Investors will have any Board representation in the Company; and except from LAV, none of the Cornerstone Investors will become a substantial shareholder of the Company. The Cornerstone Investors do not have any preferential rights under the Cornerstone Investment Agreements compared with other public Shareholders, other than a guaranteed allocation of the relevant Offer Shares at the Offer Price.

There are no side arrangements between the Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Cornerstone Placing. There will be no delayed delivery or deferred settlement of Offer Shares to be subscribed by the Cornerstone Investors. To the best of the knowledge, information and belief of our Company, each Cornerstone Investor's subscription under the Cornerstone Placing will be financed by their own internal financial resources.

7 of the Cornerstone Investors, namely, Janchor Partners Pan-Asian Master Fund, LAV, Aranda, Lake Bleu Prime, OrbiMed Funds, Epsomite and BlackRock Global Funds – World Healthscience Fund, which are existing Shareholders of our Company or their close associates, have been permitted to participate in the Cornerstone Placing pursuant to paragraph 5.2 of Stock Exchange Guidance Letter HKEX-GL92-18 and have been granted a waiver from strict compliance with the requirements under Rule 9.09 with respect of LAV's participation in the Cornerstone Placing and Rule 10.04 of, and a consent under paragraph 5(2) of Appendix 6 to, the Listing Rules by the Stock Exchange.

The Offer Shares to be subscribed by the Cornerstone Investors may be affected by reallocation in the event of over-subscription under the Hong Kong Public Offering. If the total demand for Shares in the Hong Kong Public Offering falls within the circumstances as set out in the section headed "Structure of the Global Offering – Allocation – Reallocation" in the Prospectus, the number of Offer Shares to be acquired by each Cornerstone Investor may be reduced on a pro rata basis in accordance with the terms of the Cornerstone Investment Agreement to satisfy the short fall, after taking into account the requirements under Appendix 6 to the Listing Rules as well as the discretion of the Stabilisation Manager (for themselves and on behalf of the International Underwriters) to exercise the Over-allotment Option. Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement to be issued by us on or around October 12, 2021.

THE CORNERSTONE INVESTORS

Set out below is the aggregate number of Offer Shares, and the corresponding percentage to our Company's total issued share capital under the Cornerstone Placing, without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme:

Based on the Offer Price of HK$12.16 (being the low-end of the Offer Price range)

			Approximately % of total number of Offer Shares		Approximately % of total Shares in issue immediately following the completion of Global Offering	
Cornerstone Investor	Investment Amount	Number of Offer Shares (rounded down to nearest whole board lot of 2,000 Shares)	Assuming the Overallotment Option is not exercised	Assuming the Overallotment Option is exercised in full	Assuming the Overallotment Option is not exercised	Assuming the Overallotment Option is exercised in full
	(US$ in million)[1]					
AIHC (as defined below)	6.0	3,828,000	2.72%	2.37%	0.54%	0.53%
Janchor Partners Pan-Asian Master Fund	7.0	4,466,000	3.17%	2.76%	0.64%	0.62%
Lake Bleu Prime (as defined below)	10.0	6,380,000	4.53%	3.94%	0.91%	0.88%
LAV (as defined below)	20.0	12,762,000	9.07%	7.89%	1.82%	1.76%
OrbiMed Funds (as defined below)	10.0	6,380,000	4.53%	3.94%	0.91%	0.88%
Aranda (as defined below)	10.0	6,380,000	4.53%	3.94%	0.91%	0.88%
UBS Funds	20.0	12,762,000	9.07%	7.89%	1.82%	1.76%
Hudson Bay (as defined below)	10.0	6,380,000	4.53%	3.94%	0.91%	0.88%
Vivo Funds (as defined below)	10.0	6,380,000	4.53%	3.94%	0.91%	0.88%
BlackRock Global Funds – World Healthscience Fund	10.0	6,380,000	4.53%	3.94%	0.91%	0.88%
Epsomite (as defined below)	15.0	9,570,000	6.80%	5.91%	1.36%	1.32%
Total	128.0	81,668,000	58.03%	50.46%	11.63%	11.29%

Note:

1. To be converted to Hong Kong dollars based on the exchange rate disclosed in this Prospectus.

Based on the Offer Price of HK$12.31 (being the mid-point of the Offer Price range)

Cornerstone Investor	Investment Amount	Number of Offer Shares (rounded down to nearest whole board lot of 2,000 Shares)	Approximately % of total number of Offer Shares		Approximately % of total Shares in issue immediately following the completion of Global Offering	
			Assuming the Overallotment Option is not exercised	Assuming the Overallotment Option is exercised in full	Assuming the Overallotment Option is not exercised	Assuming the Overallotment Option is exercised in full
	(US$ in million)[1]					
AIHC (as defined below)	6.0	3,780,000	2.69%	2.34%	0.54%	0.52%
Janchor Partners Pan-Asian Master Fund	7.0	4,412,000	3.13%	2.73%	0.63%	0.61%
Lake Bleu Prime (as defined below)	10.0	6,302,000	4.48%	3.89%	0.90%	0.87%
LAV (as defined below)	20.0	12,606,000	8.96%	7.79%	1.79%	1.74%
OrbiMed Funds (as defined below)	10.0	6,302,000	4.48%	3.89%	0.90%	0.87%
Aranda (as defined below)	10.0	6,302,000	4.48%	3.89%	0.90%	0.87%
UBS Funds	20.0	12,606,000	8.96%	7.79%	1.79%	1.74%
Hudson Bay (as defined below)	10.0	6,302,000	4.48%	3.89%	0.90%	0.87%
Vivo Funds (as defined below)	10.0	6,302,000	4.48%	3.89%	0.90%	0.87%
BlackRock Global Funds – World Healthscience Fund	10.0	6,302,000	4.48%	3.89%	0.90%	0.87%
Epsomite (as defined below)	15.0	9,454,000	6.72%	5.84%	1.35%	1.31%
Total	128.0	80,670,000	57.32%	49.84%	11.48%	11.15%

Note:

1. To be converted to Hong Kong dollars based on the exchange rate disclosed in this Prospectus.

Based on the Offer Price of HK$12.46 (being the high-end of the Offer Price range)

Cornerstone Investor	Investment Amount	Number of Offer Shares (rounded down to nearest whole board lot of 2,000 Shares)	Approximately % of total number of Offer Shares		Approximately % of total Shares in issue immediately following the completion of Global Offering	
			Assuming the Overallotment Option is not exercised	Assuming the Overallotment Option is exercised in full	Assuming the Overallotment Option is not exercised	Assuming the Overallotment Option is exercised in full
	(US$ in million)[1]					
AIHC (as defined below)	6.0	3,736,000	2.65%	2.31%	0.53%	0.52%
Janchor Partners Pan-Asian Master Fund	7.0	4,358,000	3.10%	2.69%	0.62%	0.60%
Lake Bleu Prime (as defined below)	10.0	6,226,000	4.42%	3.85%	0.89%	0.86%
LAV (as defined below)	20.0	12,454,000	8.85%	7.70%	1.77%	1.72%
OrbiMed Funds (as defined below)	10.0	6,226,000	4.42%	3.85%	0.89%	0.86%
Aranda (as defined below)	10.0	6,226,000	4.42%	3.85%	0.89%	0.86%
UBS Funds	20.0	12,454,000	8.85%	7.70%	1.77%	1.72%
Hudson Bay (as defined below)	10.0	6,226,000	4.42%	3.85%	0.89%	0.86%
Vivo Funds (as defined below)	10.0	6,226,000	4.42%	3.85%	0.89%	0.86%
BlackRock Global Funds – World Healthscience Fund	10.0	6,226,000	4.42%	3.85%	0.89%	0.86%
Epsomite (as defined below)	15.0	9,340,000	6.64%	5.77%	1.33%	1.29%
Total	128.0	79,698,000	56.63%	49.24%	11.35%	11.01%

Note:

1. To be converted to Hong Kong dollars based on the exchange rate disclosed in this Prospectus.

The following information about the Cornerstone Investors was provided to the Company by the Cornerstone Investors in relation to the Cornerstone Placing.

1. LAV

LAV Star Limited is wholly-owned by LAV Fund VI, L.P. and LAV Star Opportunities Limited is wholly-owned by LAV Fund VI Opportunities, L.P. (together with LAV Fund VI, L.P., collectively, the "**LAV Fund VI**"). LAV Fund VI are Cayman exempted limited partnerships. The general partner of LAV Fund VI, L.P. and LAV Fund VI Opportunities, L.P. are LAV GP VI, L.P. and LAV GP VI Opportunities, L.P., respectively. The general partner of LAV GP VI, L.P. and LAV GP VI Opportunities, L.P. are LAV Corporate VI GP, Ltd. and LAV Corporate VI GP Opportunities, Ltd., respectively. LAV Amber Limited is wholly owned by LAV Biosciences Fund V, L.P. ("**LAV Biosciences V**"), a Cayman exempted limited Partnership and an existing shareholder of our Company. The general partner of LAV Biosciences V is LAV GP V, L.P., whose general partner is LAV Corporate V GP, Ltd., LAV Fund VI and LAV Biosciences V are the investment arm of LAV Group (the "**LAV**"). LAV is an Asia-based life science investment firm with portfolios covering all major sectors of the biomedical and healthcare industry including biopharmaceuticals, medical devices, diagnostics and healthcare services. LAV is managed by a team of professionals with substantial biomedical domain expertise, as well as extensive investing experiences.

LAV Star Limited and LAV Star Opportunities Limited are wholly owned by LAV Fund VI, L.P. and LAV Fund VI Opportunities, L.P. respectively, both being close associates of the existing shareholders of our Company, the LAV Entities. LAV Amber Limited is wholly owned by LAV Biosciences Fund V, L.P., an existing shareholder of our Company. The ultimate beneficial owner of LAV Star Limited, LAV Star Opportunities Limited and LAV Amber Limited and LAV Entities is the same individual.

In addition to the closing conditions as set out in "– Closing Conditions" below, the subscription obligation of LAV Star Limited, LAV Star Opportunities Limited and LAV Amber Limited to subscribe for the Offer Shares under the relevant Cornerstone Investment Agreement is subject to that the respective representations, warranties, acknowledgments, undertakings and confirmations of our Company under the Cornerstone Investment Agreement are (as of the date of the Cornerstone Investment Agreement) and will be (as of the Listing Date) accurate, true and complete in all material respects and not misleading or deceptive and that there is no material breach of the Cornerstone Investment Agreement on the part of our Company.

2. Aranda

Aranda Investments Pte. Ltd. ("**Aranda**") is an indirect wholly-owned subsidiary of Temasek Holdings (Private) Limited ("**Temasek**"). Incorporated in 1974, Temasek is a global investment company with a net portfolio value of US$283 billion (RMB1.86 trillion) portfolio as at 31 March 2021. As a provider of catalytic capital, Temasek seeks to enable solutions to key global challenges. Sustainability is at the core of all that Temasek does. Temasek actively

seeks sustainable solutions to address present and future challenges, as Temasek captures investible opportunities to bring about a sustainable future for all. Headquartered in Singapore, it has 13 offices around the world, and its investments in the life sciences sector include Wuxi Apptech, Celltrion, Inc., Gilead Sciences, Inc. and Thermos Fisher Scientific Inc.

Aranda is a close associate of Elbrus Investments, an existing shareholder of our Company.

In addition to the conditions precedent as set out in " – Closing Conditions", the subscription obligation of Aranda under the Cornerstone Investment Agreement is subject to the representations, warranties, acknowledgements, undertakings and confirmations of the Company being accurate, true and complete in all respects and not misleading as of the date of the Cornerstone Investment Agreement and as of the closing and there being no material breach of the Cornerstone Investment Agreement on the part of our Company.

3. BlackRock Global Funds – World Healthscience Fund

Investment management subsidiaries of BlackRock, Inc. ("**BlackRock**") have discretionary investment management power over BlackRock Global Funds – World Healthscience Fund (the "**BlackRock Fund**"). BlackRock is listed on the New York Stock Exchange (stock code: BLK), and its purpose is to help more and more people experience financial well-being. As a fiduciary to investors and a leading provider of financial technology, BlackRock helps millions of people build savings that serve them throughout their lives by making investing easier and more affordable. BlackRock's shareholders' and New York Stock Exchange's approval are not required for BlackRock Fund's subscription for the Offer Shares pursuant to the Cornerstone Investment Agreement. In addition to the conditions precedent as set out in "– Closing Conditions", the subscription obligation of the BlackRock Fund is subject to the respective representations, warranties, acknowledgements, undertakings and confirmations of the Company being accurate, true and complete in all material respects and not misleading or deceptive and there being no material breach of the Cornerstone Investment Agreement on the part of the investor and our Company. Further, the BlackRock Fund is entitled to terminate the Cornerstone Investment Agreement in the event there is a material breach of the Cornerstone Investment Agreement by our Company or other contracting parties or it is prevented or delayed from performing its obligations under the Cornerstone Investment Agreement as a result of circumstances beyond its control.

BlackRock Global Funds – World Healthscience Fund is a close associate of BlackRock Health Sciences Master Unit Trust and BlackRock Health Sciences Trust II, which are existing shareholders of our Company.

4. AIHC

AIHC Master Fund is established in Cayman Islands and is managed by AIHC Capital Management Limited (collectively "**AIHC**"), an asset management company licensed under the SFC and is ultimately owned by Wei Zhang. AIHC specialized in research and investment in global healthcare industries. AIHC acts as a cornerstone investor of Akeso, Inc. (stock code 9926), Peijia Medical Limited (stock code 9996), Zylox-Tonbridge Medical Technology Co., Ltd. (stock code 2190) and Brii Biosciences Limited (stock code 2137). As of July 31, 2021, AIHC is managing over USD500 million dollars.

5. Janchor Partners Pan-Asian Master Fund

Janchor Partners Pan-Asian Master Fund is an investment fund established in the Cayman Islands that is managed by Janchor Partners Limited, a company licensed by the SFC to conduct asset management (together, "**Janchor Partners**"). Established in 2009, Janchor Partners is a long-term industrialist investor, partnering with companies that have superior business models, favorable growth prospects and the potential to be part of long-term positive structural dynamics of Asian countries and economies. Janchor Partners is an experienced institutional investor with a track record of investing in healthcare companies. As of 30 June 2021, the fund AUM is over US$5 billion. Janchor Partners acts as a cornerstone investor of Keymed Biosciences Inc. (stock code 2162), RemeGen Co., Ltd. (stock code 9995), Everest Medicines Limited (stock code 1952) and JOINN LABORATORIES (CHINA) CO., LTD. (stock code 6127).

Janchor Partners Pan-Asian Master Fund is an existing shareholder of our Company.

6. Lake Bleu Prime

Lake Bleu Prime Healthcare Master Fund Limited ("**Lake Bleu Prime**") is managed by Lake Bleu Capital (Hong Kong) Limited. Lake Bleu Prime is a long-bias public equity fund focusing in Asia/Greater China healthcare. The fund primarily invests in public equities. The fund invests across the entire healthcare value chain, in pharmaceuticals, biotech, medical devices, distribution, hospitals and mobile health. Recently, Lake Bleu Prime acts as a cornerstone investor for Joinn Laboratories (stock code 6127), New Horizon Health (stock code 6606), JD Health International Inc. (stock code 6618), MicroPort CardioFlow Medtech Corporation (stock code 2160), Akeso, Inc. (stock code 9926), Pharmaron Beijing Co., Ltd. (stock code 3759), RemeGen Co., Ltd. (stock code 9995), Hygeia Healthcare Holdings Co., Limited (stock code 6078), and Kangji Medical Holdings Limited (stock code 9997). The fund assets under management ("**AUM**") is not less than US$1.8 billion as of June 2021. Lake Bleu Prime, as a healthcare specialist, is keen to help the portfolio companies on value-added activities and has successfully helped many companies on this front. Lake Bleu Capital (Hong Kong) Limited is also licensed by the SFC to carry out type 9 regulated activities.

Lake Bleu Prime is a close associate of LBC Sunshine Healthcare Fund L.P., an existing shareholder of our Company.

7. OrbiMed Funds

OrbiMed New Horizons Master Fund, L.P. ("**ONH**") is an exempted limited partnership incorporated under the laws of the Cayman Islands. OrbiMed Genesis Master Fund, L.P. ("**OGM**") is an exempted limited partnership incorporated under the laws of the Cayman Islands. Each of ONH and OGM is a pooled-investment fund with OrbiMed Advisors LLC acting as the investment manager. OrbiMed Advisors LLC is under common control of Sven Borho, Carl Gordon, and W. Carter Neild.

Worldwide Healthcare Trust PLC ("**WWH**") is a publicly listed trust organized under the laws of England. OrbiMed Capital LLC is the portfolio manager of WWH. OrbiMed Capital LLC exercises voting and investment power through a management committee comprised of Carl L. Gordon, Sven H. Borho and W. Carter Neild, each of whom disclaims beneficial ownership of the shares held by WWH (together with ONH and OGM, "**OrbiMed Funds**"). WWH is listed on the London Stock Exchange (stock code: WWH.LON). The approval of the London Stock Exchange is not required for WWH's subscription for the Offer Shares pursuant to the relevant Cornerstone Investment Agreement.

Each of OrbiMed Genesis Master Fund, L.P., OrbiMed New Horizons Master Fund, L.P. and Worldwide Healthcare Trust Plc are existing shareholders of our Company.

In addition to the conditions precedent as set out in " – Closing Conditions", the subscription obligation of OrbiMed Funds is subject to the respective representations, warranties, undertakings and confirmations of the Company being accurate, true and compete in all material respects as of the date of the Cornerstone Investment Agreement and as of the closing and not misleading and there being no material breach of the Cornerstone Investment Agreement on the part of our Company.

8. UBS Funds

UBS Asset Management (Singapore) Ltd. ("**UBS AM Singapore**"), a company incorporated in Singapore in December 1993, has entered into a cornerstone investment agreement with our Company and the Joint Sponsors, in its capacity as the investment advisor or as the delegate to the investment manager for and on behalf of the following funds: UBS (LUX) EQUITY FUND – GREATER CHINA, UBS (LUX) EQUITY FUND – CHINA OPPORTUNITY, UBS (HK) FUND SERIES – CHINA OPPORTUNITY EQUITY (USD), UBS (CAY) INVESTMENT FUND SPC – UBS CHINA EQUITY SELECT CHERRY SEGREGATED PORTFOLIO II, UBS (LUX) EQUITY SICAV – ALL CHINA (USD), UBS (LUX) KEY SELECTION SICAV – CHINA EQUITY LONG SHORT (USD) and UBS (LUX) KEY SELECTION SICAV – CHINA ALLOCATION OPPORTUNITY (together the "**UBS Funds**").

UBS AM Singapore is a wholly owned subsidiary of UBS Asset Management AG ("**UBS Asset Management**"), an investment management company, which is wholly ultimately owned by UBS Group AG, which is a company organized under Swiss law as a corporation that has issued shares of common stock to investors. UBS Group AG's shares are listed on the SIX Swiss Exchange (stock code: UBSG) and the New York Stock Exchange (stock code: UBS). UBS Asset Management is a business division of UBS Group AG and is operated as a dedicated asset management business with independence in all investment decision making. UBS Asset Management is a global large-scale and diversified asset manager, with a presence in 23 markets. UBS Asset Management offers investment capabilities and styles across all major traditional and alternative asset classes as well as advisory support to institutions, wholesale intermediaries and its global wealth management clients. As at March 31, 2021, invested assets under management of UBS Asset Management globally totaled USD1.1 trillion. UBS AM Singapore's shareholders' and New York Stock Exchange's approval are not required for UBS AM Singapore's subscription for the Investor Shares.

9. Hudson Bay

Hudson Bay Master Fund Ltd. ("**Hudson Bay**") is a Cayman Islands limited company managed by Hudson Bay Capital Management LP ("**HBC**"), a multi-billion-dollar asset management firm operating in New York and London. With over 100 employees, HBC has been managing assets on behalf of outside investors since 2006. The firm invests across multiple strategies by utilizing rigorous fundamental analysis and seeks to identify value and growth opportunities that are uncorrelated to each other and market indices. HBC promotes an integrated team culture emphasizing collaboration and cross-pollination of ideas across sectors and strategies. HBC's dedicated investment team seeks to achieve outstanding performance by investing in companies that are poised for growth or are undervalued while maintaining a focus on risk management.

In addition to the conditions precedent as set out in " – Closing Conditions", the subscription obligation of Hudson Bay is subject to the respective representations, warranties, undertakings and confirmations of the Company being accurate and true in all material respects and not misleading and there being no material breach of the Cornerstone Investment Agreement on the part of our Company or any Joint Global Coordinators.

10. Vivo Funds

Vivo Opportunity Fund, L.P. is a private investment fund organized under the laws of Delaware. It is dedicated to investing in companies and assets in the healthcare sector primarily in the U.S. and Greater China, which are two of the largest healthcare markets in the world. Vivo Opportunity, LLC is the general partner of Vivo Opportunity Fund, L.P. As of December 31, 2020, Vivo Opportunity Fund, L.P.'s gross asset value was US$963,748,697. Vivo Opportunity Fund, L.P. acts as a cornerstone investor of Innovent Biologics, Inc. (stock code 1801), Hansoh Pharmaceutical Group Company Ltd (stock code: 3692), InnoCare Pharma Limited (stock code 9969), TOT BIOPHARM International Company Limited (stock code: 1875) and RemeGen Co Ltd (stock code: 9995).

Vivo Asia Opportunity Fund, L.P. is a private investment fund organized under the laws of the Cayman Islands. It is dedicated to investing in companies and assets in the healthcare sector in Asia. Vivo Asia Opportunity, LLC is the general partner of Vivo Opportunity Fund, L.P. (together with Vivo Asia Opportunity Fund, L.P., the "**Vivo Funds**").

11. Epsomite

Epsomite Gem Investments Ltd ("**Epsomite**") is wholly owned by certain private equity funds advised or managed by Warburg Pincus LLC ("**Warburg Pincus**"). Epsomite Gem Investments Ltd is 52.1004% owned by Warburg Pincus China-Southeast Asia II (Cayman), L.P. The general partner of Warburg Pincus China-Southeast Asia II (Cayman), L.P. is Warburg Pincus (Cayman) China-Southeast Asia II GP, L.P., the general partner of which is Warburg Pincus (Cayman) China-Southeast Asia II GP LLC (WPC-SEA II Cayman GP LLC). The managing member of WPC-SEA II Cayman GP LLC is Warburg Pincus Partners II (Cayman), L.P., the general partner of which is Warburg Pincus (Bermuda) Private Equity GP Ltd. After due enquiry and to the best knowledge of our Directors, the ultimate beneficial owners of Epsomite Gem Investments Ltd are Independent Third Parties. Warburg Pincus is a private equity investment firm.

Epsomite is an existing shareholder of our Company.

CLOSING CONDITIONS

The obligation of each Cornerstone Investor to acquire the Offer Shares under their respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

(i) the Hong Kong Underwriting Agreement and the International Underwriting Agreement being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Hong Kong Underwriting Agreement and the International Underwriting Agreement;

(ii) neither the Hong Kong Underwriting Agreement nor the International Underwriting Agreement having been terminated;

(iii) the Listing Committee having granted the listing of, and permission to deal in, the Shares (including the Shares under the Cornerstone Placing) as well as other applicable waivers and approvals and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;

(iv) the Offer Price having been agreed according to the Hong Kong Underwriting Agreement, the International Underwriting Agreement and the Price Determination Agreement to be signed among the parties to such agreements in connection with the Global Offering;

(v) no laws shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or the Cornerstone Investment Agreements and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and

(vi) the respective representations, warranties, acknowledgements, undertakings and confirmations of each Cornerstone Investors under the respective Cornerstone Investment Agreement are (as of the date of the Cornerstone Investment Agreement) and will be (as of the closing of the Cornerstone Investment Agreement) accurate and true in all respects or in all material respects (as the case maybe) and not misleading and that there is no breach or material breach (as the case maybe) of the Cornerstone Investment Agreements on the part of the Investors.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each of the Cornerstone Investor has agreed that it will not, whether directly or indirectly, at any time during the period of six months from the Listing Date (the "**Lock-up Period**"), dispose of any of the Offer Shares they have purchased pursuant to their respective Cornerstone Investment Agreements, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

AUTHORIZED AND ISSUED SHARE CAPITAL

The following is a description of the authorised and issued share capital of our Company in issue and to be issued as fully paid or credited as fully paid immediately following the completion of the Share Subdivision and the Global Offering.

As at the Latest Practicable Date, our authorised share capital was US$50,000 divided into 500,000,000 ordinary shares of US$0.0001 par value each, consisting of: (i) 9,806,078 Series A-1 Preferred Shares; (ii) 4,218,393 Series A-2 Preferred Shares; (iii) 6,305,966 Series B Preferred Shares; (iv) 9,873,024 Series C Preferred Shares; (v) 8,600,768 Series D Preferred Shares; (vi) 461,195,771 ordinary shares.

As at the Latest Practicable Date, our issued share capital consisted of (i) 9,806,078 Series A-1 Preferred Shares; (ii) 4,218,393 Series A-2 Preferred Shares; (iii) 6,305,966 Series B Preferred Shares; (iv) 9,873,024 Series C Preferred Shares; (v) 8,600,768 Series D Preferred Shares; (vi) 17,368,806 ordinary shares.

Each of the Preferred Shares will be converted into ordinary shares on a one-to-one basis by way of re-designation and re-classification before Listing. Each of the ordinary shares will then be subdivied into 10 Shares before Listing.

Assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme, the share capital of our Company immediately after the Share Subdivision and the Global Offering will be as follows:

Description of Shares	**Number of Shares**	**Aggregate nominal value of Shares** *(US$)*	**Approximate percentage of issued share capital** *(%)*
Shares in issue (including the Shares on re-designation of the Preferred Shares)	561,730,350	5,617.30	79.97
Shares to be issued under the Global Offering	140,736,000	1,407.36	20.03
Total	702,466,350	7,024.66	100

Assuming the Over-allotment Option is exercised in full and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme, the share capital of our Company upon completion of the Share Subdivision and the Global Offering will be as follows:

Description of Shares	**Number of Shares**	**Aggregate nominal value of Shares** *(US$)*	**Approximate percentage of issued share capital** *(%)*
Shares in issue (including the Shares on re-designation of the Preferred Shares)	561,730,350	5,617.30	77.63
Shares to be issued under the Global Offering	161,844,000	1,618.44	22.37
Total	723,574,350	7,235.74	100

ASSUMPTIONS

The above tables assume that the Global Offering becomes unconditional, that Shares are issued pursuant to the Global Offering, and that each of the Preferred Shares are converted into Shares on a one-to-one basis.

RANKING

The Offer Shares are shares in the share capital of our Company and rank equally with all Shares currently in issue or to be issued (including all Preferred Shares re-designated into Shares upon completion of the Global Offering) and, in particular, will rank in full for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this Prospectus.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the Cayman Companies Act and the terms of the Articles of Association, our Company may from time to time by ordinary resolution of Shareholders (i) increase its share capital; (ii) consolidate and divide its share capital into Shares of larger amount; (iii) divide its Shares into several classes; and (iv) cancel any Shares which have not been taken or agreed to be taken. In addition, our Company may, subject to the provisions of the Cayman Companies Act, reduce its share capital or capital redemption reserve by its Shareholders passing a special resolution. See the section headed "Summary of the Constitution of our Company and Cayman Companies Act – Summary of the Constitution of the Company – 2. Articles of Association – 2.5 Alteration of capital" in Appendix III in this Prospectus for further details.

GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES

Subject to the Global Offering becoming unconditional, our Directors have been granted general unconditional mandates to issue and repurchase our Shares.

For further details of these general mandates, please see the section headed "Statutory and General Information – A. Further Information about our Company and our Subsidiaries – 4. Written Resolutions Passed by Our Shareholders on September 16, 2021" in Appendix IV to this Prospectus.

2019 SHARE INCENTIVE PLAN

We adopted the 2019 Share Incentive Plan. For further details, please see the section headed "Statutory and General Information – D. 2019 Share Incentive Plan" in Appendix IV to this Prospectus.

POST-IPO RSU SCHEME

Our Company adopted the Post-IPO RSU Scheme on September 16, 2021. The purpose of the Post-IPO RSU Scheme is to align the interests of the eligible persons with those of our Group through ownership of Shares to encourage and retain them to make contributions to the long-term growth and profits of our Group. As of the Latest Practicable Date, no RSU had been granted or agreed to be granted under the Post-IPO RSU Scheme. The principal terms of the Post-IPO RSU Scheme are set out in the section headed "Statutory and General Information – E. Post-IPO RSU Scheme" in Appendix IV to this Prospectus.

POST-IPO SHARE OPTION SCHEME

Our Company adopted the Post-IPO Share Option Scheme on September 16, 2021. The purpose of the Post-IPO Share Option Scheme is to reward employees, directors or consultants for their past contribution to the success of the Company and to provide incentives to them to further contribute to the Company. As of the Latest Practicable Date, no option had been granted or agreed to be granted under the Post-IPO Share Option Scheme. The principal terms of the Post-IPO Share Option Scheme are set out in the section headed "Statutory and General Information – F. Post-IPO Share Option Scheme" in Appendix IV to this Prospectus.

You should read the following discussion and analysis with our audited consolidated financial information, including the notes thereto, included in the Accountants' Report in Appendix I to this prospectus. Our consolidated financial information has been prepared in accordance with IFRSs, which may differ in material aspects from generally accepted accounting principles in other jurisdictions, including the United States.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in the section headed "Risk Factors" in this prospectus.

For the purpose of this section, unless the context otherwise requires, references to 2019 and 2020 refer to our financial year ended December 31 of such year. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are a clinical-stage biopharmaceutical company dedicated to the discovery and development of innovative and differentiated small molecule oncology therapies. Since our inception, we have developed a pipeline of 14 candidates focused on oncology, including five candidates at clinical stage.

Our Company was founded with a focus on drug discovery, which we believe is the foundation of the entire drug development process. Our discovery capability is driven by an experienced team with solid drug discovery track record and our approach to identify high-quality molecules. Our three co-founders, Dr. XU Yao-Chang, Dr. YU Hongping and Dr. CHEN Zhui, collectively have made contributions to dozens of discovery programs, a number of which led to successful commercialization, such as Ameile (almonertinib), Cymbalta (duloxetine), Balversa (erdafitinib), Reyvow (lasmiditan), Fu Laimei (PEG-loxenatide), Kisqali (ribociclib), Xinfu (flumatinib) and Venclexta (venetoclax). Leveraging the experience of our R&D team, we have built a innovation-driven discovery platform with comprehensive capabilities in cancer genomics and screening, computational and medicinal chemistry, and translational and biomarker science, which enables us to discover high-quality assets with efficiency. As of the Latest Practicable Date, our R&D team had advanced the first eight discovery programs into the IND-enabling stage at about two pre-clinical candidates per year since 2017, and continues to advance all of the other drug assets and programs into the next stage. We believe our pre-clinical candidates will lay the foundation for our future success and global growth.

BASIS OF PRESENTATION AND PREPARATION

Pursuant to the Reorganization, our Company became the holding company of the companies now comprising our Group. As the Reorganization has not resulted in any change of economic substance, the financial information for the Track Record Period has been presented as a continuation of the existing companies as if the Reorganization had been completed at the beginning of the Track Record Period.

Notwithstanding that we recorded continually incurred losses from operations, the financial information has been prepared on a going concern basis.

Our consolidated financial information has been prepared in accordance with applicable International Financial Reporting Standards ("IFRSs"), which comprise all standards and interpretations approved by the International Accounting Standards Board. All IFRSs effective for the accounting period commencing from January 1, 2021, together with the relevant transitional provisions, have been adopted by us in the preparation of the consolidated financial information. The consolidated financial information has been prepared under the historical cost convention, except for financial assets and liabilities at fair value through profit or loss which have been measured at fair value, as explained in the respective accounting policies in the Accountants' Report in Appendix I to this prospectus. Our consolidated financial information is presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated. The preparation of the consolidated financial information in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires our management to exercise its judgment in the process of applying our accounting policies.

Our consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the years ended December 31, 2019 and 2020 and for the three months ended March 31, 2020 and 2021 and our consolidated statements of financial position as at December 31, 2019 and 2020 and March 31, 2021 have been derived from the Accountants' Report included in Appendix I to this prospectus.

CRITICAL ACCOUNTING POLICIES AND SIGNIFICANT JUDGEMENTS AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items.

Estimates and judgments are continually re-evaluated and are based on historical experience and other factors, including industry practices and expectations of future events that we believe to be reasonable under the circumstances. We have not changed our assumptions or estimates in the past and have not noticed any material errors regarding our assumptions or

estimates. When reviewing our consolidated financial statements, you should consider (i) our critical accounting policies; (ii) the judgments and other uncertainties affecting the application of such policies; and (iii) the sensitivity of reported results to changes in conditions and assumptions.

We set forth below those accounting policies that we believe are of critical importance to us or involve the most significant estimates and judgments used in the preparation of our consolidated financial statements. Our significant accounting policies and estimates, which are important for an understanding of our financial condition and results of operations, are set forth in detail in Notes 2.3 and 3 to the Accountants' Report in Appendix I to this prospectus.

Research and development expenses

Development expenses incurred on our drug product pipelines are capitalized and deferred only when we can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, our intention to complete and our ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development expenses which do not meet these criteria are expensed when incurred. Determining the amounts to be capitalized requires our management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. During the Track Record Period, all expenses incurred for research and development activities were expensed when incurred.

Share-based payments

We operate a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of our operations. Our employees receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments. The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial pricing model.

We recognize the cost of equity-settled transactions in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and our best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of our best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognized. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognized for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Fair value measurement

We measure certain financial instruments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by us. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

We use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Regarding the valuation of our financial liabilities measured at fair value through profit or loss categorized within level 3 of fair value measurement, we have (i) engaged an independent valuation advisor, and reviewed the valuation methods and assumptions adopted by such valuation expert; and (ii) reviewed relevant agreements and supporting documents, including investment agreements, memorandum of associations, among others, to understand the detailed underlying terms and conditions that may affect the valuation of financial instruments.

Our Reporting Accountants have (i) understood the design and operating effectiveness of the key controls relating to the valuation of financial instruments; (ii) read relevant agreements and documentations, including but not limited to investment agreements and our memorandum of association, to better understand the detailed terms and identify any conditions relevant to the valuation of financial instruments; and (iii) involved the internal valuation specialists to assist in assessing the valuation of these financial instruments. This included reading the valuation analysis conducted by an independent valuation advisor engaged by us, discussing with our independent valuation advisor to understand their valuation methodologies, re-performing the valuation independently and reconciling the discrepancies between our Reporting Accountants' results and our external valuer's results.

The Joint Sponsors had (i) reviewed relevant notes in the Accountants' Report as contained in Appendix I to the Prospectus; (ii) obtained and reviewed the valuation model provided by our independent valuation advisor with respect to the level 3 financial instruments; (iii) discussed with us the key basis and assumptions for the valuation of the financial instruments; and (iv) discussed with our independent valuation advisor the key basis and assumptions and methodology adopted in the valuation report with respect to the financial instruments. Based upon the due diligence work conducted by the Joint Sponsors as stated above, and having considered the view of the Directors and the Reporting Accountants, nothing has come to the Joint Sponsors' attention that indicates that the Directors have not undertaken independent and sufficient investigation and due diligence on such level 3 financial instruments.

For assets and liabilities that are recognized in the financial statements on a recurring basis, we determine whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of financial assets

We recognize an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that we expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, we assess whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, we compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

We consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, we may also consider a financial asset to be in default when internal or external information indicates that we are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by us. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investment at fair value through other comprehensive income and financial assets at amortized cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Government grants

We recognise government grants at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, we recognise the grant as other income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations, financial condition and the period-to-period comparability of our financial results have been, and are expected to continue to be, principally affected by a number of factors, many of which may be beyond our control. A discussion of the key factors is set out below.

Our Ability to Successfully Develop Our Drug Candidates

Our business and results of operations depend on our ability to successfully develop our drug candidates. As of the Latest Practicable Date, we had built a comprehensive pipeline of 14 drug assets focused on small molecule precision oncology and small molecule immuno-oncology, including five clinical stage assets and nine pre-clinical stage assets. As of the same date, we had received nine IND approvals in four countries and regions worldwide. For more information on the development status of our various drug candidates, see "Business – Our Drug Candidates." Our business and results of operations depend on our drug candidates demonstrating favorable safety and efficacy clinical trial results, and our ability to obtain the requisite regulatory approvals for our drug candidates to initiate clinical trials, or to advance to the next stage of clinical development.

Our Ability to Commercialize Our Products and Drug Candidates

All of our drug candidates are in clinical development or pre-clinical development. Although we currently have no product approved for commercial sale and have not generated any revenue from product sales, we expect to commercialize one or more of our drug candidates over the coming years as they move towards the final stages of development. Our ability to generate revenue from our drug candidates is dependent on our ability to obtain regulatory approvals, establish manufacturing capabilities and sales channels, and undertake extensive sales and marketing efforts.

Funding for Our Operations

During the Track Record Period, we funded our operations primarily through equity financing. Going forward, in the event of the successful commercialization of one or more of our drug candidates, we expect to primarily fund our operations with revenue generated from sales of our commercialized drug products. However, with the continuing expansion of our business, we may require further funding through public or private offerings, debt financing, collaboration and licensing arrangements or other sources. Any fluctuation in the funding for our operations will impact our cash flow plan and our results of operations.

Our Research and Development Expenses

We believe our ability to successfully develop drug candidates is the primary factor affecting our long-term competitiveness, as well as our future growth and development. Developing high quality drug candidates requires significant investments of financial resources over a prolonged period of time, and a core part of our strategy is to continue making sustained investments in this area. As a result of this commitment, our pipeline of pre-clinical and clinical stage drug candidates has been steadily advancing and expanding. Our operations have consumed substantial amounts of cash since inception. The net cash used in our operations was RMB82.8 million, RMB117.6 million, RMB22.0 million and RMB29.7 million in 2019 and 2020 and the three months ended March 31, 2020 and 2021, respectively. We expect our expenditures to increase significantly in connection with our ongoing activities, particularly as we advance the clinical development of our clinical assets and continue research and development of our pre-clinical assets and initiate additional clinical trials of, and seek regulatory approvals for, these and other future drug candidates. These expenditures may include the following, among others:

- expenses incurred for payments to CROs, investigators and clinical trial sites that conduct our clinical studies;
- employee related expenses, including salaries, benefits and equity compensation expenses;
- licensing fees to collaboration partners;

- costs of acquiring, developing, and manufacturing clinical study materials;
- facilities, depreciation, and other expenses, which include office leases and other overhead expenses;
- costs associated with pre-clinical activities and regulatory approvals;
- expenses associated with the construction and maintenance of our manufacturing facilities; and
- expenses associated with operating as a public company.

DESCRIPTION OF SELECTED COMPONENTS OF STATEMENTS OF PROFIT OR LOSS

The following table sets forth our consolidated statements of profit or loss and other comprehensive income for the periods indicated:

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2019	**2020**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Other income and gains	12,705	18,831	444	1,980
Research and development expenses	(81,457)	(132,664)	(15,897)	(38,109)
Administrative expenses	(21,891)	(21,168)	(3,622)	(8,653)
Other expenses	(42,746)	(571,300)	(37,303)	(78,700)
Finance costs	(523)	(338)	(111)	(39)
LOSS BEFORE TAX	**(133,912)**	**(706,639)**	**(56,489)**	**(123,521)**
Income tax expenses	–	–	–	–
LOSS FOR THE YEAR/ PERIOD	**(133,912)**	**(706,639)**	**(56,489)**	**(123,521)**

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2019	**2020**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
OTHER COMPREHENSIVE INCOME				
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations	4,532	(2,934)	501	72
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of our Company	(5,976)	59,461	(12,603)	(4,363)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD, NET OF TAX	**(1,444)**	**56,527**	**(12,102)**	**(4,291)**
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD	**(135,356)**	**(650,112)**	**(68,591)**	**(127,812)**
Attributable to:				
Owners of the parent	(135,356)	(650,112)	(68,591)	(127,812)

Other Income and Gains

Our other income and gains primarily consists of bank interest income, government grants, investment income from financial assets at fair value through profit or loss (FVTPL), and foreign exchange gain. Bank interest income includes interest from bank deposits. Government grants mainly represent subsidies received from local governments for the purpose of promoting research and clinical trial activities in the form of allowance for new drug development and talents. During the Track Record Period, most of the government grants were received from authorities in Shanghai.

During the Track Record Period, we purchased certain wealth management products in order to generate reasonable low-risk returns. We have formulated the following investment policies with regards to such investments: (i) the wealth management products should have low risks; (ii) such investments should not interfere with our cash needs; and (iii) such investments should be managed and approved at the group level. We do not intend to continue purchasing such wealth management products after Listing.

The following table sets forth a breakdown of our other income and gains for the periods indicated.

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2019	**2020**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Other income				
Bank interest income	7,859	11,274	307	1,897
Others	249	–	–	–
Subtotal	**8,108**	**11,274**	**307**	**1,897**
Other gains				
Government grants	3,837	7,302	100	–
Investment income from financial assets at FVTPL	744	166	–	–
Exchange gains	–	–	21	–
Others	16	89	16	83
Subtotal	**4,597**	**7,557**	**137**	**83**
Total	**12,705**	**18,831**	**444**	**1,980**

Research and Development Expenses

Our research and development expenses primarily consisted of research and development expenses in connection with exploratory research, pre-clinical research and clinical research, as well as reagent costs, employee costs, licensing fees, share-based payments and depreciation. Research and development expenses in connection with exploratory research, pre-clinical research and clinical research include fees paid to third-party suppliers including CROs, PIs and CDMOs. Our licensing fees during the Track Record Period mainly included fees in relations to certain in-licensed intellectual properties from AstraZeneca and X4, which we used in our pre-clinical research and clinical trials. In 2019 and 2020 and the three months ended March 31, 2020 and 2021, our research and development expenses were RMB81.5 million, RMB132.7 million, RMB15.9 million and RMB38.1 million, respectively, and the research and development expenses attributable to the Core Product Candidates was RMB27.6 million, RMB24.4 million, RMB3.5 million and RMB12.3 million in the same periods, respectively. The following table sets forth a breakdown of our research and development expenses for the periods indicated.

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2019	**2020**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Exploratory research expenses	9,263	8,939	635	2,428
Pre-clinical research expenses	10,227	25,555	1,937	4,008
Clinical research expenses	988	22,673	1,044	15,089
Reagent costs	6,134	6,122	623	1,603
Licensing fees	17,236	20,682	–	–
IND fees	1,544	881	56	–
Employee costs	25,912	34,290	8,290	11,825
Share-based payments	723	3,476	869	456
Depreciation	6,476	7,166	1,749	2,016
Others	2,954	2,880	694	684
Total	**81,457**	**132,664**	**15,897**	**38,109**

Administrative Expenses

Our administrative expenses primarily consist of compensation expenses for administrative and management personnel (including share-based compensation expenses) and professional services expenses (in relation to our financing transactions). The following table sets forth a breakdown of our administrative expenses for the periods indicated.

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2019	**2020**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Employee costs	9,560	10,963	2,369	3,994
Professional services expenses	4,900	3,210	602	3,158
Office expenses	856	697	273	242
Share-based payments	270	1,095	274	131
Others	6,305	5,203	104	1,128
Total	**21,891**	**21,168**	**3,622**	**8,653**

Other Expenses

Our other expenses include the fair value losses on convertible redeemable preferred shares and other miscellaneous expenses including exchange losses. The fair value losses on convertible redeemable preferred shares were resulted from the significant increase in our Company's valuation. The fair value changes of convertible redeemable preferred shares adversely affected and will continue to affect our performance during and subsequent to the Track Record Period until the conversion of preferred shares into ordinary shares upon Listing. The following table sets forth a breakdown of our other expenses for the periods indicated.

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2019	**2020**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Fair value losses on convertible redeemable preferred shares	39,793	569,588	37,298	68,941
Miscellaneous expenses	2,953	1,712	5	9,759
Total	**42,746**	**571,300**	**37,303**	**78,700**

Finance Costs

Our finance costs consist of interest on lease liabilities.

Income tax

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which we are domiciled and operate.

Cayman Islands

Under the current laws of the Cayman Islands, we are not subject to tax on income or capital gains. In addition, upon payments of dividends by our Company to its shareholders, no Cayman Islands withholding tax is imposed.

Hong Kong

Our subsidiary incorporated in Hong Kong was subject to income tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the Track Record Period.

Mainland China

Pursuant to the Enterprise Income Tax Law of the PRC and the respective regulations, the subsidiaries which operate in Mainland China are subject to income tax at a rate of 25% on the taxable income.

Australia

No provision for Australia profits tax has been made as we had no assessable profits derived from or earned in Australia during the Track Record Period. The subsidiary incorporated in Australia was subject to income tax at the rate of 30% on the estimated assessable profits arising in Australia during the Track Record Period.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Three Months Ended March 31, 2021 Compared to Three Months Ended March 31, 2020

Other Income and Gains

Our other income and gains increased significantly from RMB0.4 million in the three months ended March 31, 2020 to RMB2.0 million in the three months ended March 31, 2021, primarily due to an increase in bank interest income resulting from an increase in our cash and cash equivalents.

Research and Development Expenses

Our research and development expenses increased significantly from RMB15.9 million in the three months ended March 31, 2020 to RMB38.1 million in the three months ended March 31, 2021, primarily due to an increase in expenditures for our clinical and pre-clinical development activities as more drug candidates advanced into pre-clinical and clinical development stages.

Administrative Expenses

Our administrative expenses increased significantly from RMB3.6 million in the three months ended March 31, 2020 to RMB8.7 million in the three months ended March 31, 2021, primarily due to (i) an increase in our total headcount; and (ii) partial non-recurring waiver of certain social insurance and housing provident fund payments by the regulatory authorities in the three months ended March 31, 2020 in response to the COVID-19 pandemic.

Other Expenses

Our other expenses increased significantly from RMB37.3 million in the three months ended March 31, 2020 to RMB78.7 million in the three months ended March 31, 2021, primarily due to the fair value losses on convertible redeemable preferred shares incurred in the three months ended March 31, 2021 as a result of an increase in the valuation of our Company.

Finance Costs

Our finance costs decreased from RMB0.1 million in the three months ended March 31, 2020 to RMB0.04 million in the three months ended March 31, 2021, primarily due to a decrease in interest on lease liabilities in the three months ended March 31, 2021.

Loss for the Period

For the reasons described above, our loss for the three months ended March 31, 2020 was RMB56.5 million, compared with a loss of RMB123.5 million for the three months ended March 31, 2021.

Year Ended December 31, 2020 Compared to Year Ended December 31, 2019

Other Income and Gains

Our other income and gains increased by 48.0% from RMB12.7 million in 2019 to RMB18.8 million in 2020, primarily due to (i) an increase in bank interest income; and (ii) an increase in government grants in 2020 to encourage research, development and innovations by enterprises.

Research and Development Expenses

Our research and development expenses increased by 62.8% from RMB81.5 million in 2019 to RMB132.7 million in 2020, primarily due to an increase in clinical and pre-clinical development activities as we advanced more drug candidates into pre-clinical and clinical development stages. Specifically, the increase in 2020 compared to 2019 was primarily due to (i) the launch of a Phase Ia clinical trial of ABSK011 in 2020 in Taiwan to determine RP2D; (ii) the launch and completion of the majority of the patient enrollment of a Phase Ia clinical trial in the U.S. for ABSK021; (iii) licensing fees under the X4 Agreement related to ABSK081; and (iv) exploratory research and pre-clinical studies of our other drug candidates.

Administrative Expenses

Our administrative expenses decreased by 3.2% from RMB21.9 million in 2019 to RMB21.2 million in 2020, primarily due to a decrease in professional service expenses, partially offset by an increase in our management team headcount to support our business operations growth.

Other Expenses

Our other expenses increased significantly from RMB42.7 million in 2019 to RMB571.3 million in 2020, primarily due to an increase in the fair value losses of convertible redeemable preferred shares which resulted from the increase in the valuation of our Company.

Finance Costs

Our finance costs decreased by 40.0% from RMB0.5 million in 2019 to RMB0.3 million for the year ended December 31, 2020. This decrease was primarily due to a decrease in interest on lease liabilities in 2020, which was a result of a decrease in lease liabilities.

Loss for the Year

For the reasons described above, our loss for the year increased significantly from RMB133.9 million in 2019 to RMB706.6 million in 2020.

DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth our current assets and current liabilities as of the dates indicated.

	As of December 31,		As of March 31,	As of July 31,
	2019	2020	2021	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
CURRENT ASSETS				
Prepayments and other receivables	14,544	32,029	27,443	42,635
Cash and cash equivalents	285,637	617,773	1,367,883	1,282,963
Total current assets	**300,181**	**649,802**	**1,395,326**	**1,325,598**
CURRENT LIABILITIES				
Other payables and accruals	12,351	27,443	34,514	44,292
Lease liabilities	5,399	4,306	4,345	822
Total current liabilities	**17,750**	**31,749**	**38,859**	**45,114**
NET CURRENT ASSETS	**282,431**	**618,053**	**1,356,467**	**1,280,484**

The increases in net current assets during the Track Record Period were primarily due to the increases in cash and cash equivalents from our issue of convertible redeemable preferred shares. During the Track Record Period, we maintained a net liabilities position, primarily due to the recognition of convertible redeemable preferred shares as our non-current liabilities.

The following table sets forth selected items of our consolidated statements of financial position as of the dates indicated.

	As of December 31,		As of March 31,
	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*
Total non-current assets	20,055	16,169	14,156
Total current assets	300,181	649,802	1,395,326
Total current liabilities	(17,750)	(31,749)	(38,859)
Total non-current liabilities	(761,511)	(1,739,210)	(2,602,926)
Total equity	(459,025)	(1,104,988)	(1,232,303)

Prepayments and Other Receivables

Prepayments and other receivables primarily include (i) prepayments to suppliers of third-party services used in our pre-clinical and clinical research and development; (ii) amounts due from related parties in relations to advances to our co-founders for purpose of settling certain tax liabilities arising out of the Reorganization; and (iii) deposits and other receivables. The entire amount of such advances to our co-founders had been repaid as of the Latest Practicable Date, and we do not intend to make similar advances going forward. Amounts due from related parties are not secured with collateral. Deposits and other receivables primarily represent rental deposits and interest receivables arising from our bank deposits. The following table sets forth our prepayments and other receivables as of the dates indicated.

	As of December 31,		As of March 31,
	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*
Prepayments to suppliers	1,378	4,020	5,935
Amounts due from related parties	1,706	9,057	9,068
Amounts due from shareholders	39	66	110
Deposits and other receivables	11,421	18,886	12,330
Total	**14,544**	**32,029**	**27,443**

Our prepayments and other receivables increased from RMB14.5 million as of December 31, 2019 to RMB32.0 million as of December 31, 2020 primarily due to (i) an increase in prepayments to suppliers as we expanded the scale of our pre-clinical and clinical development activities; (ii) an increase in amounts due from related parties in relations to the advance made to our co-founders; and (iii) an increase in deposits and other receivables, primarily representing bank deposit interest receivables, driven by our receipt of financing proceeds in 2020. The relevant deposit bank settled such interest receivables to us in the three months ended March 31, 2021, leading to a decrease of deposits and other receivables to RMB12.3 million as of March 31, 2021. Our prepayments and other receivables decreased by RMB4.6 million from RMB32.0 million as of December 31, 2020 to RMB27.4 million as of March 31, 2021, primarily due to a decrease in deposits and other receivables.

Advances made to related parties were unsecured and interest-free non-trade in nature, and balance of such advances had been settled as of the Latest Practicable Date. See "– Related Party Transactions" for more details on historical transaction amounts and balances. Advances made to shareholders were non-trade in nature and will be settled prior to Listing.

Cash and cash equivalents

The following table below sets forth a breakdown of our cash and cash equivalents by currency type as of the dates indicated.

	As of December 31,		As of March 31,
	2019	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*
Denominated in:			
RMB	58,218	34,925	749,306
USD	227,419	582,848	618,577
Cash and cash equivalents	**285,637**	**617,773**	**1,367,883**

Our cash and cash equivalents increased by RMB332.2 million from RMB285.6 million as of December 31, 2019 to RMB617.8 million as of December 31, 2020 and further increased by RMB750.1 million to RMB1,367.9 million as of March 31, 2021, primarily due to our financing efforts.

Other Payables and Accruals

Our other payables and accruals primarily consist of payables in relation to (i) employee compensation; (ii) equipment purchases; (iii) taxes; and (iv) others. The following table sets forth a breakdown of our other payables and accruals as of the dates indicated.

	As of December 31,		As of March 31,
	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*
Payroll payable	6,050	8,294	3,388
Equipment purchase payables	–	398	18
Other tax payables	347	403	955
Other payables	5,954	18,348	30,153
Total	**12,351**	**27,443**	**34,514**

Payroll payable primarily represents accrued compensation expenses to our employees. Our other payables represent payables and accruals to our suppliers (other than equipment) arising out of our pre-clinical and clinical research and development. Our other payables and accruals increased from RMB12.4 million as of December 31, 2019 to RMB27.4 million as of December 31, 2020, and further to RMB34.5 million as of March 31, 2021, primarily due to an increase in other payables from RMB6.0 million as of December 31, 2019 to RMB18.3 million as of December 31, 2020, and further to RMB30.2 million as of March 31, 2021, which was primarily driven by an increase in our research and development activities and the resulting increase in the amount of third-party supplied services and materials.

Convertible Redeemable Preferred Shares

The following table sets forth the movements in convertible redeemable preferred shares during the Track Record Period.

	RMB'000
At January 1, 2019	422,057
Issuance of Series B Preferred Shares	284,173
Fair value changes of Series A-1 and A-2 Preferred Shares	14,864
Fair value changes of Series B Preferred Shares	24,929
Exchange differences of preferred shares	11,986
At December 31, 2019 and January 1, 2020	758,009

	RMB'000
Issuance of Series C Preferred Shares	491,822
Fair value changes of Series A-1 and A-2 Preferred Shares	329,311
Fair value changes of Series B Preferred Shares	81,020
Fair value changes of Series C Preferred Shares	159,257
Exchange differences of preferred shares	(99,784)
At December 31, 2020 and January 1, 2021	1,719,635
Issuance of Series D Preferred Shares	796,192
Fair value changes of Series A-1 and A-2 Preferred Shares	20,437
Fair value changes of Series B Preferred Shares	10,298
Fair value changes of Series C Preferred Shares	16,436
Fair value changes of Series D Preferred Shares	21,770
Exchange differences of preferred shares	18,158
At March 31, 2021	2,602,926

We use the back-solve method in determining the underlying equity value of our Company, and adopted the equity allocation model to determine the fair value of the shares as of the date of issuance and as of December 31, 2019 and 2020 and March 31, 2021. The following table sets forth key valuation assumptions used to determine the fair value of the convertible redeemable preferred shares as of the above dates.

	As of December 31,		**As of March 31,**
	2019	**2020**	**2021**
Risk-free interest rate	1.83%	0.44%	0.94%
Discounts for lack of marketability ("DLOM")	23%	21%	19%
Volatility	51.15%	53.30%	53.88%

See Note 19 to the Accountants' Report included in Appendix I to this prospectus for more details on the valuation of convertible redeemable preferred shares.

The convertible redeemable preferred shares will be re-designated from financial liabilities to equity as a result of the automatic conversion of preferred shares into ordinary shares upon Listing, thereby turning the net liabilities position into a net asset position.

LIQUIDITY AND CAPITAL RESOURCES

Overview

We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. In addition, we monitor the utilization of borrowings and, from time to time, evaluate the options to renew the borrowings upon expiry based on our actual business requirement. We relied on equity financing as the major sources of liquidity during the Track Record Period.

During the Track Record Period, we incurred negative cash flows from our operations and substantially all of our operating cash outflows resulted from our research and development expenses and administrative expenses. Our operating activities used RMB82.8 million, RMB117.6 million, RMB22.0 million and RMB29.7 million of cash in 2019 and 2020 and the three months ended March 31, 2020 and 2021, respectively. We expect to generate more cash flow from our operating activities, through launching and commercializing our products and enhancing our cost containment capacity and operating efficiency. In order to bring to fruition our research and development objectives, we will ultimately need additional funding sources and there can be no assurances that they will be made available.

Cash Flows

The following table sets forth key items of our consolidated statements of cash flows for the periods indicated:

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2019	**2020**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Operating cash flows before movements in working capital	(84,786)	(128,530)	(13,942)	(32,769)
Interest paid	–	–	–	–
Tax paid[(1)]	(2,872)	(4,456)	(885)	(1,867)
Net cash flows used in operating activities	(82,817)	(117,562)	(21,955)	(29,714)
Net cash flows from/(used in) investing activities	30,127	(11,246)	(20,390)	(820)
Net cash flows from financing activities	176,922	505,890	491,822	776,527

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2019	2020	2020	2021
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
NET INCREASE IN CASH AND CASH EQUIVALENTS	**124,232**	**377,082**	**449,477**	**745,993**
Cash and cash equivalents at beginning of the year/period	153,793	285,637	285,637	617,773
Effect of foreign exchange rate changes, net	7,612	(44,946)	7,690	4,117
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD	**285,637**	**617,773**	**742,804**	**1,367,883**

Note:

(1) Tax paid represent individual income tax we withheld on behalf of our employees, and stamp taxes.

Operating Activities

In the three months ended March 31, 2021, our net cash used in operating activities was RMB29.7 million, which was primarily attributable to our loss before tax of RMB123.5 million, positively adjusted by (i) non-cash items such as fair value losses on convertible redeemable preferred shares of RMB68.9 million and foreign exchange differences, net of RMB9.8 million, (ii) an increase in other payables and accruals of RMB7.1 million and (iii) interest received from bank of RMB10.6 million, partially offset by an increase in prepayments and other receivables of RMB4.0 million and bank interest income of RMB1.9 million.

In 2020, our net cash used in operating activities was RMB117.6 million, which was primarily attributable to our loss before tax of RMB706.6 million, positively adjusted by (i) non-cash items such as fair value losses on convertible redeemable preferred shares of RMB569.6 million and depreciation of right-of-use assets of RMB5.9 million; (ii) an increase in other payables and accruals of RMB15.1 million; and (iii) interest received from bank of RMB5.3 million partially offset by (i) non-cash items such as bank interest income of RMB11.3 million; and (ii) an increase in prepayments and other receivables of RMB4.1 million.

In 2019, our net cash used in operating activities was RMB82.8 million, which was primarily attributable to our loss before tax of RMB133.9 million, positively adjusted by fair value losses on convertible redeemable preferred shares of RMB39.8 million, depreciation of right-of-use assets of RMB5.1 million and interest received from bank of RMB5.3 million, partially offset by bank interest income of RMB7.9 million.

We plan to improve our net operating cash flow position in view of potential net operating cash inflow which we expect to generate after successful commercialization of our product candidates.

Investing Activities

In the three months ended March 31, 2021, our net cash used in investing activities was RMB0.8 million.

In 2020, our net cash used in investing activities was RMB11.2 million, which was primarily attributable to (i) purchases of financial assets at fair value through profit or loss; and (ii) advances of loans to related parties, partially offset by the proceeds from disposal of financial assets at fair value through profit or loss.

In 2019, our net cash from investing activities was RMB30.1 million, which was primarily attributable to (i) proceeds from disposal of financial assets at fair value through profit or loss, partially offset by the purchase of financial assets at fair value through profit or loss; and (ii) repayment of loans from related parties.

Financing Activities

During the Track Record Period, we derived our cash inflows from financing activities primarily from capital injection from the issue of convertible redeemable preferred shares.

In the three months ended March 31, 2021, we had RMB776.5 million of net cash flow from financing activities, primarily attributable to the proceeds from the issuance of convertible redeemable preferred shares.

In 2020, we had RMB505.9 million of net cash flow from financing activities, primarily attributable to proceeds from the issuance of convertible redeemable preferred shares of RMB511.4 million, partially offset by principal portion of lease payments of RMB5.1 million.

In 2019, we had RMB176.9 million of net cash flow from financing activities, primarily attributable to proceeds from issuance of convertible redeemable preferred shares of RMB182.6 million, partially offset by principal portion of lease payments of RMB5.7 million.

CASH OPERATING COSTS

The following table sets forth information on our cash operating costs for the periods indicated:

	For the Year Ended December 31,		For the Three Months Ended March 31,
	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*
Research and Development Costs for			
Core Product Candidates			
Employee costs	2,899	6,232	2,265
Licensing fees	17,236	–	–
Clinical trial costs	7,050	13,774	4,349
Other Product Candidates			
Employee costs	20,570	26,229	12,537
Licensing fees	–	20,682	–
Clinical trial costs	20,537	41,316	11,370
Total Research and Development Costs	**68,292**	**108,233**	**30,521**
Workforce employment cost[(1)]	13,304	17,749	5,967
Direct production cost[(2)]	–	–	–
Non-income taxes and royalties	–	–	–
Others[(3)]	10,597	4,238	3,852
Product marketing[(4)]	–	–	–
Total	**92,193**	**130,220**	**40,340**

Notes:

(1) Workforce employment costs represented non-R&D staff costs mainly including salaries and bonus.

(2) We had not commenced product manufacturing as of the Latest Practicable Date.

(3) Mainly consisted of professional fees, office and rental expenses.

(4) We had not commenced product sales as at the Latest Practicable Date.

WORKING CAPITAL CONFIRMATION

Our Directors are of the opinion that, taking into account the financial resources available, including cash and cash equivalents and the estimated net proceeds from the Listing, as well as our cash burn rate, we have sufficient working capital to cover at least 125% of our costs, including research and development expenses and administrative expenses for at least the next 12 months from the date of this prospectus.

INDEBTEDNESS

The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,		As of March 31,	As of July 31,
	2019	2020	2021	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*
Current				
Lease liabilities	5,399	4,306	4,345	822
Non-current				
Lease liabilities	3,502	–	–	–
Total	**8,901**	**4,306**	**4,345**	**822**

During the Track Record Period and up to the Latest Practicable Date, we did not have any bank and other borrowings, or other types of indebtedness other than lease liabilities as set forth in the table above, and had not been in violation of any of the covenants under any loan agreements. Except as discussed above, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of the Latest Practicable Date.

CAPITAL EXPENDITURES

The following table sets forth our capital expenditures for the periods indicated:

	For the Year Ended December 31,		For the Three Months Ended March 31,
	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*
Purchase of property, plant and equipment	3,435	3,462	765
Purchase of other intangible assets	–	572	–
Total	**3,435**	**4,034**	**765**

Our historical capital expenditures during the Track Record Period primarily included (i) purchase of property, plant and equipment, which mainly consisted of office furniture, equipment and improvement; and (ii) purchase of intangible assets such as software. We funded our capital expenditure requirements during the Track Record Period mainly from equity financing. We expect that our capital expenditures in 2021 will be approximately RMB10.0 million, which will primarily consist of purchases of equipment and intangible assets. We plan to fund our planned capital expenditures using our cash at bank and the net proceeds received from the Global Offering. Please refer to the section headed "Use of Proceeds" in this prospectus for more details. We may reallocate the fund to be utilized on capital expenditure based on our ongoing business needs.

COMMITMENTS

We had the following capital commitment as of the dates indicated.

	As of December 31,		As of March 31,
	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*
Contracted, but not provided for plant and machinery	560	1,104	662
Total	**560**	**1,104**	**662**

CONTINGENT LIABILITIES

As of December 31, 2019 and 2020 and March 31, 2021, we did not have any contingent liabilities. We confirm that as at the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As at the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

RELATED PARTY TRANSACTIONS

The following table sets forth transactions between us and a related party during the Track Record Period. The pricing of the services provided was determined according to the published prices and conditions similar to those offered to Independent Third Parties.

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2019	**2020**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Render of services				
Shanghai Yanjian New Drug R&D Co., Ltd.[(1)]	201	–	–	–

Note:

(1) Abbisko Shanghai had a 20.3168% equity interest in Shanghai Yanjian New Drug R&D Co., Ltd.

The following table sets forth the outstanding balances with related parties during the Track Record Period.

	As of December 31,		As of March 31,
	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*
Other receivables:			
Due from shareholders:**			
Gold Canary Investment Limited	13	22	42
Panorama HY Investment Limited	13	22	34
ANJA Holding Limited	13	22	34
Total	**39**	**66**	**110**
Due from related parties:			
Dr. XU Yao-Chang*	1,497	8,861	8,871
Dr. CHEN Zhui*	209	196	197
Total	**1,706**	**9,057**	**9,068**

Note:

* Outstanding balances were unsecured, interest-free non-trade balances that had been settled as of the Latest Practicable Date.

** Outstanding balances were non-trade in nature and will be settled prior to Listing.

Our Directors confirm that our related party transactions during the Track Record Period were on an arm's length basis and in the aggregate would not distort our results of operations over the Track Record Period or make our historical results over the Track Record Period not reflective of our expectations for our future performance. Details of our transactions with and the outstanding balances with related parties during the Track Record Period are set out in Note 26 to the Accountants' Report included in Appendix I to this prospectus.

KEY FINANCIAL RATIOS

The table below sets forth the current ratio of our Group as of the dates indicated:

	As of December 31,		As of March 31,
	2019	2020	2021
Current Ratio[(1)]	16.9	20.5	35.9

Note:

(1) Current ratio equals current assets divided by current liabilities as of the end of the year/period.

The increase in current ratio was primarily due to our receipt of proceeds from issuance of convertible redeemable preferred shares in 2019, 2020 and the three months ended March 31, 2021.

MARKET RISK DISCLOSURE

We are exposed to a variety of financial risks, including foreign currency risk, credit risk and liquidity risk as set out below. We regularly monitor our exposure to these risks and as of the Latest Practicable Date, and did not hedge or consider necessary to hedge any of these risks.

Foreign Currency Risk

Foreign currency risk means the risk relating to the fluctuation of fair value or future cash flows of financial instruments which arises from changes in exchange rates.

We have transactional currency exposures. We currently do not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider appropriate hedging measures in the future should the need arises. For further details, including relevant sensitivity analysis, please see Note 29 to the Accountant's Report set out in Appendix I.

Credit risk

We trade only with recognized and creditworthy third parties. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and our exposure to bad debts is not significant. The credit risk of our other financial assets, which comprise cash and cash equivalents, financial assets included in deposits and other receivables and other assets, with a maximum exposure equal to the carrying amount of these instruments.

Since we trade only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within our Group as the customer bases of our other receivables are widely dispersed in different sectors and industries. For further details, see Note 29 to the Accountant's Report set out in Appendix I.

Liquidity Risk

In the management of the liquidity risk, we monitors and maintains a level of cash and cash equivalents deemed adequate by our management to finance the operations and mitigate the effects of fluctuations in cash flows. For further details, see Note 29 to the Accountant's Report set out in Appendix I.

DIVIDEND

We have never declared or paid regular cash dividends on our shares. Any declaration and payment as well as the amount of dividends will be subject to our Memorandum and Articles and the Cayman Companies Act. The declaration and payment of any dividends in the future will be determined by our Board of Directors, in its discretion, and will depend on a number of factors, including our earnings, capital requirements, overall financial condition and contractual restrictions. In addition, our Shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board. As advised by our Cayman counsel, under the Cayman Companies Act, a Cayman Islands company may pay a dividend out of either profits or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. In light of our accumulated losses as disclosed in this document, it is unlikely that we will be eligible to pay a dividend out of our profits in the foreseeable future. We may, however, pay a dividend out of our share premium account unless the payment of such a dividend would result in our Company being unable to pay our debts as they fall due in the ordinary course of business. There is no assurance that dividends of any amount will be declared to be distributed in any year.

If we pay dividends in the future, in order for us to distribute dividends to our Shareholders, we will rely to some extent on any dividends distributed by our PRC subsidiaries. Any dividend distributions from our PRC subsidiaries to us will be subject to PRC withholding tax. In addition, regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits as determined in accordance with its articles of association and the accounting standards and regulations in China. See "Risk Factors – Risks Relating to Doing Business in China" in this document.

DISTRIBUTABLE RESERVES

As of March 31, 2021, our Company did not have any distributable reserves.

LISTING-RELATED EXPENSE INCURRED AND TO BE INCURRED

Listing expenses mainly comprise legal and other professional fees paid and payable to the professional parties, commissions payable to the Underwriters, and printing and other expenses for their services rendered in relation to the Listing and the Global Offering. Listing expenses for the Global Offering are estimated to be approximately HK$147.4 million (including underwriting commission, assuming an Offer Price of HK$12.31 per Share, being the mid-point of the indicative Offer Price range), which represents approximately 8.5% of the gross proceeds we expect to receive from this Global Offering assuming no Shares are issued pursuant to the Over-allotment Option. No such expenses were recognized and charged to our consolidated statements of profit or loss in 2019 and 2020, and RMB0.4 million (equivalent to HK$0.5 million) was recognized and charged to our consolidated statements of profit or loss for the three months ended March 31, 2021. After March 31, 2021, approximately HK$45.8 million is expected to be charged to our consolidated statements of profit or loss, and approximately HK$101.0 million is expected to be charged against equity upon the Listing. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted consolidated net tangible assets of the Group prepared in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants for illustration purposes only, and is set out here to illustrate the effect of the Global Offering on the consolidated net tangible assets of the Group attributable to owners of the parent as if the Global Offering had taken place on March 31, 2021.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group to owners of the parent had the Global Offering been completed as of March 31, 2021 or as at any future dates.

	Audited consolidated net tangible liabilities of the Group attributable to owners of the Company as at March 31, 2021	**Estimated impact related to the change of terms of convertible redeemable preferred shares upon Listing**	**Estimated net Proceeds from the Global Offering**	**Unaudited pro forma adjusted consolidated net tangible assets as at March 31, 2021**	**Unaudited pro forma adjusted consolidated net tangible assets per Share as at March 31, 2021**	
	RMB'000 (Note 1)	*RMB'000 (Note 2)*	*RMB'000 (Note 3)*	*RMB'000*	*RMB (Note 4)*	*HK$ (Note 5)*
Based on an Offer Price of HK$ 12.16 per Share	(1,232,637)	2,602,926	1,290,540	2,660,829	4.24	5.14
Based on an Offer Price of HK$ 12.46 per Share	(1,232,637)	2,602,926	1,323,389	2,693,678	4.29	5.20

Notes:

1. The consolidated net tangible liabilities of the Group attributable to owners of the Company as at 31 March 2021 was equal to the audited net liabilities attributable to owners of the Company as at 31 March 2021 of RMB1,232,303,000 after deducting of intangible assets of RMB334,000 as of 31 March 2021 set out in the Accountants' Report in Appendix I to this prospectus.

2. Upon the listing and the completion of the Global Offering, all the Preferred Shares will be automatically converted into ordinary shares. These Preferred Shares will be re-designed from liabilities to equity. Accordingly, for the purpose of the unaudited pro forma financial information, the unaudited pro forma adjusted net tangible assets attributable to the owners of the Company will be increased by RMB2,602,926,000, being the carrying amount of the Preferred Shares of 31 March 2021.

3. The estimated net proceeds from the Global Offering are based on estimated low end and high end offer prices of HK$12.16 or HK$12.46 per Share after deduction of the underwriting fees and other related expenses payable by the Company and do not take into account any share which may be sold and offered upon exercise of the Over-allotment Option.

4. The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after adjustments referred to in the preceding paragraphs and on the basis that 627,970,310 Shares are in issue assuming that i) the Global Offering has been completed on 31 March 2021, ii) the subdivision of each issued ordinary share into 10 shares following the reclassification and redesignation of the issued preferred shares into ordinary shares has been completed on 31 March 2021, and iii) any Shares which may be issued upon exercise of the Over-allotment Option or any option which may be granted under the 2019 Share Incentive Plan subsequent to 31 March 2021 are not taken into account. The unaudited pro forma adjusted consolidated net tangible assets per Share based on an Offer Price of HK$12.16 and HK$12.46 per Share will be RMB3.79 (equivalent to HK$4.60) and RMB3.83 (equivalent to HK$4.65), respectively, on the basis that 702,466,350 Shares are in issue if assuming the Shares may be granted under the Share Inventive Plan subsequent to 31 March 2021 are taken into account.

5. For the purpose of this unaudited pro forma statement of adjusted net tangible assets, the balances stated in RMB are converted into HK$ at the rate of RMB1.00 to HK$1.2132.

6. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2021.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position since March 31, 2021 (being the date on which the latest consolidated financial information of our Group was prepared) and there has been no event since March 31, 2021 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report in Appendix I to this prospectus.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

Please see "Business – Our Strategies" for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$1,585.1 million, after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering, assuming no Over-allotment Option is exercised and assuming an Offer Price of HK$12.31 per Share, being the mid-point of the indicative Offer Price range stated in this prospectus.

We intend to use the net proceeds for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

(i) Approximately 19.7%, or HK$312.3 million, will be allocated to fund the ongoing and future R&D including planned clinical trials, preparation of registration filings, and future commercialization of our Core Product Candidate ABSK011, a potent and highly selective small molecule inhibitor of fibroblast growth factor receptor 4 (FGFR4) that is being developed for the treatment of advanced hepatocellular carcinoma (HCC) with hyper-activation of FGF19/FGFR4 signaling. For more details on the ongoing and further development plans of ABSK011, please see "Business – Our Drug Candidates – Clinical Stage Candidates – ABSK011":

- approximately 12.6%, or HK$199.7 million, will be used to fund in ongoing and planned clinical trials of ABSK011. We have initiated a Phase Ib clinical trial in mainland China to assess the safety and efficacy of ABSK011 in late stage HCC patients with FGF19 overexpression. We submitted the IND application for a Phase II study of ABSK011 in combination with anti-PD-L1 antibody atezolizumab in late stage HCC patients with FGF19 overexpression in July 2021. For more details, please see "Business – Our Drug Candidates – Clinical Stage Candidates – ABSK011 – Clinical Development Plan";

- approximately 6.3%, or HK$99.9 million, will be used to fund the preparation of registration filings of ABSK011;

- approximately 0.8%, or HK$12.7 million, will be used to fund future sales and marketing and commercialization of ABSK011;

(ii) Approximately 32.6%, or HK$516.7 million, will be allocated to fund the ongoing and future R&D including planned clinical trials, preparation of registration filings and future commercialization of our Core Product candidate ABSK091 (AZD4547), a molecularly targeted product candidate and a highly potent and selective inhibitor of FGFR subtypes 1, 2 and 3. We are currently developing ABSK091 (AZD4547) for the treatment for multiple solid tumors, including but not limited to urothelial cancer,

gastric cancer, cholangiocarcinoma, and lung cancer. For more details on the ongoing and further development plans of ABSK091 (AZD4547), please see "Business – Our Drug Candidates – Clinical Stage Candidates – ABSK091 (AZD4547)";

- approximately 25.1%, or HK$397.9 million, will be used to fund in ongoing and planned clinical trials of ABSK091. We are initiating a Phase Ib trial of ABSK091 (AZD4547) in mainland China in patients with late stage advanced solid tumors and a Phase II trial in mainland China to evaluate safety and efficacy of ABSK091 (AZD4547) in patients with urothelial cancer harboring FGFR2 or FGFR3 alterations. We expect that the enrollment of patients for the Phase Ib trial to be completed by the end of 2021 and the preliminary results to be available by the end of 2021. For more details, please see "Business – Our Drug Candidates – Clinical Stage Candidates – ABSK091 – Clinical Development Plan";

- approximately 6.3%, or HK$99.8 million, will be used to fund the preparation of registration filings of ABSK091;

- approximately 1.2%, or HK$19.0 million, will be used to fund sales and marketing and commercialization of ABSK091.

(iii) Approximately 28.0%, or HK$443.8 million, will be allocated to fund our other clinical stage products and product candidates in our pipeline as follows. For more details on the ongoing and further development plans of our other clinical stage products and product candidates, please see "Business – Our Drug Candidates":

- Approximately 14.6%, or HK$231.4 million, is expected to fund the ongoing and future R&D including planned clinical trials and preparation of registration filings of our clinical stage drug candidate ABSK021, a potent, orally bioavailable and selective small molecule inhibitor of colony-stimulating factor 1 receptor (CSF-1R) being developed for treatment of tumor types including TGCT, TNBC, NSCLC and PDAC. For more details on the ongoing and further development plans of ABSK021, please see "Business – Our Drug Candidates – Clinical Stage Candidates – ABSK021";

- Approximately 6.3%, or HK$99.9 million, is expected to fund the ongoing and future R&D including planned clinical trials, preparation of registration filings and development milestone fees of our clinical stage drug candidate ABSK081, small molecule antagonist to the chemokine (C-X-C motif) receptor 4 (CXCR4) being developed for treatment of solid tumors and WHIM. For more details on the ongoing and further development plans of ABSK081, please see "Business – Our Drug Candidates – Clinical Stage Candidates – ABSK081 (Mavorixafor)";

- Approximately 7.1%, or HK$112.5 million, is expected to fund the ongoing and future R&D including planned clinical trials, preparation of registration filings of our drug candidates;

We intend to pay our licensors using cash generated from business operations, and not from proceeds from the Global Offering.

(iv) Approximately 8.4%, or HK$133.1 million, will be allocated to fund our pre-clinical research and studies, including continued development of our R&D platform and research and development of new pre-clinical candidates;

(v) Approximately 6.3%, or HK$99.9 million, will be allocated to fund the construction of manufacturing facility in Shanghai; and

(vi) Approximately 5.0%, or HK$79.3 million, will be used for our working capital and general corporate purposes.

If the Offer Price is set at HK$12.46 per Share, being the high end of the indicative Offer Price range, the net proceeds from the Global Offering will increase by approximately HK$19.9 million. If the Offer Price is set at HK$12.16 per Share, being the low end of the indicative Offer Price range, the net proceeds from the Global Offering will decrease by approximately HK$19.9 million. The above allocation of the net proceeds will be adjusted on a pro rata basis in the event that the Offer Price is fixed at a higher or lower level compared to the mid-point of the indicative Offer Price range stated in this Prospectus.

If the Over-allotment Option is exercised in full, the net proceeds that we will receive will be approximately HK$1,830.4 million, assuming an Offer Price of HK$12.31 per Share (being the mid-point of the indicative Offer Price range). In the event that the Over-allotment Option is exercised in full, we intend to apply the additional net proceeds to the above purpose in the proportions stated above.

To the extent that our net proceeds are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations, bank loans and other borrowings. To the extent that the net proceeds from the Global Offering are not immediately used for the purposes described above and to the extent permitted by the relevant laws and regulations, they will be placed in short-term demand deposits with licensed banks or financial institutions so long as it is deemed to be in the best interests of our Company. We will issue an appropriate announcement if there is any material change to the above proposed use of proceeds.

JOINT GLOBAL COORDINATORS

Morgan Stanley Asia Limited
J.P. Morgan Securities (Asia Pacific) Limited
China International Capital Corporation Hong Kong Securities Limited

JOINT BOOKRUNNERS AND JOINT LEAD MANAGERS

Morgan Stanley Asia Limited (in relation to the Hong Kong Public Offering)
Morgan Stanley & Co. International plc (in relation to the International Offering)
J.P. Morgan Securities (Asia Pacific) Limited (in relation to the Hong Kong Public Offering)
J.P. Morgan Securities plc (in relation to the International Offering)
China International Capital Corporation Hong Kong Securities Limited

(Below in alphabetical order)

China Industrial Securities International Capital Limited
Haitong International Securities Company Limited
The Hongkong and Shanghai Banking Corporation Limited
Huatai Financial Holdings (Hong Kong) Limited
SVB Leerink LLC (in relation to the International Offering)

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters. If, for any reason, the Offer Price is not agreed between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and the Company, the Global Offering will not proceed and will lapse.

The Global Offering comprises the Hong Kong Public Offering of initially 14,076,000 Hong Kong Offer Shares and the International Offering of initially 126,660,000 International Offer Shares, subject, in each case, to reallocation on the basis as described in the section headed "Structure of the Global Offering" in this prospectus as well as to the Over-allotment Option (in the case of the International Offering).

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

The Hong Kong Underwriting Agreement was entered into on September 29, 2021. Pursuant to the Hong Kong Underwriting Agreement, the Company is offering the Hong Kong Offer Shares for subscription on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) the Listing Committee granting approval for the listing of, and permission to deal in, the Shares to be issued pursuant to the Global Offering (including any Shares which may be issued pursuant to the exercise of the Over-allotment Option) and such approval not having been subsequently revoked prior to the commencement of trading of the Shares on the Stock Exchange and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the Hong Kong Offer Shares being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on, among other things, the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for termination

If any of the events set out below occur at any time prior to 8:00 a.m. on the Listing Date, the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) shall be entitled by written notice to the Company to terminate the Hong Kong Underwriting Agreement with immediate effect:

(a) there shall develop, occur, exist or come into effect:

  (i) any event, or a series of local, national, regional or international event(s) or circumstance(s) in the nature of force majeure (including any acts of government, declaration of a local, regional, national or international emergency or war, calamity, crisis, epidemic and pandemic (including, but not limited to, Severe Acute Respiratory Syndrome (SARS), H1N1, H5N1, COVID-19), outbreak of diseases and such related/mutated forms and the escalation of such diseases, accident or interruption or delay in transportation, economic sanctions, labour disputes, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, rebellion, public disorder, acts of war, outbreak or escalation of hostilities (whether or

not war is declared), acts of God or acts of terrorism (whether or not responsibility has been claimed)) in or directly or indirectly affecting the BVI, Hong Kong, Singapore, Japan, the PRC, the Cayman Islands, the United States, the United Kingdom or the European Union (or any member thereof) (collectively, the "**Relevant Jurisdictions**");

(ii) any change or development involving a prospective change, or any event or circumstance likely to result in any change or development involving a prospective change, in any local, national, regional or international financial, economic, political, military, industrial, legal, fiscal, regulatory, currency, credit or market matters or conditions, equity securities or exchange control or any monetary or trading settlement system or other financial markets (including conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets) in or directly or indirectly affecting any of the Relevant Jurisdictions; or

(iii) any moratorium, suspension or restriction (including any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, Singapore Stock Exchange or the Tokyo Stock Exchange; or

(iv) any general moratorium on commercial banking activities in the Cayman Islands, Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent authority), the PRC, New York (imposed at the U.S. Federal or New York State level or by any other competent authority), London, the PRC, the European Union (or any member thereof), Singapore or any of the other Relevant Jurisdictions (declared by the relevant authorities), or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in or affecting any of the Relevant Jurisdictions; or

(v) any new law or any change or development involving a prospective change or any event or circumstance likely to result in a change or a development involving a prospective change in (or in the interpretation of application by any court or other competent authority of) existing laws, in each case, in or affecting any of the Relevant Jurisdictions; or

(vi) the imposition of sanctions, in whatever form, directly or indirectly, by, or for any of the Relevant Jurisdictions in respect of any jurisdiction relevant to the business operations of any member of the Group; or

(vii) any change or development involving a prospective change or amendment in or affecting taxation or foreign exchange control, currency exchange rates or foreign investment regulations (including a material devaluation of the Hong Kong dollar or RMB against any foreign currencies and a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar), or the implementation of any exchange control, in any of the Relevant Jurisdictions;

(viii) any contravention by any member of the Group or any Director of the Listing Rules or applicable laws; or

(ix) non-compliance of this prospectus (or any other documents used in connection with the contemplated offer and sale of the Offer Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable laws; or

(x) the issue or requirement to issue by the Company of any supplement or amendment to this prospectus, or other documents issued or used in connection with the offer and sale of the Offer Shares pursuant to the Companies Ordinance or the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC;

(xi) any change or development involving a prospective change in, or a materialization of, any of the risks set out in the section headed "Risk Factors" in this prospectus;

(xii) any litigation, dispute, legal action, regulatory action or claim being threatened or instigated against any member of the Group, the executive Directors or the Warranting Shareholders;

(xiii) a valid demand by any creditor for repayment or payment of any indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity,

which, individually or in the aggregate, in the sole and absolute opinion of the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

(1) has or will have or may have a material adverse effect on the assets, liabilities, general affairs, business, management, prospects, shareholders' equity, profit, losses, earnings, results of operations, performance, position or condition, financial or otherwise, of the Company as a whole;

(2) has or will have or may have a material adverse effect on the success or marketability of the Global Offering or the level of applications or the distribution of the Offer Shares under the Hong Kong Public Offering or the level of interest under the International Offering;

(3) makes or will make or may make it inadvisable or inexpedient or impracticable or incapable for the Hong Kong Public Offering and/or the International Offering to proceed or to market the Global Offering or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by this prospectus; or

(4) has or will or may have the effect of making any material part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

(b) there has come to the notice of the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

(i) any statement contained in this prospectus, the application forms, the formal notice, among others, and/or any notices, announcements, advertisements, communications or other documents (including any announcement, circular, document or other communication pursuant to the Hong Kong Underwriting Agreement) issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering and the Global Offering (including any supplement or amendment thereto but excluding information relating to the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters, it being understood that such information consists only of names, logos, addresses and qualification of the Joint Sponsors) (collectively, the "**Offer Related Documents**") was, when it was issued, or has become, untrue, incorrect, inaccurate, incomplete in any material respects or misleading or deceptive, or that any estimate, forecast, expression of opinion, intention or expectation contained in any of such documents is not fair and honest and based on reasonable grounds or reasonable assumptions;

(ii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a material misstatement or material omission from any of the Offer-Related Documents (including any supplement or amendment thereto); or

(iii) any material breach of any of the obligations imposed upon any party to the Hong Kong Underwriting Agreement or the International Underwriting Agreement (other than upon any of the Hong Kong Underwriters or the International Underwriters); or

(iv) any event, act or omission which gives or is likely to give rise to any liability of any of the indemnifying parties as defined under the Hong Kong Underwriting Agreement;

(v) any material adverse change or development or likely to be any prospective adverse change or development in the assets, liabilities, general affairs, business, management, prospects, shareholders' equity, profits, losses, earnings, solvency, liquidity position, funding, results of operations, performance, position or condition, financial or otherwise, of the Group as a whole;

(vi) any breach of, or any event or circumstance rendering untrue, incorrect, incomplete in any respect or misleading, any of the warranties as set out in the Hong Kong Underwriting Agreement or the International Underwriting Agreement, as applicable; or

(vii) a Director or the chief executive officer or the chief financial officer of the Company vacating her/his office;

(viii) that approval of the Listing Committee of the listing of, and permission to deal in, the Shares in issue and the Shares to be issued or sold (including any additional Shares that may be issued or sold pursuant to the exercise of the Over-Allotment Option) pursuant to the Global Offering is refused or not granted, other than subject to customary conditions, on or before the date of the Listing, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or

(ix) there is a prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares (including any additional Shares to be issued pursuant to the Over-allotment Option) pursuant to the terms of the Global Offering;

(x) the Company withdraws any of the Offer Related Documents or the Global Offering;

(xi) any person (other than the Joint Sponsors) has withdrawn its consent to being named in this prospectus or to the issue of any of the prospectus, application forms, formal notice;

(xii) a Director or the chief financial officer or the chief executive officer as named in this prospectus being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company; or

(xiii) an authority or political body or organisation in any Relevant Jurisdiction commencing any investigation or other action, or announcing an intention to investigate or take other action, against any member of the Group or any Director; or

(xiv) any order or petition for the winding-up or liquidation of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or a scheme of arrangement entered into by any member of the Group or any resolution for the winding-up of any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group; or

(xv) termination of a majority (in terms of the commitment amount) of the Cornerstone Investment Agreements or withdrawal of significant bookbuilding orders.

Undertakings pursuant to the Listing Rules and the Hong Kong Underwriting Agreement

(A) Undertakings by the Company

Pursuant to Rule 10.08 of the Listing Rules, the Company has undertaken to the Stock Exchange that it will not exercise its power to issue any further Shares, or securities convertible into equity securities of the Company (whether or not of a class already listed) or enter into any agreement to such an issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except (a) pursuant to the Global Offering and the Over-allotment Option or (b) under any of the circumstances provided under Rule 10.08 of the Listing Rules.

Except for the offer or sale of the Shares by the Company pursuant to the Global Offering (including pursuant to the Over-Allotment Option, the Share Subdivision, and the 2019 Share Incentive Plan, Post-IPO Share Option Scheme, and Post-IPO RSU Scheme) and otherwise pursuant to the Listing Rules, the Company has undertaken to each of the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong underwriters not to, without the prior written consent of the Joint Sponsors (on behalf of the Joint Global Coordinators and Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules at any time during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date that is six months after the Listing Date (the "**First Six-Month Period**"):

(i) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or other securities of the Company or any interests in any of the foregoing (including, but not limited to, any securities that are convertible into or exchangeable or exerciseable for, or that represent the right to receive, or any warrants or other rights to purchase, any Shares) or deposit any Shares or other securities of the Company with a depositary in connection with the issue of depositary receipts;

(ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares or other securities of the Company, or any interest in any of the foregoing (including any securities convertible into or exchangeable or exercisable for, or that represent the right to receive, or any warrants or other rights to purchase, any Shares);

(iii) enter into any transaction with the same economic effect as any transaction described in paragraphs (i) or (ii) above; or

(iv) offer to or agree to announce any intention to effect any transaction specified in paragraphs (i), (ii) or (iii) above.

In each case, whether any of the transaction specified in paragraphs (i), (ii) or (iii) above is to be settled by delivery of Shares or other securities of the Company, or in cash or otherwise (whether or not the issue of such Shares or other shares or securities will be completed within the First Six-Month Period). In the event that, during the period of six months commencing on the date on which the First Six-Month Period expires (the "**Second Six-Month Period**"), the Company enters into any of the transactions specified in paragraphs (i), (ii) or (iii) above or offers or agrees or announces any intention to, effect any such transaction, the Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of the Company.

(B) Undertakings by the Warranting Shareholders

Each of Dr. Xu, Dr. Chen and Dr. Yu (the "**Warranting Shareholders**") has jointly and severally undertaken to each of the Company, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that, except pursuant to the Global Offering (including pursuant to the

Over-allotment Option and the Stock Borrowing Agreement), without the prior written consent of the Joint Sponsors and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(a) he will not, and will procure that the relevant registered holder(s), any nominee or trustee holding on trust for him and the companies controlled by him will not, at any time during the First Six-Month Period, (i) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or other securities of the Company or any interest therein (including any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares), or deposit any Shares or other securities of the Company with a depositary in connection with the issue of depositary receipts, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares or other equity securities of the Company or any interest therein (including any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares), or (iii) enter into any transaction with the same economic effect as any transaction specified in (i) or (ii) above, or (iv) offer to or agree to or announce any intention to effect any transaction specified in (i), (ii) or (iii) above, in each case, whether any of the transactions specified in (i), (ii) or (iii) above is to be settled by delivery of Shares or other securities of the Company or in cash or otherwise (whether or not the issue of such Shares or other securities will be completed within the First Six-Month Period or the Second Six-Month Period);

(b) until the expiry of the Second Six-Month Period, in the event that it enters into any of the transactions specified in (a)(i), (ii) or (iii) above or offers to or agrees to or announces any intention to effect any such transaction, it will take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of the Company; and

(c) at any time during the First Six-Month Period, it will (i) if and when it pledges or charges any Shares or other securities of the Company beneficially owned by it, immediately inform the Company and the Joint Global Coordinators in writing of such pledge or charge together with the number of Shares or other securities of the Company so pledged or charged; and (ii) if and when it receives indications, either verbal or written, from any pledgee or chargee that any of the pledged or charged Shares or other securities of the Company will be disposed of, immediately inform the Company and the Joint Global Coordinators in writing of such indications.

(C) Undertakings by Existing Shareholders

Each of the existing shareholders (the "**Existing Shareholders**", and each, an "**Existing Shareholder**") have entered into a lock-up undertaking letter (the "**Lock-up Undertakings**") in favour of the Company and/or the Joint Sponsors (for themselves and on behalf of the Underwriters). Pursuant to the Lock-up Undertakings, the Existing Shareholders are subject to lock-up arrangements ending on the date which is 6 months after the Listing Date, subject to certain exceptions.

Hong Kong Underwriters' interests in the Company

Save for their respective obligations under the Hong Kong Underwriting Agreement or otherwise disclosed in this prospectus, as of the Latest Practicable Date, none of the Hong Kong Underwriters was interested, legally or beneficially, directly or indirectly, in any Shares or any securities of any member of the Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any Shares or any securities of any member of the Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement.

International Offering

International Underwriting Agreement

In connection with the International Offering, the Company expects to enter into the International Underwriting Agreement with the International Underwriters. Under the International Underwriting Agreement and subject to the Over-allotment Option, the International Underwriters would, subject to certain conditions set out therein, agree severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the International Offer Shares initially being offered pursuant to the International Offering. It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed. See "Structure of the Global Offering – The International Offering." in this prospectus.

Over-allotment Option

The Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Joint Global Coordinators on behalf of the International Underwriters at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, pursuant to which the Company may be required to issue up to an aggregate of 21,108,000 Shares, representing not more than 15% of

the number of Offer Shares initially available under the Global Offering, at the Offer Price, to cover over-allocations in the International Offering, if any. See "Structure of the Global Offering – Over-Allotment Option." in this prospectus.

Commissions and Expenses

The Company will pay an underwriting commission of 3.0% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option).

The Company may pay to the Underwriters a discretionary incentive fee of up to but not exceeding 2.5% of the Offer Price for each Offer Share.

For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid, at the rate applicable to the International Offering, and such commission will be paid to the relevant International Underwriters. The underwriting commission was determined between the Company and the Underwriters after arm's length negotiations with reference to current market conditions.

Assuming an Offer Price of HK$12.31 per Offer Share (which is the mid-point of the Offer Price range) and the Over-allotment Option is not exercised, the aggregate underwriting commissions and fees together with the Stock Exchange listing fees, the SFC transaction levy and the Stock Exchange trading fee, legal and other professional fees and printing and all other expenses relating to the Global Offering (collectively, the "**Commissions and Fees**") are estimated to be approximately HK$147.4 million.

Indemnity

The Company has agreed to indemnify the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters for certain losses which they may suffer or incur, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by the Company of the Hong Kong Underwriting Agreement.

INDEPENDENCE OF THE JOINT SPONSORS

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the "**Syndicate Members**") and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of the Company and/or persons and entities with relationships with the Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with the Group's loans and other debt.

In relation to the Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the Shares (which financing may be secured by the Shares) in the Global Offering, proprietary trading in the Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the Shares, which may have a negative impact on the trading price of the Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the Shares, in baskets of securities or indices including the Shares, in units of funds that may purchase the Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period described in the section headed "Structure of the Global Offering" in this prospectus. Such activities may affect the market price or value of the Shares, the liquidity or trading volume in the Shares and the volatility of the price of the Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

(a) the Syndicate Members (other than the Stabilization Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

(b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to the Company and each of its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering.

The listing of the Shares on the Stock Exchange is sponsored by the Joint Sponsors. The Joint Sponsors have made an application on behalf of the Company to the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus.

140,736,000 Offer Shares will initially be made available under the Global Offering comprising:

(a) the Hong Kong Public Offering of initially 14,076,000 Shares (subject to reallocation) in Hong Kong as described in "– The Hong Kong Public Offering" in this section below; and

(b) the International Offering of initially 126,660,000 Shares (subject to reallocation and the Over-allotment Option) (i) in the United States solely to QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and (ii) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, as described in the sub-section headed "– The International Offering" in this section below.

Investors may either:

(i) apply for Hong Kong Offer Shares under the Hong Kong Public Offering; or

(ii) apply for or indicate an interest for International Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 20.0% of the total Shares in issue immediately following the completion of the Global Offering, without taking into account the exercise of the Over-allotment Option and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme. If the Over-allotment Option is exercised in full, the Offer Shares (including Shares issued pursuant to the full exercise of the Over-allotment Option) will represent approximately 22.4% of the total Shares in issue immediately following the completion of the Global Offering and the issue of Offer Shares pursuant to the Over-Allotment Option as set out in the sub-section headed "– The International Offering – Over-allotment Option" in this section below.

References in this prospectus to applications, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

The Company is initially offering 14,076,000 Shares for subscription by the public in Hong Kong at the Offer Price, representing 10.0% of the total number of Offer Shares initially available under the Global Offering. The number of Offer Shares initially offered under the Hong Kong Public Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 2.0% of the total Shares in issue immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors in Hong Kong. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions set out in "- Conditions of the Global Offering" in this section.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided equally (to the nearest board lot) into two pools: pool A comprising 7,038,000 Hong Kong Offer Shares and pool B comprising 7,038,000 Hong Kong Offer Shares. The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of HK$5 million (excluding the brokerage, the SFC transaction levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of more than HK$5 million (excluding the brokerage, the SFC transaction levy and the Stock Exchange trading fee payable) and up to the total value in pool B.

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are unsubscribed, such unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of the immediately preceding paragraph only, the "price" for Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B and not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 7,038,000 Hong Kong Offer Shares is liable to be rejected.

Reallocation and Clawback

The allocation of the Offer Shares between the Hong Kong Public Offering and the International Offering is subject to reallocation. Paragraph 4.2 of Practice Note 18 of the Listing Rules requires a clawback mechanism to be put in place which would have the effect of increasing the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering if certain prescribed total demand levels are reached.

If the number of Offer Shares validly applied for under the Hong Kong Public Offering represents (a) 15 times or more but less than 50 times, (b) 50 times or more but less than 100 times and (c) 100 times or more of the total number of Offer Shares initially available under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering. As a result of such reallocation, the total number of Offer Shares available under the Hong Kong Public Offering will be increased to 42,222,000 Offer Shares (in the case of (a)), 56,296,000 Offer Shares (in the case of (b)) and 70,368,000 Offer Shares (in the case of (c)), representing approximately 30%, 40% and 50% of the total number of Offer Shares initially available under the Global Offering, respectively (before any exercise of the Over-allotment Option) (the "**PN18 Clawback**"). In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Joint Global Coordinators deem appropriate.

If the Hong Kong Public Offering is not fully subscribed for, the Joint Global Coordinators have the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Joint Global Coordinators deem appropriate. In addition, the Joint Global Coordinators may in their sole discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In particular, if (i) the International Offering is not fully subscribed and the Hong Kong Public Offering is fully subscribed or oversubscribed; or (ii) the International Offering is fully subscribed or oversubscribed and the Hong Kong Public Offering is fully subscribed or oversubscribed with the number of Offer Shares validly applied for in the Hong Kong Public Offering representing less than 15 times

of the number of Shares initially available for subscription under the Hong Kong Public Offering, the Joint Global Coordinators have the authority to reallocate International Offer Shares originally included in the International Offering to the Hong Kong Public Offering in such number as they deem appropriate, provided that in accordance with Guidance Letter HKEX-GL91-18 issued by the Stock Exchange, (i) total number of Offer Shares available under the Hong Kong Public Offering following such reallocation should not be more than 28,152,000 Shares (representing approximately 20% of the Offer Shares) and the final Offer Price should be fixed at the bottom end of the indicative Offer Price range (i.e. HK$12.16 per Offer Share) stated in this prospectus.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Joint Global Coordinators deem appropriate.

Details of any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering will be disclosed in the results announcement of the Global Offering, which is expected to be published on Tuesday, October 12, 2021.

Applications

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering. Such applicant's application is liable to be rejected if such undertaking and/or confirmation is/are breached and/or untrue (as the case may be) or if he has been or will be placed or allocated International Offer Shares under the International Offering.

Applicants under the Hong Kong Public Offering are required to pay, on application, the maximum Offer Price of HK$12.46 per Offer Share in addition to the brokerage, the SFC transaction levy and the Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK$25,171.12 for one board lot of 2,000 Shares. If the Offer Price, as finally determined in the manner described in "– Pricing and Allocation" in this section below, is less than the maximum Offer Price of HK$12.46 per Offer Share, appropriate refund payments (including the brokerage, the SFC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest. Further details are set out in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus.

THE INTERNATIONAL OFFERING

Number of Offer Shares initially offered

The International Offering will consist of an offering of initially 126,660,000 Shares, representing 90.0% of the total number of Offer Shares initially available under the Global Offering (subject to reallocation and the Over-allotment Option). The number of Offer Shares initially offered under the International Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 18.0% of the total Shares in issue immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme.

Allocation

The International Offering will include selective marketing of Offer Shares to QIBs in the United States as well as institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in "– Pricing and Allocation" in this section and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Shares and/or hold or sell its Shares after the Listing. Such allocation is intended to result in a distribution of the Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of the Group and the Shareholders as a whole.

The Joint Global Coordinators (on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Joint Global Coordinators so as to allow it to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allocation of Offer Shares under the Hong Kong Public Offering.

Reallocation

The total number of Offer Shares to be issued or sold pursuant to the International Offering may change as a result of the clawback arrangement described in "– The Hong Kong Public Offering – Reallocation and Clawback" in this section above, the exercise of the Over-allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, the Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Joint Global Coordinators (on behalf of the International Underwriters).

Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable by the Joint Global Coordinators (on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, to require the Company to issue up to an aggregate of 21,108,000 additional Shares, representing not more than 15% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering to, among other things, cover over-allocations in the International Offering, if any.

If the Over-allotment Option is exercised in full, the additional Offer Shares to be issued pursuant thereto will represent approximately 2.9% of the total Shares in issue immediately following the completion of the Global Offering and the issue of Offer Shares pursuant to the Over-allotment Option. In the event that the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilization Manager (or any person acting for it), on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of the Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilization Manager (or any person acting for it) to conduct any such stabilizing action. Such stabilizing action, if taken, (a) will be conducted at the absolute discretion of the Stabilization Manager (or any person acting for it) and in what the Stabilization Manager reasonably regards as the best interest of the Company, (b) may be discontinued at any time and (c) is required to be brought to an end within 30 days of the last day for lodging applications under the Hong Kong Public Offering. The number of Shares that may be over-allocated will not exceed the number of Shares that may be sold under the Over-allotment Option, being 21,108,000 Shares, which is approximately 15% of the Offer Shares initially available under the Global Offering.

Stabilization action will be entered into in accordance with the laws, rules and regulations in place in Hong Kong. Stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules of the SFO includes (a) over-allocating for the purpose of preventing or minimizing any reduction in the market price of the Shares, (b) selling or agreeing to sell the Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the Shares, (c) purchasing, or agreeing to purchase, the Shares pursuant to the Over-allotment Option in order to close out any position established under paragraph (a) or (b) above, (d) purchasing, or agreeing to purchase, any of the Shares for the sole purpose of preventing or minimizing any reduction in the market price of the Shares, (e) selling or agreeing to sell any Shares in order to liquidate any position established as a result of those purchases, and (f) offering or attempting to do anything as described in paragraph (b), (c), (d) or (e) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

(a) the Stabilization Manager (or any person acting for it) may, in connection with the stabilizing action, maintain a long position in the Shares;

(b) there is no certainty as to the extent to which and the time or period for which the Stabilization Manager (or any person acting for it) will maintain such a long position;

(c) liquidation of any such long position by the Stabilization Manager (or any person acting for it) and selling in the open market may have an adverse impact on the market price of the Shares;

(d) no stabilizing action can be taken to support the price of the Shares for longer than the stabilization period, which will begin on the Listing Date, and is expected to expire on Friday, November 5, 2021, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the Shares, and therefore the price of the Shares, could fall;

(e) the price of the Shares cannot be assured to stay at or above the Offer Price either during or after the stabilization period by the taking of any stabilizing action; and

(f) stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

In order to effect stabilization actions, the Stabilizing Manager will arrange cover of up to an aggregate of 21,108,000 Shares, representing up to 15% of the initial Offer Shares, through borrowing of Shares from the Shareholders and/or delayed delivery arrangements with investors who have been allocated Offer Shares in the International Offering. The delayed

delivery arrangements (if specifically agreed by an investor) relate only to the delay in the delivery of the Offer Shares to such investor and the Offer Price for the Offer Shares allocated to such investor will be paid on the Listing Date.

The Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilization period.

Over-Allocation

Following any over-allocation of Shares in connection with the Global Offering, the Stabilization Manager (or any person acting for it) may cover such over-allocations by exercising the Over-allotment Option in full or in part, by using Shares purchased by the Stabilization Manager (or any person acting for it) in the secondary market at prices that do not exceed the Offer Price or through stock borrowing arrangements or a combination of these means.

PRICING AND ALLOCATION

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be fixed on the Price Determination Date, which is expected to be on or about Wednesday, October 6, 2021 and, in any event, no later than Tuesday, October 12, 2021, by agreement between the Joint Global Coordinators (on behalf of the Underwriters) and the Company, and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

The Offer Price will not be more than HK$12.46 per Offer Share and is expected to be not less than HK$12.16 per Offer Share, unless otherwise announced, as further explained below. Applicants under the Hong Kong Public Offering must pay, on application, the maximum Offer Price of HK$12.46 per Offer Share plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%, amounting to a total of HK$25,171.12 for one board lot of 2,000 Shares. Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the minimum Offer Price stated in this prospectus.

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building," is expected to continue up to, and to cease on or about, the last day for lodging applications under the Hong Kong Public Offering.

The Joint Global Coordinators (on behalf of the Underwriters) may, where they deem appropriate, based on the level of interest expressed by prospective investors during the book-building process in respect of the International Offering, and with the consent of the Company, reduce the number of Offer Shares offered and/or the Offer Price Range below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, the Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the websites of the Company and the Stock Exchange at **www.abbisko.com** and **www.hkexnews.hk**, respectively, notices of the reduction. Upon the issue of such a notice, the revised number of Offer Shares and/or the Offer Price range will be final and conclusive and the Offer Price, if agreed upon by the Joint Global Coordinators (on behalf of the Underwriters) and the Company, will be fixed within such revised Offer Price Range. If the number of Offer Shares and/or the Offer Price range is so reduced, all applicants who have already submitted an application will be entitled to withdraw their applications and will need to confirm their applications in accordance with the procedures set out in the supplemental prospectus. Supplemental listing documents will also be issued by the Company in the event of a reduction in the number of Offer Shares or the Offer Price. Such supplemental listing documents will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set out in this prospectus, and any other financial information which may change as a result of any such reduction. In the absence of any such notice so published, the number of Offer Shares and/or the Offer Price will not be reduced. Failure to confirm within the prescribed time will lead to the application being lapsed and all unconfirmed applications will not be valid.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the Offer Price range may not be made until the last day for lodging applications under the Hong Kong Public Offering. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set out in this prospectus, and any other financial information which may change as a result of any such reduction. In the absence of any such notice so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon by the Joint Global Coordinators (on behalf of the Underwriters) and the Company, will under no circumstances be set outside the Offer Price Range as stated in this prospectus.

The final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in the section headed "How to Apply for Hong Kong Offer Shares – 11. Publication of Results" in this prospectus.

STOCK BORROWING AGREEMENT

In order to facilitate the settlement of over-allocations, if any, in connection with the Global Offering, the Stabilization Manager, its affiliates, or any person acting for it may choose to borrow up to 21,108,000 Shares (being the maximum number of Shares which may be issued upon exercise of the Over-allotment Option) from Yaochang Family Holding Limited pursuant to a Stock Borrowing Agreement, or acquire Shares from other sources, including the exercising of the Over-allotment Option. The Stock Borrowing Agreement is expected to be entered into between the Stabilization Manager and Yaochang Family Holding Limited on or about the Price Determination Date.

The same number of Shares as that borrowed must be returned to Yaochang Family Holding Limited or its respective nominees on or before the third Business Day following the earlier of (i) the last day on which the Over-allotment Option may be exercised, and (ii) the day on which the Over-allotment Option is exercised in full, or such earlier time as may be agreed in writing between the parties.

The stock borrowing arrangement under the Stock Borrowing Agreement will be effected in compliance with all applicable laws, listing rules and regulatory requirements.

No payment will be made to Yaochang Family Holding Limited by the Stabilization Manager or its authorized agents in relation to such stock borrowing arrangement.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is subject to, among other things, the Joint Global Coordinators (on behalf of the Underwriters) and the Company agreeing on the Offer Price.

The Company expects to enter into the International Underwriting Agreement relating to the International Offering on the Price Determination Date.

These underwriting arrangements, including the Underwriting Agreements, are summarized in the section headed "Underwriting" in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on, among other things:

(a) the Listing Committee granting approval for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering on the Main Board of the Stock Exchange and such approval not subsequently having been withdrawn or revoked prior to the commencement of trading of the Shares on the Stock Exchange;

(b) the Offer Price having been agreed between the Joint Global Coordinators (on behalf themselves and of the Underwriters) and the Company;

(c) the execution and delivery of the International Underwriting Agreement on or about the Price Determination Date; and

(d) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements or otherwise,

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times).

If, for any reason, the Offer Price is not agreed between the Joint Global Coordinators (on behalf of the Underwriters) and the Company on or before Tuesday, October 12, 2021, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the dates and times specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published on the websites of the Company and the Stock Exchange at **www.abbisko.com** and **www.hkexnews.hk**, respectively, on the next day following such lapse. In such a situation, all application monies will be returned, without interest, on the terms set out in the section headed "How to Apply for Hong Kong Offer Shares-13. Refund of Application Monies" in this prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving banks or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

Share certificates for the Offer Shares will only become valid at 8:00 a.m. on Wednesday, October 13, 2021, provided that the Global Offering has become unconditional in all respects at or before that time.

DEALINGS IN THE SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Wednesday, October 13, 2021, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:00 a.m. on Wednesday, October 13, 2021.

The Shares will be traded in board lots of 2,000 Shares each and the stock code of the Shares will be 2256.

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide any printed copies of this prospectus or any printed copies of any application forms for use by the public.

This prospectus is available at the website of the Stock Exchange at **www.hkexnews.hk** under the "*HKEXnews > New Listings > New Listing Information*" section, and our website at **www.abbisko.com**. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

The contents of the electronic version of the prospectus are identical to the printed prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

Set out below are procedures through which you can apply for the Hong Kong Offer Shares electronically. We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public.

If you are an intermediary, broker or agent, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses above.

If you have any question about the application for the Hong Kong Offer Shares, you may call the enquiry hotline of our Hong Kong Share Registrar and **White Form eIPO** Service Provider, Computershare Hong Kong Investor Services Limited, at +852 2862 8690 on the following dates:

Thursday, September 30, 2021	–	9:00 a.m. to 9:00 p.m.
Friday, October 1, 2021	–	9:00 a.m. to 6:00 p.m.
Saturday, October 2, 2021	–	9:00 a.m. to 6:00 p.m.
Sunday, October 3, 2021	–	9:00 a.m. to 6:00 p.m.
Monday, October 4, 2021	–	9:00 a.m. to 9:00 p.m.
Tuesday, October 5, 2021	–	9:00 a.m. to 9:00 p.m.
Wednesday, October 6, 2021	–	9:00 a.m. to 12:00 noon

1. HOW TO APPLY

We will not provide any printed application forms for use by the public.

To apply for Hong Kong Offer Shares, you may:

(1) apply online via the **White Form eIPO** service at **www.eipo.com.hk**; or

(2) apply through **CCASS EIPO** service to electronically cause HKSCC Nominees to apply on your behalf, including by:

(i) instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf; or

(ii) (if you are an existing CCASS Investor Participant) giving **electronic application instructions** through the CCASS Internet System (**https://ip.ccass.com**) or through the CCASS Phone System by calling +852 2979 7888 (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time). HKSCC can also input **electronic application instructions** for CCASS Investor Participants through HKSCC's Customer Service Centre at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong by completing an input request.

If you apply through channel (1) above, the Hong Kong Offer Shares successfully applied for will be issued in your own name.

If you apply through channels (2)(i) or (2)(ii) above, the Hong Kong Offer Shares successfully applied for will be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

The Company, the Joint Global Coordinators, the **White Form eIPO** Service Provider and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY

Eligibility for the Application

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act).

If an application is made by a person under a power of attorney, the Company and the Joint Global Coordinators may accept it at their discretion and on any conditions they think fit, including evidence of the attorney's authority.

The number of joint applicants may not exceed four and they may not apply by means of **White Form eIPO** service for the Hong Kong Offer Shares.

Unless permitted by the Listing Rules and guidance letters issued by the Stock Exchange, or any relevant waivers that have been granted by the Stock Exchange, you cannot apply for any Hong Kong Offer Shares if you are:

- an existing beneficial owner of Shares in the Company and/or any its subsidiaries;
- a Director or chief executive officer of the Company and/or any of its subsidiaries;
- a close associate (as defined in the Listing Rules) of any of the above; and
- have been allocated or have applied for any International Offer Shares or otherwise participate in the International Offering.

Items Required for the Application

If you apply for the Hong Kong Offer Shares online through the **White Form eIPO** service, you must:

(a) have a valid Hong Kong identity card number; and

(b) provide a valid e-mail address and a contact telephone number.

If you are applying for the Hong Kong Offer Shares online by instructing your **broker** or **custodian** who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals, please contact them for the items required for the application.

3. TERMS AND CONDITIONS OF AN APPLICATION

By applying through the application channels specified in this prospectus, you:

(i) **undertake** to execute all relevant documents and instruct and authorize the Company and/or the Joint Global Coordinators (or their agents or nominees), as agents of the Company, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association;

(ii) **agree** to comply with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Cayman Companies Act and the Articles of Association;

(iii) **confirm** that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;

(iv) **confirm** that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;

(v) **confirm** that you are aware of the restrictions on the Global Offering in this prospectus;

(vi) **agree** that none of the Company, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunner, the Joint Lead Managers, the Underwriters, the **White Form eIPO** Service Provider, their respective directors, officers, employees, partners, agents, advisors, and any other parties involved in the Global Offering is or will be liable for any information and representations not in this prospectus (and any supplement to it);

(vii) **undertake** and **confirm** that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering nor participated in the International Offering;

(viii) **agree** to disclose to the Company, our Hong Kong Share Registrar, receiving banks, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and/or their respective advisors and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;

(ix) if the laws of any place outside Hong Kong apply to your application, **agree** and **warrant** that you have complied with all such laws and none of the Company, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, and the Underwriters nor any of their respective officers or advisors will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;

(x) **agree** that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;

(xi) **agree** that your application will be governed by the laws of Hong Kong;

(xii) **represent**, **warrant** and **undertake** that (i) you understand that the Hong Kong Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Hong Kong Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;

(xiii) **warrant** that the information you have provided is true and accurate;

(xiv) **agree** to accept the Hong Kong Offer Shares applied for, or any lesser number allocated to you under the application;

(xv) **authorize** the Company to place your name(s) or the name of the HKSCC Nominees, on the Company's register of members as the holder(s) of any Hong Kong Offer Shares allocated to you, and the Company and/or its agents to send any share certificate(s) and/or any e-Refund payment instructions and/or any refund cheque(s) to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you have fulfilled the criteria mentioned as set out in section "– Personal Collection" of this prospectus to collect the share certificate(s) and/or refund cheque(s) in person;

(xvi) **declare** and **represent** that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xvii) **understand** that the Company and the Joint Global Coordinators will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xviii) (if the application is made for your own benefit) **warrant** that no other application has been or will be made for your benefit by giving **electronic application instructions** to HKSCC or to the **White Form eIPO** Service Provider by you or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving **electronic application instructions** to HKSCC; and (ii) you have due authority to give **electronic application instructions** on behalf of that other person as their agent.

Section 40 of the Hong Kong Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, the Company and all other parties involved in the preparation of this prospectus acknowledge that each applicant and CCASS Participant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

4. MINIMUM APPLICATION AMOUNT AND PERMITTED NUMBERS

ABBISKO CAYMAN LIMITED (HK$12.46 per Hong Kong Offer Share)
NUMBER OF HONG KONG OFFER SHARES THAT MAY BE APPLIED FOR AND PAYMENTS

No. of Hong Kong Offer Shares applied for	Amount payable on application *HK$*	No. of Hong Kong Offer Shares applied for	Amount payable on application *HK$*	No. of Hong Kong Offer Shares applied for	Amount payable on application *HK$*	No. of Hong Kong Offer Shares applied for	Amount payable on application *HK$*
2,000	25,171.12	40,000	503,422.38	200,000	2,517,111.88	700,000	8,809,891.59
4,000	50,342.24	50,000	629,277.97	220,000	2,768,823.07	800,000	10,068,447.54
6,000	75,513.36	60,000	755,133.57	240,000	3,020,534.26	900,000	11,327,003.48
8,000	100,684.47	70,000	880,989.16	260,000	3,272,245.45	1,000,000	12,585,559.42
10,000	125,855.59	80,000	1,006,844.75	280,000	3,523,956.64	2,000,000	25,171,118.84
12,000	151,026.72	90,000	1,132,700.35	300,000	3,775,667.83	3,000,000	37,756,678.26
14,000	176,197.83	100,000	1,258,555.94	350,000	4,404,945.80	4,000,000	50,342,237.68
16,000	201,368.95	120,000	1,510,267.13	400,000	5,034,223.77	5,000,000	62,927,797.10
18,000	226,540.07	140,000	1,761,978.32	450,000	5,663,501.74	6,000,000	75,513,356.52
20,000	251,711.19	160,000	2,013,689.51	500,000	6,292,779.71	7,038,000(1)	88,577,167.19
30,000	377,566.78	180,000	2,265,400.70	600,000	7,551,335.65		

(1) Maximum number of Hong Kong Offer Shares you may apply for.

No application for any other number of Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

5. APPLYING THROUGH WHITE FORM eIPO SERVICE

General

Individuals who meet the criteria set out in the sub-section headed "– 2. Who Can Apply" in this section, may apply through the **White Form eIPO** service for the Offer Shares to be allotted and registered in their own names through the designated website at **www.eipo.com.hk**.

Detailed instructions for application through the **White Form eIPO** service are on the designated website. If you do not follow the instructions, your application may be rejected and may not be submitted to the Company. If you apply through the designated website. You authorize the **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

If you have any questions on how to apply through the **White Form eIPO** service for the Hong Kong Offer Shares, please contact the telephone enquiry line of the **White Form eIPO** Service Provider at +852 2862 8690 on the following dates:

Thursday, September 30, 2021	–	9:00 a.m. to 9:00 p.m.
Friday, October 1, 2021	–	9:00 a.m. to 6:00 p.m.
Saturday, October 2, 2021	–	9:00 a.m. to 6:00 p.m.
Sunday, October 3, 2021	–	9:00 a.m. to 6:00 p.m.
Monday, October 4, 2021	–	9:00 a.m. to 9:00 p.m.
Tuesday, October 5, 2021	–	9:00 a.m. to 9:00 p.m.
Wednesday, October 6, 2021	–	9:00 a.m. to 12:00 noon

Time for Submitting Applications under the White Form eIPO

You may submit your application to the **White Form eIPO** Service Provider at **www.eipo.com.hk** (24 hours daily, except on the last application day) from 9 a.m. on Thursday, September 30, 2021 until 11:30 a.m. on Wednesday, October 6, 2021 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Wednesday, October 6, 2021 or such later time under the "– 10. Effect of Bad Weather on the Opening and Closing of the Application Lists" in this section.

Commitment to Sustainability

The obvious advantage of **White Form eIPO** service is to save the use of paper via the self-serviced and electronic application process. Computershare Hong Kong Investor Services Limited, being the designated **White Form eIPO** Service Provider, will contribute HK$2 for each "Abbisko Cayman Limited" **White Form eIPO** application submitted via the **www.eipo.com.hk** to support sustainability.

6. APPLYING THROUGH CCASS EIPO SERVICE

General

CCASS Participants may give **electronic application instructions** to apply for the Hong Kong Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a **CCASS Investor Participant**, you may give these **electronic application instructions** through the CCASS Internet System (**https://ip.ccass.com**) or through the CCASS Phone System by calling +852 2979 7888 (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time). HKSCC can also input **electronic application instructions** for CCASS Investor Participants through HKSCC's Customer Service Center at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong if you complete an input request.

If you are not a **CCASS Investor Participant**, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give electronic application instructions via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf.

You will be deemed to have authorized HKSCC and/or HKSCC Nominees to transfer the details of your application to the Company, the Joint Global Coordinators and our Hong Kong Share Registrar.

Applying through CCASS EIPO service

Where you have given **electronic application instructions** to apply for the Hong Kong Offer Shares (either indirectly through a **broker** or **custodian** or directly) and an application is made by HKSCC Nominees on your behalf:

(i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of this prospectus;

(ii) HKSCC Nominees will do the following things on your behalf:

- agree that the Hong Kong Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;
- agree to accept the Hong Kong Offer Shares applied for or any lesser number allocated;
- undertake and confirm that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering;
- (if the **electronic application instructions** are given for your benefit) declare that only one set of **electronic application instructions** has been given for your benefit;
- (if you are an agent for another person) declare that you have only given one set of **electronic application instructions** for the other person's benefit and are duly authorized to give those instructions as their agent;

- confirm that you understand that the Company, the Directors and the Joint Global Coordinators will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted if you make a false declaration;

- authorize the Company to place HKSCC Nominees' name on the Company's register of members as the holder of the Hong Kong Offer Shares allocated to you and to send share certificate(s) and/or refund monies under the arrangements separately agreed between us and HKSCC;

- confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;

- confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;

- agree that none of the Company, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);

- agree to disclose your personal data to the Company, our Hong Kong Share Registrar, receiving banks, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and/or its respective advisors and agents;

- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;

- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with us and to become binding when you give the instructions and such collateral contract to be in consideration of the Company agreeing that it will not offer any Hong Kong Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public

holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;

- agree that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by the Company's announcement of the Hong Kong Public Offering results;

- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for the giving **electronic application instructions** to apply for Hong Kong Offer Shares; and

- agree that your application, any acceptance of it and the resulting contract will be governed by the Laws of Hong Kong.

Effect of Applying through CCASS EIPO service

By applying through **CCASS EIPO** service, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to the Company or any other person in respect of the things mentioned below:

- instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Hong Kong Offer Shares on your behalf;

- instructed and authorized HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the maximum Offer Price per Offer Share initially paid on application, refund of the application monies (including brokerage, SFC transaction levy and the Stock Exchange trading fee) by crediting your designated bank account; and

- instructed and authorized HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in this prospectus.

Time for Inputting Electronic Application Instructions[(1)]

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

Thursday, September 30, 2021	–	9:00 a.m. to 8:30 p.m.
Saturday, October 2, 2021	–	8:00 a.m. to 1:00 p.m.
Monday, October 4, 2021	–	8:00 a.m. to 8:30 p.m.
Tuesday, October 5, 2021	–	8:00 a.m. to 8:30 p.m.
Wednesday, October 6, 2021	–	8:00 a.m. to 12:00 noon

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Thursday, September 30, 2021 until 12:00 noon on Wednesday, October 6, 2021 (24 hours daily, except on Wednesday, October 6, 2021, the last application day).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Wednesday, October 6, 2021, the last application day or such later time as described in "– 10. Effect of Bad Weather on the Opening and Closing of the Application Lists" in this section.

If you are instructing your **broker** or **custodian** who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf, you are advised to contact your **broker** or **custodian** for the latest time for giving such instructions which may be different from the latest time as stated above.

Note:

(1) These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants and/or CCASS Investor Participants.

Personal Data

The following Personal Information Collection Statement applies to any personal data held by the Company, the Hong Kong Share Registrar, the receiving bankers, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and any of their respective advisors and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. By applying through **CCASS EIPO** service, you agree to all of the terms of the Personal Information Collection Statement below.

Personal Information Collection Statement

This Personal Information Collection Statement informs applicant for, and holder of, the Hong Kong Offer Shares, of the policies and practices of the Company and its Hong Kong Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

Reasons for the collection of your personal data

It is necessary for applicants and registered holders of the Hong Kong Offer Shares to supply correct personal data to the Company or its agents and the Hong Kong Share Registrar when applying for the Hong Kong Offer Shares or transferring the Hong Kong Offer Shares into or out of their names or in procuring the services of the Hong Kong Share Registrar.

Failure to supply the requested data may result in your application for the Hong Kong Offer Shares being rejected, or in delay or the inability of the Company or its Hong Kong Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of the Hong Kong Offer Shares which you have successfully applied for and/or the dispatch of share certificate(s) to which you are entitled.

It is important that the holders of the Hong Kong Offer Shares inform the Company and the Hong Kong Share Registrar immediately of any inaccuracies in the personal data supplied.

Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund check, where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of the Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the Company's Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the Company's Register of Members;
- verifying identities of the holders of the Company's Shares;
- establishing benefit entitlements of holders of the Company's Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the Company's Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the Hong Kong Share Registrar to discharge their obligations to holders of the Company's Shares and/or regulators and/or any other purposes to which the securities' holders may from time to time agree.

Transfer of personal data

Personal data held by the Company and its Hong Kong Share Registrar relating to the holders of the Hong Kong Offer Shares will be kept confidential but the Company and its Hong Kong Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisers, receiving bankers and overseas principal share registrar;
- where applicants for the Hong Kong Offer Shares request a deposit into CCASS, HKSCC or HKSCC Nominees, who will use the personal data for the purposes of operating CCASS;
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Company or the Hong Kong Share Registrar in connection with their respective business operation;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations; and
- any persons or institutions with which the holders of the Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or stockbrokers etc.

Retention of personal data

The Company and its Hong Kong Share Registrar will keep the personal data of the applicants and holders of the Hong Kong Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance.

Access to and correction of personal data

Holders of the Hong Kong Offer Shares have the right to ascertain whether the Company or the Hong Kong Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the Hong Kong Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company, at the Company's registered address disclosed in the section headed "Corporate Information" in this prospectus or as notified from time to time, for the attention of the secretary, or the Company's Hong Kong Share Registrar for the attention of the privacy compliance officer.

7. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Similarly, the application for Hong Kong Offer Shares through the **White Form eIPO** service is also only a facility provided by the **White Form eIPO** Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. The Company, the Directors, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the **White Form eIPO** service will be allotted any Hong Kong Offer Shares.

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/CCASS Internet System for submission of **electronic application instructions**, they should go to HKSCC's Customer Service Centre to complete an input request form for **electronic application instructions** before 12:00 noon on Wednesday, October 6, 2021, the last day for applications, or such later time as described in "10. Effect of Bad Weather on the Opening and Closing of the Application Lists" below.

8. HOW MANY APPLICATIONS CAN YOU MAKE

No Multiple Applications

Multiple applications for the Hong Kong Offer Shares are not allowed except by nominees.

All of your applications will be rejected if more than one application through the **CCASS EIPO** service (directly or indirectly through your **broker** or **custodian**) or through the **White Form eIPO** service is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**), and the number of Hong Kong Offer Shares applied by HKSCC Nominees will be automatically reduced by the number of Hong Kong Offer Shares for which you have given such instructions and/or for which such instructions have been given for your behalf.

For the avoidance of doubt, giving an **electronic application instruction** under the **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application. However, any **electronic application instructions** to make an application for the Hong Kong Offer Shares given by you or for your benefit to HKSCC will be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being for your benefit.

"**Unlisted company**" means a company with no equity securities listed on the Stock Exchange.

"**Statutory control**" means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

9. HOW MUCH ARE THE HONG KONG OFFER SHARES

The maximum Offer Price is HK$12.46 per Offer Share. You must also pay brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%. This means that for one board lot of 2,000 Hong Kong Offer Shares, you will pay HK$25,171.12.

You must pay the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee in full upon application for the Hong Kong Offer Shares.

You may submit an application through the **White Form eIPO** service or the **CCASS EIPO** service in respect of a minimum of 2,000 Hong Kong Public Offer Shares. Each application or **electronic application instruction** in respect of more than 2,000 Hong Kong Public Offer Shares must be in one of the numbers set out in the table in "– 4. Minimum Application Amount and Permitted Numbers", or as otherwise specified on the designated website at **www.eipo.com.hk**.

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy and the Stock Exchange trading fee are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC).

For further details on the Offer Price, see the section headed "Structure of the Global Offering – Pricing and Allocation" in this prospectus.

10. EFFECT OF BAD WEATHER ON THE OPENING AND CLOSING OF THE APPLICATION LISTS

The application lists will not open if there is/are:

- a tropical cyclone warning signal number 8 or above;
- a "black" rainstorm warning; and/or
- an announcement of "extreme conditions" caused by a super typhoon by the Government of Hong Kong in accordance with revised "Code of Practice in Times of Typhoons and Rainstorms" issued by the Hong Kong Labour Department in June 2019 in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, October 6, 2021. Instead they will open between 11:45 a.m. and 12:00 noon on the next Business Day which does not have either of those warnings in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Wednesday, October 6, 2021 or if there is/are a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning signal and/or Extreme Conditions in force in Hong Kong that may affect the dates mentioned in the section headed "Expected Timetable" in this prospectus, an announcement will be made on our website at **www.abbisko.com** and the website of the Stock Exchange at **www.hkexnews.hk**.

11. PUBLICATION OF RESULTS

The Company expects to announce the final Offer Price, the level of indication of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares on Tuesday, October 12, 2021 on the Company's website at **www.abbisko.com** and the website of the Stock Exchange at **www.hkexnews.hk**.

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Hong Kong Public Offering will be available at the times and date and in the manner specified below:

- in the announcement to be posted on the Company's website at **www.abbisko.com** and the Stock Exchange's website at **www.hkexnews.hk** by no later than 9:00 a.m. on Tuesday, October 12, 2021;
- from the designated results of allocations website at **www.iporesults.com.hk** (alternatively: English **https://www.eipo.com.hk/en/Allotment**; Chinese **https://www.eipo.com.hk/zh-hk/Allotment**) with a "search by ID" function on a 24-hour basis from 8 a.m. on Tuesday, October 12, 2021 to 12:00 midnight on Monday, October 18, 2021; and

- from the allocation results telephone enquiry line by calling +852 2862 8555 between 9 a.m. and 6 p.m. on Tuesday, October 12, 2021 to Monday, October 18, 2021 (except Thursday, October 14, 2021, Saturday, October 16, 2021 and Sunday, October 17, 2021).

If the Company accepts your offer to purchase (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Hong Kong Offer Shares if the conditions of the Global Offering are satisfied and the Global Offering is not otherwise terminated. Further details are contained in the section headed "Structure of the Global Offering" in this prospectus.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

12. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which the Hong Kong Offer Shares will not be allotted to you:

(i) If your application is revoked:

By applying through the **CCASS EIPO** service or through the **White Form eIPO** Service Provider, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with the Company.

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before the fifth day after the time of the opening of the application lists (excluding any days which is a Saturday, Sunday or public holiday in Hong Kong) in the following circumstances:

(a) if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section on or before the fifth day after the time of the opening of the application lists (excluding any days which is a Saturday, Sunday or public holiday in Hong Kong) which excludes or limits that person's responsibility for this prospectus; or

(b) if any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

(ii) If the Company or its agents exercise their discretion to reject your application:

The Company, the Joint Global Coordinators, the **White Form eIPO** Service Provider and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

(iii) If the allotment of Hong Kong Offer Shares is void:

The allotment of Hong Kong Offer Shares will be void if the Listing Committee does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Committee notifies the Company of that longer period within three weeks of the closing date of the application lists.

(iv) If:

- you make multiple applications or suspected multiple applications;
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Hong Kong Offer Shares and International Offer Shares;
- your **electronic application instructions** through the **White Form eIPO** Service are not completed in accordance with the instructions, terms and conditions on the designated website at **www.eipo.com.hk**;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonoured upon its first presentation;

- the Underwriting Agreements do not become unconditional or are terminated;
- our Company or the Joint Global Coordinators believe that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations; or
- your application is for more than 50% of the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering.

13. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the Maximum Offer Price per Offer Share (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee thereon), or if the conditions of the Hong Kong Public Offering are not fulfilled in accordance with "Structure of the Global Offering – Conditions of the Global Offering" in this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Stock Exchange trading fee, will be refunded, without interest or the cheque or banker's cashier order will not be cleared.

Any refund of your application monies will be made on or before Tuesday, October 12, 2021.

14. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the CCASS EIPO service where the share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application.

Subject to arrangement on dispatch/collection of share certificates and refund monies as mentioned below, any refund cheques and share certificates are expected to be posted on or before Tuesday, October 12, 2021. The right is reserved to retain any share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker's cashier's order(s).

Share certificates will only become valid at 8:00 a.m. on Wednesday, October 13, 2021, provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting" in this prospectus has not been exercised. Investors who trade shares prior to the receipt of Share certificates or the Share certificates becoming valid do so at their own risk.

Personal Collection

(i) If you apply through the White Form eIPO service

If you apply for 1,000,000 Hong Kong Offer Shares or more and your application is wholly or partially successful, you may collect your Share certificate(s) from Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Tuesday, October 12, 2021, or such other date as notified by the Company in the newspapers as the date of despatch/collection of Share certificates/e-Refund payment instructions/refund cheques.

If you do not collect your Share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post at your own risk.

If you apply for less than 1,000,000 Hong Kong Offer Shares, your Share certificate(s) (where applicable) will be sent to the address specified in your application instructions on or before Tuesday, October 12, 2021 by ordinary post at your own risk.

If you apply and pay the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be despatched to the address as specified in your application instructions in the form of refund cheque(s) by ordinary post at your own risk.

(ii) If you apply through CCASS EIPO service

Allocation of Hong Kong Offer Shares

For the purposes of allocating Hong Kong Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each person for whose benefit instructions are given will be treated as an applicant.

Deposit of Share Certificates into CCASS and Refund of Application Monies

- If your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Tuesday, October 12, 2021, or, on any other date determined by HKSCC or HKSCC Nominees.

- The Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, the Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allotment of the Hong Kong Public Offering in the manner specified in "11. Publication of Results" above on Tuesday, October 12, 2021. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Tuesday, October 12, 2021 or such other date as determined by HKSCC or HKSCC Nominees.

- If you have instructed your broker or custodian to give **electronic application instructions** on your behalf, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.

- If you have applied as a CCASS Investor Participant, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on Tuesday, October 12, 2021. Immediately following the credit of the Hong Kong Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Hong Kong Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.

- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Tuesday, October 12, 2021.

15. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second Settlement Day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional advisor for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

The following is the text of a report, prepared for inclusion in this document, received from the Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong.

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ABBISKO CAYMAN LIMITED AND MORGAN STANLEY ASIA LIMITED AND J.P. MORGAN SECURITIES(FAR EAST) LIMITED

Introduction

We report on the historical financial information of Abbisko Cayman Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-56, which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2019 and 2020, and the three months ended 31 March 2021 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2019 and 2020 and 31 March 2021 and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-56 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 30 September 2021 (the "Prospectus") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2019 and 2020 and 31 March 2021 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the three months ended 31 March 2020 and other explanatory information (the "Interim Comparative Financial Information"). The Directors of the Company are responsible for the preparation and presentation of the Interim Comparative Financial Information in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes

us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

Ernst & Young
Certified Public Accountants
Hong Kong
30 September 2021

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	For the year ended 31 December		For the three months ended 31 March	
		2019	2020	2020	2021
		RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Other income and gains	*5*	12,705	18,831	444	1,980
Research and development expenses		(81,457)	(132,664)	(15,897)	(38,109)
Administrative expenses		(21,891)	(21,168)	(3,622)	(8,653)
Other expenses		(2,953)	(1,712)	(5)	(9,759)
Fair value losses on convertible redeemable preferred shares		(39,793)	(569,588)	(37,298)	(68,941)
Finance costs	*7*	(523)	(338)	(111)	(39)
LOSS BEFORE TAX	*6*	(133,912)	(706,639)	(56,489)	(123,521)
Income tax expenses	*10*	–	–	–	–
LOSS FOR THE YEAR/PERIOD		(133,912)	(706,639)	(56,489)	(123,521)
OTHER COMPREHENSIVE INCOME					
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations		4,532	(2,934)	501	72
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of the Company		(5,976)	59,461	(12,603)	(4,363)

	Notes	For the year ended 31 December 2019	For the year ended 31 December 2020	For the three months ended 31 March 2020	For the three months ended 31 March 2021
		RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD, NET OF TAX		(1,444)	56,527	(12,102)	(4,291)
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD		(135,356)	(650,112)	(68,591)	(127,812)
Attributable to:					
Owners of the parent		(135,356)	(650,112)	(68,591)	(127,812)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT					
Basic and diluted					
For loss for the year/period	*12*	N/A	N/A	N/A	N/A

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December 2019 RMB'000	2020 RMB'000	As at 31 March 2021 RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	*13*	11,579	10,599	11,114
Right-of-use assets	*14*	8,476	4,176	2,708
Intangible assets		–	434	334
Other non-current assets		–	960	–
Investment in an associate	*15*	–	–	–
Total non-current assets		20,055	16,169	14,156
CURRENT ASSETS				
Prepayments and other receivables	*16*	14,544	32,029	27,443
Cash and cash equivalents	*17*	285,637	617,773	1,367,883
Total current assets		300,181	649,802	1,395,326
CURRENT LIABILITIES				
Other payables and accruals	*18*	12,351	27,443	34,514
Lease liabilities	*14*	5,399	4,306	4,345
Total current liabilities		17,750	31,749	38,859
NET CURRENT ASSETS		282,431	618,053	1,356,467
TOTAL ASSETS LESS CURRENT LIABILITIES		302,486	634,222	1,370,623
NON-CURRENT LIABILITIES				
Convertible redeemable preferred shares	*19*	758,009	1,719,635	2,602,926
Lease liabilities	*14*	3,502	–	–
Other non-current liabilities	*20*	–	19,575	–
Total non-current liabilities		761,511	1,739,210	2,602,926
Net Liabilities		(459,025)	(1,104,988)	(1,232,303)
EQUITY				
Equity attributable to owners of the parent				
Share capital	*21*	6	6	6
Other reserves	*22*	(459,031)	(1,104,994)	(1,232,309)
Total equity		(459,025)	(1,104,988)	(1,232,303)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2019

	Attributable to owners of the parent					
	Share capital *RMB'000*	Share option reserve* *RMB'000*	Capital reserve* *RMB'000*	Exchange fluctuation reserve* *RMB'000*	Accumulated losses* *RMB'000*	Total *RMB'000*
At 1 January 2019	6	3,772	895	–	(329,335)	(324,662)
Loss for the year	–	–	–	–	(133,912)	(133,912)
Other comprehensive income for the year:						
Exchange differences on translation of foreign operations	–	–	–	(1,444)	–	(1,444)
Total comprehensive income for the year	–	–	–	(1,444)	(133,912)	(135,356)
Equity-settled share option arrangements	–	993	–	–	–	993
At 31 December 2019	6	4,765	895	(1,444)	(463,247)	(459,025)

For the year ended 31 December 2020

	Attributable to owners of the parent					
	Share capital *RMB'000*	Share option reserve* *RMB'000*	Capital reserve* *RMB'000*	Exchange fluctuation reserve* *RMB'000*	Accumulated losses* *RMB'000*	Total *RMB'000*
At 1 January 2020	6	4,765	895	(1,444)	(463,247)	(459,025)
Loss for the year	–	–	–	–	(706,639)	(706,639)
Other comprehensive income for the year:						
Exchange differences on translation of foreign operations	–	–	–	56,527	–	56,527
Total comprehensive income for the year	–	–	–	56,527	(706,639)	(650,112)
Equity-settled share option arrangements	–	4,149	–	–	–	4,149
At 31 December 2020	6	8,914	895	55,083	(1,169,886)	(1,104,988)

For the three months ended 31 March 2020

	Attributable to owners of the parent					
	Share capital *RMB'000*	**Share option reserve*** *RMB'000*	**Capital reserve*** *RMB'000*	**Exchange fluctuation reserve*** *RMB'000*	**Accumulated losses*** *RMB'000*	**Total** *RMB'000*
At 1 January 2020	6	4,765	895	(1,444)	(463,247)	(459,025)
Loss for the period	–	–	–	–	(56,489)	(56,489)
Other comprehensive income for the period:						
Exchange differences on translation of foreign operations	–	–	–	(12,102)	–	(12,102)
Total comprehensive income for the period	–	–	–	(12,102)	(56,489)	(68,591)
Equity-settled share option arrangements	–	1,143	–	–	–	1,143
At 31 March 2020 (unaudited)	6	5,908	895	(13,546)	(519,736)	(526,473)

For the three months ended 31 March 2021

	Attributable to owners of the parent					
	Share capital *RMB'000*	**Share option reserve*** *RMB'000*	**Capital reserve*** *RMB'000*	**Exchange fluctuation reserve*** *RMB'000*	**Accumulated losses*** *RMB'000*	**Total** *RMB'000*
At 1 January 2021	6	8,914	895	55,083	(1,169,886)	(1,104,988)
Loss for the period	–	–	–	–	(123,521)	(123,521)
Other comprehensive income for the period:						
Exchange differences on translation of foreign operations	–	–	–	(4,291)	–	(4,291)
Total comprehensive income for the period	–	–	–	(4,291)	(123,521)	(127,812)
Equity-settled share option arrangements	–	497	–	–	–	497
At 31 March 2021	6	9,411	895	50,792	(1,293,407)	(1,232,303)

* These reserves accounts comprise the others reserves of RMB(459,031,000), RMB(1,104,994,000) and RMB(1,232,309,000) in the consolidated statements of financial position as at 31 December 2019 and 2020 and 31 March 2021, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	For the year ended 31 December 2019 RMB'000	2020 RMB'000	For the three months ended 31 March 2020 RMB'000 (unaudited)	2021 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before tax		(133,912)	(706,639)	(56,489)	(123,521)
Adjustments for:					
Finance costs	7	523	338	111	39
Bank interest income	5	(7,859)	(11,274)	(307)	(1,897)
Fair value losses on convertible redeemable preferred shares	6, 19	39,793	569,588	37,298	68,941
Investment (income)/loss from financial assets through profit and loss	5	(744)	(166)	38	–
Covid-19-related rent concessions from lessors	14	–	(1,419)	(946)	–
Depreciation of property, plant and equipment	13	3,108	3,482	826	1,210
Depreciation of right-of-use assets	14	5,086	5,871	1,468	1,468
Amortization of intangible assets		–	138	–	100
Equity-settled share option expense	23	993	4,571	1,143	587
Foreign exchange differences, net	6	2,930	1,689	(21)	9,750
		(90,082)	(133,821)	(16,879)	(43,323)
Increase in prepayments and other receivables	16	(1,355)	(4,124)	(905)	(4,016)
Increase/(decrease) in other payables and accruals	18	3,324	15,092	(7,108)	7,071
Cash used in operations		(88,113)	(122,853)	(24,892)	(40,268)
Interest received from bank		5,296	5,291	2,937	10,554
Net cash flows used in operating activities		(82,817)	(117,562)	(21,955)	(29,714)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income from financial assets through profit and loss	5	744	166	–	–
Purchases of items of property, plant and equipment		(3,435)	(3,462)	(262)	(765)
Purchases of intangible assets		–	(572)	–	–
Proceeds from maturity of financial assets at fair value through profit or loss		75,000	46,539	–	–
Purchase of financial assets at fair value through profit or loss		(50,000)	(46,539)	(10,035)	–
Advances to related parties	26	(1,706)	(7,351)	(10,090)	(11)
Advances to shareholders	26	(39)	(27)	(3)	(44)
Repayments from related parties	26	9,563	–	–	–
Net cash flows from/(used in) investing activities		30,127	(11,246)	(20,390)	(820)

	Notes	For the year ended 31 December 2019 RMB'000	2020 RMB'000	For the three months ended 31 March 2020 RMB'000 (unaudited)	2021 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Principal portion of lease payments	*24*	(5,676)	(5,085)	–	–
Repurchase of share options		–	(422)	–	(90)
Proceeds from issue of convertible redeemable preferred shares		182,598	511,397	491,822	776,617
Net cash flows from financing activities	*24*	176,922	505,890	491,822	776,527
NET INCREASE IN CASH AND CASH EQUIVALENTS		124,232	377,082	449,477	745,993
Cash and cash equivalents at beginning of the year/period		153,793	285,637	285,637	617,773
Effect of foreign exchange rate changes, net		7,612	(44,946)	7,690	4,117
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD		285,637	617,773	742,804	1,367,883

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December 2019	2020	As at 31 March 2021
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Investments in subsidiaries	*1*	294,801	469,915	635,290
Total non-current assets		294,801	469,915	635,290
CURRENT ASSETS				
Prepayments and other receivables	*16*	4,376	10,128	1,717
Cash and cash equivalents	*17*	189,838	493,913	1,119,805
Total current assets		194,214	504,041	1,121,522
CURRENT LIABILITIES				
Other payables and accruals		–	113	887
Total current liabilities		–	113	887
NET CURRENT ASSETS		194,214	503,928	1,120,635
Convertible redeemable preferred shares	*19*	758,009	1,719,635	2,602,926
Other non-current liabilities	*20*	–	19,575	–
Total non-current liabilities		758,009	1,739,210	2,602,926
TOTAL ASSETS LESS CURRENT LIABILITIES		489,015	973,843	1,755,925
Net Liabilities		(268,994)	(765,367)	(847,001)
EQUITY				
Share capital		6	6	6
Reserves	*22*	(269,000)	(765,373)	(847,007)
Total equity		(268,994)	(765,367)	(847,001)

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 28 March 2018. The registered address of the Company is P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.

The Company is an investing holding company. During the Relevant Periods, the Company's subsidiaries were involved in the research and development of pharmaceutical products.

As at the end of the Relevant Periods, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

Name	Place and date of incorporation/ registration and Place of operations	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Abbisko Hongkong Limited *(note (a))*	Hong Kong 13 April 2018	Hong Kong Dollars ("HKD")10,000	100%	–	Investment holding
Abbisko Therapeutics Co., Ltd.* (上海和譽生物醫藥科技有限公司) *(note (b))*	Mainland China 12 April 2016	RMB340,000,000	–	100%	Research and development in areas of biomedical and biotechnology, technical service, technical consultation
Wuxi Abbisko Biomedical Technology Co., Ltd.* (無錫和譽生物醫藥科技有限公司) *(note (c))*	Mainland China 28 July 2020	United States Dollars ("USD")10,000,000	–	100%	Research and development
Abbisko Therapeutics Australia Pty Ltd *(note (d))*	Australia 25 September 2020	Australia Dollars ("AUD")100	–	100%	Research and development

Notes:

(a) Abbisko Hongkong Limited is incorporated in Hong Kong with limited liability. The statutory financial statements for the year ended 31 December 2019 prepared under Hongkong Small and Medium-Sized Entity Financial Reporting Standards ("SME-FRS") were audited by Global Alliance CPA Limited.

(b) Abbisko Therapeutics Co., Ltd. is registered as a wholly-foreign-owned enterprise under PRC law. The statutory financial statements for the years ended 31 December 2019 and 2020 prepared under PRC Generally Accepted Accounting Principles ("PRC GAAP") were audited by Ernst & Young Hua Ming LLP, Shanghai Branch.

(c) Wuxi Abbisko Biomedical Technology Co., Ltd. is registered as a wholly-foreign-owned enterprise under People's Republic of China ("PRC") law. The statutory financial statements for the year ended 31 December 2020 prepared under PRC GAAP were audited by Ernst & Young Hua Ming LLP, Shanghai Branch.

(d) No audited financial statements have been prepared for this entity for the year ended 31 December 2020, as the entity was not subject to any statutory audit requirements under the relevant rules and regulations in its jurisdiction of incorporation.

* The English names of these companies represent the best effort made by the directors of the Company (the "Directors") to translate the Chinese names as these companies have not been registered with any official English names.

2.1 BASIS OF PRESENTATION

Pursuant to the Reorganization, as more fully explained in the sub-section headed "Reorganization" in the section headed "History, Restructuring and Corporate Structure" in the Prospectus, the Company became the holding company of the companies now comprising the Group. As the Reorganization only involved inserting new holding entities at the top of an existing company and has not resulted in any change of respective interests of the shareholders, the Historical Financial Information for the Relevant Periods has been presented as a continuation of the existing company by applying the principles of merger accounting as if the Reorganization had been completed at the beginning of the Relevant Periods.

All intra-group transactions and balances have been eliminated on consolidation.

2.2 BASIS OF PREPARATION

The Group recorded net liabilities of RMB1,232,303,000 as at 31 March 2021, including which financial liabilities arising from convertible redeemable preferred shares amounted to RMB2,602,926,000. Taking into account that the convertible redeemable preferred shares will be converted to equity automatically upon listing and cash and cash equivalents on hand and arising from operating and financing cash flows, the directors believe that the Group has sufficient cash flows in the foreseeable future to enable it to continue its operations and meet its liabilities as and when they fall due. Therefore, the Historical Financial Information has been prepared on a going concern basis.

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise all standards and interpretations approved by the International Accounting Standards Board ("IASB"). All IFRSs effective for the accounting period commencing from 1 January 2021, together with the relevant transitional provisions, have been adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods and in the period covered by the Interim Comparative Financial Information.

The Historical Financial Information has been prepared under the historical cost convention, except for financial assets and liabilities at fair value through profit or loss which have been measured at fair value.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in the Historical Financial Information.

Amendments to IFRS 3	*Reference to the Conceptual Framework*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
IFRS 17	*Insurance Contracts*[2, 5]
Amendments to IFRS 17	*Insurance Contracts*[2, 5]
Amendments to IAS 1	*Disclosure of Accounting Policies*[2]
Amendments to IAS 8	*Definition of Accounting Estimates*[2]
Amendments to IAS 12	*Deferred tax related to Assets and Liabilities arising from a single Transaction*[2]
Amendments to IFRS 16	*Covid-19-related Rent Concessions beyond 30 June 2021*[4]
Amendments to IAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*[1]
Amendments to IAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*[1]
Annual Improvements to IFRS Standard 2018-2020	*Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41*[1]

[1] Effective for annual periods beginning on or after 1 January 2022

[2] Effective for annual periods beginning on or after 1 January 2023

[3] No mandatory effective date yet determined but available for adoption

[4] Effective for annual periods beginning on or after 1 April 2021

[5] As a consequence of the amendments to IFRS 17 issued in October 2020, the effective date of IFRS 17 was deferred to 1 January 2023, and IFRS 4 was amended to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before 1 January 2023

Amendments to IAS 1 clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. As the convertible redeemable preferred shares will be automatically converted into common shares upon listing which is expected to be earlier than the January 1, 2023, the management expects the amendments to IAS 1 will not have a significant effect on the Group's financial performance and financial position.

These issued but not yet effective IFRSs are not expected to have any significant impact on the Group's Historical Financial Information.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and other comprehensive income, respectively. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations.*

Fair value measurement

The Group measures certain financial instruments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than financial assets, investment properties and non-current assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortization) had no impairment loss been recognized for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

  (i) the entity and the Group are members of the same group;

  (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

  (iii) the entity and the Group are joint ventures of the same third party;

  (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

  (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

  (vi) the entity is controlled or jointly controlled by a person identified in (a);

  (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

  (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalized in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of plant and equipment to its residual value over its estimated useful life. The principal annual rates used and estimated useful life for this purpose are as follows:

	Principal annual rates	Estimated useful life
Electronic equipment	19%	5 years
Office equipment	19%	5 years
R&D equipment	19%	5 years
Motor vehicles	19%	5 years
Leasehold improvement	200% - 33%	0.5 years - 3 years

Where parts of an item of plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of plant and equipment including any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognized in the statement of profit or loss in the year the asset is derecognized is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalized borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets are amortized on the straight-line basis over the following useful economic lives:

Software for research and development activities	1-3 years
Software for management activities	10 years

The useful life of the software for R&D activities is estimated based on the authority period of the software, while the useful life of the software for management activities is estimated based on the management's judgement.

Research and development expenses

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalized and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognized at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Property, office premises and plant	1 to 3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognized at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in interest-bearing bank and other borrowings.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptops that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

Covid-19 related rent concessions

Amendment to IFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective for annual periods beginning on or after 1 June 2020 with earlier application permitted and shall be applied retrospectively.

During the year ended 31 December 2020, certain monthly lease payments for the leases of the Group's plant have been reduced or waived by the lessors upon reducing the scale of production as a result of the pandemic and there are no other changes to the terms of the leases. The Group has early adopted the amendment on 1 January 2020 and elected not to apply lease modification accounting for all rent concessions granted by the lessors as a result of

the pandemic during the year ended 31 December 2020. Accordingly, a reduction in the lease payments arising from the rent concessions of RMB1,419,000 has been accounted for as a variable lease payment by derecognizing part of the lease liabilities and crediting to profit or loss for the year ended 31 December 2020.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognized on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the statement of profit or loss when the asset is derecognized, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in other comprehensive income. Upon derecognition, the cumulative fair value change recognized in other comprehensive income is recycled to the statement of profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognized as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortized cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss. The net fair value gain or loss recognized in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognized in the statement of profit or loss except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortized cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognized when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognized for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognized outside the statement of profit or loss is recognized outside the statement of profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilized, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Revenue recognition

Other income

Interest income is recognized on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognized under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 23 to the Historical Financial Information.

The cost of equity-settled transactions is recognized in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognized. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognized for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries operating in Mainland China are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Dividends

Final dividends are recognized as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the note 11 to the Historical Financial Information.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognized immediately as a liability when they are proposed and declared.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognized in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognized in other comprehensive income or profit or loss is also recognized in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognized in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

Research and development expenses

Development expenses incurred on the Group's drug product pipelines are capitalized and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, the Group's intention to complete and the Group's ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development expenses which do not meet these criteria are expensed when incurred. Determining the amounts to be capitalized requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. During the reporting period, all expenses incurred for research and development activities were expensed when incurred.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Fair value of convertible redeemable preferred shares measured at FVTPL

The fair value of the convertible redeemable preferred shares measured at FVTPL is determined using the valuation techniques, including the discounted cash flow method, the back-solve method and equity allocation model. Such valuation is based on key parameters about discounts for lack of marketability and volatility, which are subject to uncertainty and might materially differ from the actual results. The fair value of convertible redeemable preferred shares at 31 December 2019 and 31 December 2020 and 31 March 2021 were RMB758,009,000, RMB1,719,635,000 and RMB2,602,926,000 respectively. Further details are included in note 19 to the Historical Financial Information.

Share-based payments

The Group has set up the equity share option plan for the Company's directors and the Group's employees. The fair value of the options is determined by the binomial model at the grant dates.

Estimating fair value for share-based payment transactions requires the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatizing and dividend yield and making assumptions about them.

For the measure for the fair value of equity-settled transactions with employees at the grant date, the Group uses a binomial model. The assumptions and models used for estimating fair value for share-based payment transactions are disclose in note 23.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

4. OPERATING SEGMENT INFORMATION

Operating segment information

For management purposes, the Group has only one reportable operating segment, which is development of innovative medicines. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

Since nearly all of the Group's non-current assets were located in Mainland China, no geographical information is presented in accordance with IFRS 8 *Operating Segments.*

5. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	For the year ended 31 December		For the three months ended 31 March	
	2019	2020	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Other income				
Bank interest income	7,859	11,274	307	1,897
Others	249	–	–	–
	8,108	11,274	307	1,897
Other gains				
Government grants related to income*	3,837	7,302	100	–
Investment income from financial assets at FVTPL	744	166	–	–
Exchange gains	–	–	21	–
Others	16	89	16	83
	4,597	7,557	137	83
	12,705	18,831	444	1,980

* The government grants mainly represent subsidies received from the local governments for the purpose of support on research and clinical trial activities, allowance for new drug development and funds for talents.

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Notes	Year ended 31 December		For the three months ended 31 March	
		2019	2020	2020	2021
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Depreciation of items of property, plant and equipment	*13*	3,108	3,482	826	1,210
Depreciation of right-of-use assets	*14*	5,086	5,871	1,468	1,468
Amortization of intangible assets		–	138	–	100
Auditor's remuneration		51	50	13	100
Listing expenses		–	–	–	445
Foreign exchange differences, net		2,930	1,689	(21)	9,750
Employee benefit expense (excluding directors' and chief executive's remuneration *(note 8)*):					
Wages and salaries		25,712	36,683	8,232	11,264
Pension scheme contributions (defined contribution scheme)		5,067	3,635	1,084	2,149
Equity-settled share option expense		850	3,788	948	485
Fair value losses on convertible redeemable preferred shares		39,793	569,588	37,298	68,941
		82,597	624,924	49,848	95,912

7. FINANCE COSTS

An analysis of finance costs is as follows:

	For the year ended 31 December		For the three months ended 31 March	
	2019	2020	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Interest on lease liabilities	523	338	111	39

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Dr. XU Yao-Chang was appointed as a Director, chairman of the board and chief executive officer of the Company on 28 March 2018.

Dr. YU Hongping was appointed as a Director of the Company and senior vice president, Chemistry on 28 March 2018.

Dr. CHEN Zhui was appointed as a Director of the Company and senior vice president, Biology in 28 March 2018.

Mr. Shen Jingkang was appointed as the non-executive director of the Company on 22 October 2018 and resigned from the non-executive director on 10 June 2021.

Dr. XIA Gavin Guoyao was appointed as a Director of our Company on 22 October 2018.

Mr. Wu Aimin was appointed as the non-executive director of the Company on 22 October 2018 and resigned from the non-executive director on 21 February 2020.

Mr. Hu Xubo was appointed as the non-executive director of the Company on 24 January 2019 and resigned from the non-executive director on 21 February 2020.

Mr. Chen Kan was appointed as the non-executive director of the Company on 21 February 2020 and resigned from the non-executive director on 10 June 2021.

Ms. Miao Jingwen was appointed as the non-executive director of the Company on 21 February 2020 and resigned from the non-executive director on 10 June 2021.

Mr. YEH Richard was appointed as a Director of the Company on 5 January 2021.

Ms. Yang Ling was appointed as the non-executive director of the Company on 5 January 2021 and resigned from the non-executive director on 10 June 2021.

Certain of the directors received remuneration from the subsidiaries now comprising the Group for their appointment as executive directors, non-executive directors and chief executives of these subsidiaries. The remuneration of these directors is set out below:

	For the year ended 31 December		For the three months ended 31 March	
	2019	**2020**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Fees	120	128	30	33
Other emoluments:				
Salaries, bonuses, allowances and benefits in kind	4,573	5,635	1,313	2,373
Equity-settled share option expense	143	783	195	102
	4,836	6,546	1,538	2,508

During the years ended 31 December 2019 and 2020, and the three months ended 31 March 2021, certain directors were granted share options, in respect of their services to the Company, under the share option scheme of the Company, further details of which are set out in note 23 to the Historical Financial Information. The fair value of such options, which has been recognized in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the years ended 31 December 2019 and 2020, and the three months ended 31 March 2020 and 31 March 2021 is included in the above directors' and chief executive's remuneration disclosures.

For the year ended 31 December 2019	Fees	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Equity-settled share option expense	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Dr. XU Yao-Chang	–	2,047	–	52	2,099
Dr. YU Hongping	–	1,263	–	42	1,305
Dr. CHEN Zhui	–	1,263	–	49	1,312
	–	4,573	–	143	4,716
Non-executive directors:					
Mr. Shen Jingkang	120	–	–	–	120
Dr. XIA Gavin Guoyao	–	–	–	–	–
Mr. Hu Xubo	–	–	–	–	–
Mr. Wu Aimin	–	–	–	–	–
	120	–	–	–	120

For the year ended 31 December 2020	Fees	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Equity-settled share option expense	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Dr. XU Yao-Chang	–	2,489	–	261	2,750
Dr. YU Hongping	–	1,573	–	261	1,834
Dr. CHEN Zhui	–	1,573	–	261	1,834
	–	5,635	–	783	6,418
Non-executive directors:					
Mr. Shen Jingkang	128	–	–	–	128
Dr. XIA Gavin Guoyao	–	–	–	–	–
Mr. Hu Xubo	–	–	–	–	–
Mr. Wu Aimin	–	–	–	–	–
Ms. Miao Jingwen	–	–	–	–	–
Mr. Chen Kan	–	–	–	–	–
	128	–	–	–	128

For the three months ended 31 March 2020 *(unaudited)*	Fees *RMB'000*	Salaries, bonuses, allowances and benefits in kind *RMB'000*	Pension scheme contributions *RMB'000*	Equity-settled share option expense *RMB'000*	Total *RMB'000*
Executive directors:					
Dr. XU Yao-Chang	–	584	–	65	649
Dr. YU Hongping	–	370	–	65	435
Dr. CHEN Zhui	–	359	–	65	424
	–	1,313	–	195	1,508
Non-executive directors:					
Mr. Shen Jingkang	30	–	–	–	30
Dr. XIA Gavin Guoyao	–	–	–	–	–
Mr. Hu Xubo	–	–	–	–	–
Mr. Wu Aimin	–	–	–	–	–
Ms. Miao Jingwen	–	–	–	–	–
Mr. Chen Kan	–	–	–	–	–
	30	–	–	–	30

For the three months ended 31 March 2021	Fees *RMB'000*	Salaries, bonuses, allowances and benefits in kind *RMB'000*	Pension scheme contributions *RMB'000*	Equity-settled share option expense *RMB'000*	Total *RMB'000*
Executive directors:					
Dr. XU Yao-Chang	–	671	–	34	705
Dr. YU Hongping	–	468	–	34	502
Dr. CHEN Zhui	–	468	–	34	502
Mr. YEH Richard	–	766	–	–	766
	–	2,373	–	102	2,475
Non-executive directors:					
Mr. Shen Jingkang	33	–	–	–	33
Dr. XIA Gavin Guoyao	–	–	–	–	–
Ms. Miao Jingwen	–	–	–	–	–
Mr. Chen Kan	–	–	–	–	–
Ms. Yang Ling	–	–	–	–	–
	33	–	–	–	33

* Dr. XU Yao-Chang, Dr. YU Hongping, Dr. CHEN Zhui and Mr. YEH Richard are also the key management personnel and their remuneration disclosed above included the remuneration for services rendered by them as key management personnel.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended 31 December 2019 and 2020, and the three months ended 31 March 2020 included three directors. The five highest paid employees during the three months ended 31 March 2021 included four directors. Details of directors' remuneration are set out in note 8 above and details of the remuneration of the remaining highest paid employees who are neither a director nor chief executive of the Company are as follows:

	For the year ended 31 December		For the three months ended 31 March	
	2019	**2020**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Salaries, bonuses, allowances, and benefits in kind	3,253	2,436	713	773
Pension scheme contributions	–	–	–	19
Equity-settled share option expenses	312	1,545	386	–
	3,565	3,981	1,099	792

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December		Three months ended 31 March	
	2019	**2020**	**2020**	**2021**
			(unaudited)	
Nil to HKD1,000,000	–	–	2	1
HKD1,000,001 to HKD2,000,000	1	1	–	–
HKD2,000,001 to HKD3,000,000	1	–	–	–
HKD3,000,001 to HKD4,000,000	–	1	–	–
	2	2	2	1

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax is imposed.

Hong Kong

The subsidiary incorporated in Hong Kong are subject to income tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the Relevant Periods.

Mainland China

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "CIT Law"), the subsidiaries which operate in Mainland China are subject to CIT at a rate of 25% on the taxable income.

Australia

No provision for Australia profits tax has been made as the Group had no assessable profits derived from or earned in Australia during the Relevant Periods. The subsidiary incorporated in Australia is subject to income tax at the rate of 30% on the estimated assessable profits arising in Australia during the Relevant Periods.

A reconciliation of the tax expense applicable to loss before tax at the statutory rates for the countries (or jurisdictions) in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

	Year ended 31 December		Three months ended 31 March	
	2019	**2020**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Loss before tax	(133,912)	(706,639)	(56,489)	(123,521)
Tax at the statutory tax rate	(22,916)	(176,660)	(14,122)	(30,880)
Income not subject to tax	(51)	(19)	(3)	(47)
Additional deductible allowance for qualified research and development costs	(9,963)	(17,366)	(2,343)	(6,700)
Expenses not deductible for tax	91	128	40	9
Temporary difference not recognized	866	2,108	1,429	147
Tax losses not recognized	31,973	191,809	14,999	37,471
Tax charge at the Group's effective rate	–	–	–	–

The Group has accumulated tax losses in Mainland China of RMB245,331,000, RMB429,042,000 and RMB497,537,000 as at 31 December 2019, 2020 and 31 March 2021 respectively, that will expire in five to ten years for offsetting against future taxable profits of the companies in which the losses arose:

	31 December		31 March
	2019	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*
Expire in 2026	10,034	10,034	10,034
Expire in 2027	40,722	40,722	40,722
Expire in 2028	81,191	81,191	81,191
Expire in 2029	113,384	113,384	113,384
Expire in 2030	–	183,711	183,711
Expire in 2031	–	–	68,495
	245,331	429,042	497,537

The Group also has accumulated tax losses in Cayman and Hong Kong of RMB21,984,000, RMB45,567,000 and RMB47,458,000 as at 31 December 2019, 2020 and 31 March 2021 respectively, that will be carried forward indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognized in respect of these losses, as they have arisen in subsidiaries that have been loss-making for some time. It is not considered probable that taxable profits in foreseeable future will be available against which the tax losses can be utilised.

11. DIVIDENDS

No dividend was paid or declared by the Company during the Relevant Periods.

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Loss per share information is not presented as its inclusion, for the purpose of this report, is not considered meaningful due to the number of ordinary shares as at each reporting date during the Relevant Periods and the three months ended 31 March 2020 was different from the number of ordinary shares immediately after the completion of public listing of the Group.

13. PROPERTY, PLANT AND EQUIPMENT

	Electronic equipment *RMB'000*	Office equipment *RMB'000*	R&D equipment *RMB'000*	Motor vehicles *RMB'000*	Leasehold improvement *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
31 December 2019							
At 1 January 2019:							
Cost	280	133	9,049	393	1,325	3,249	14,429
Accumulated depreciation	(98)	(22)	(2,603)	(106)	(348)	–	(3,177)
Net carrying amount	182	111	6,446	287	977	3,249	11,252
At 1 January 2019, net of accumulated depreciation	182	111	6,446	287	977	3,249	11,252
Additions	19	–	3,356	–	60	–	3,435
Depreciation provided during the year	(55)	(25)	(2,168)	(75)	(785)	–	(3,108)
Transfer from construction in progress	–	–	3,249	–	–	(3,249)	–
At 31 December 2019, net of accumulated depreciation	146	86	10,883	212	252	–	11,579
At 31 December 2019:							
Cost	299	133	15,654	393	1,385	–	17,864
Accumulated depreciation	(153)	(47)	(4,771)	(181)	(1,133)	–	(6,285)
Net carrying amount	146	86	10,883	212	252	–	11,579
31 December 2020							
At 1 January 2020:							
Cost	299	133	15,654	393	1,385	–	17,864
Accumulated depreciation	(153)	(47)	(4,771)	(181)	(1,133)	–	(6,285)
Net carrying amount	146	86	10,883	212	252	–	11,579
At 1 January 2020, net of accumulated depreciation	146	86	10,883	212	252	–	11,579
Additions	184	–	1,647	–	671	–	2,502
Depreciation provided during the year	(65)	(25)	(3,084)	(75)	(233)	–	(3,482)
At 31 December 2020, net of accumulated depreciation	265	61	9,446	137	690	–	10,599
At 31 December 2020:							
Cost	483	133	17,301	393	2,056	–	20,366
Accumulated depreciation	(218)	(72)	(7,855)	(256)	(1,366)	–	(9,767)
Net carrying amount	265	61	9,446	137	690	–	10,599

	Electronic equipment *RMB'000*	Office equipment *RMB'000*	R&D equipment *RMB'000*	Motor vehicles *RMB'000*	Leasehold improvement *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
31 March 2021							
At 1 January 2021:							
Cost	483	133	17,301	393	2,056	–	20,366
Accumulated depreciation	(218)	(72)	(7,855)	(256)	(1,366)	–	(9,767)
Net carrying amount	265	61	9,446	137	690	–	10,599
At 1 January 2021, net of accumulated depreciation	265	61	9,446	137	690	–	10,599
Additions	49	194	1,308	–	174	–	1,725
Depreciation provided during the period	(23)	(7)	(822)	(19)	(339)	–	(1,210)
At 31 March 2021, net of accumulated depreciation	291	248	9,932	118	525	–	11,114
At 31 March 2021:							
Cost	532	327	18,609	393	2,230	–	22,091
Accumulated depreciation	(241)	(79)	(8,677)	(275)	(1,705)	–	(10,977)
Net carrying amount	291	248	9,932	118	525	–	11,114

As at 31 December 2019 and 2020 and as at 31 March 2021, there were no pledged property, plant and equipment.

14. LEASES

The Group as a lessee

The Group has lease contracts for various items of properties used in its operations. Leases of properties generally have lease terms between 1 and 3 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

	Property, office premises and plant *RMB'000*
As at 31 December 2019	
At 1 January 2019	13,562
Additions	–
Depreciation charge	(5,086)
As at 31 December 2019	8,476
As at 31 December 2020	
As at 1 January 2020	8,476
Additions	1,571
Depreciation charge	(5,871)
As at 31 December 2020	4,176
As at 31 March 2021	
As at 1 January 2021	4,176
Additions	–
Depreciation charge	(1,468)
As at 31 March 2021	2,708

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	2019 *RMB'000*	**2020** *RMB'000*	**2021** *RMB'000*
Carrying amount at 1 January	14,054	8,901	4,306
New leases	–	1,571	–
Accretion of interest recognized during the year/period	523	338	39
Covid-19-related rent concessions from lessors	–	(1,419)	–
Lease payment	(5,676)	(5,085)	–
Carrying amount at the end of the year/period	8,901	4,306	4,345
Analysed into:			
Current portion	5,399	4,306	4,345
Non-current portion	3,502	–	–

(c) The amounts recognized in the statement of profit or loss and other comprehensive income in relation to leases are as follows:

	For the year ended 31 December		For the three months ended 31 March	
	2019	**2020**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Interest on lease liabilities	523	338	111	39
Depreciation charge of right-of-use assets	5,086	5,871	1,468	1,468
Covid-19-related rent concessions from lessors	–	(1,419)	(946)	–
Total amount recognized in the statement of profit or loss and other comprehensive income	5,609	4,790	633	1,507

15. INVESTMENT IN AN ASSOCIATE

Abbisko Therapeutics Co., Ltd. invested in Shanghai Yanjian New Drug R&D Co., Ltd in 2017. The investment was measured at equity method. The carrying amount of the investment has been decreased to nil since 2018 because Shanghai Yanjian New Drug R&D Co., Ltd was in a loss.

16. PREPAYMENTS AND OTHER RECEIVABLES

Group

	31 December		31 March
	2019	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*
Prepayments to suppliers	1,378	4,020	5,935
Amounts due from related parties*	1,706	9,057	9,068
Amounts due from shareholders**	39	66	110
Deposits and other receivables	11,421	18,886	12,330
	14,544	32,029	27,443

Company

	31 December		31 March
	2019	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*
Prepayments to suppliers	–	92	–
Amounts due from related parties*	1,706	1,596	1,607
Amounts due from shareholders**	39	66	110
Other receivables	2,631	8,374	–
	4,376	10,128	1,717

* Amounts due from related parties were from advancement of individual income tax on behalf of directors, which are non trade balances and have been settled as at the date of this report. Amounts due from related parties are interest-free and not secured with collateral.

** Outstanding balances are non-trade balances that will be settled prior to the listing of the Company.

Other receivables had no historical default. The financial assets included in the above balances relate to receivables were categorised in stage 1 at the end of each of the Relevant Periods. In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts for forward-looking macroeconomic data. During the Relevant Periods, the Group estimated that the expected credit loss rate for other receivables and deposits was minimal.

The balances are not secured with collateral.

17. CASH AND CASH EQUIVALENTS

Group

	31 December		31 March
	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	285,637	617,773	1,367,883
Denominated in:			
RMB	58,218	34,925	749,306
USD	227,419	582,848	618,577
Cash and cash equivalents	285,637	617,773	1,367,883

Company

	31 December		31 March
	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	189,838	493,913	1,119,805
Denominated in:			
RMB	1	1	546,893
USD	189,837	493,912	572,912
Cash and cash equivalents	189,838	493,913	1,119,805

* The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates.

18. OTHER PAYABLES AND ACCRUALS

	As at 31 December		As at 31 March
	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*
Payroll payable	6,050	8,294	3,388
Payables of construction and purchase of equipment	–	398	18
Other tax payables	347	403	955
Other payables	5,954	18,348	30,153
	12,351	27,443	34,514

Other payables and accruals are unsecured, non-interest-bearing and repayable on demand. The carrying amounts of financial liabilities included in other payables and accruals as at the end of each of the Relevant Periods approximated to their fair values due to their short-term maturities.

19. CONVERTIBLE REDEEMABLE PREFERRED SHARES

Group and Company

As one of the steps of Reorganization, pursuant to option agreements ("Series A Option Agreements") entered into among others, the Company and certain of its subsidiaries and the then Series A investors ("Series A Investors") on 28 June 2018, the Company issued share options to the then Series A Investors or its designated entity to subscribe for a total of 9,806,078 Series A-1 preferred shares ("Series A-1 Preferred Shares") of the Company and an aggregate of 4,218,393 Series A-2 preferred shares ("Series A-2 Preferred Shares").

Pursuant to a series B share purchase agreement and other relevant documents entered into among others, the Company and certain of its subsidiaries, and the Series B investors ("Series B Investors") on 7 January 2019, the Company issued a total of 6,305,966 Series B preferred shares ("Series B Preferred Shares") at a purchase price of approximately US$6.66 per share for a total consideration of US$42,000,000 (equivalent to RMB284,173,040).

Pursuant to a series C share purchase agreement entered into among others, the Company and certain of its subsidiaries, and the Series C investors ("Series C Investors") on 11 February 2020 ("Series C Share Purchase Agreement") and a series C share subscription agreement ("Series C Share Subscription Agreement") entered into among others, the Company and certain of its subsidiaries, and certain of the Series C Investors, the Company issued 8,462,592 Series C preferred shares ("Series C Preferred Shares") at a purchase price of approximately US$7.09 per share for a total consideration of US$60,000,000 (equivalent to RMB421,561,864) under the Series C Share Purchase Agreement and 1,410,432 Series C Preferred Shares at a purchase price of approximately US$7.09 per share for a total consideration of US$10,000,000 (equivalent to RMB70,260,311) under the Series C Share Subscription Agreement.

Pursuant to a series D share purchase agreement entered into among others, the Company and certain of its subsidiaries, and the Series D investors ("Series D Investors") on 23 December 2020, the Company issued a total of 8,600,768 Series D preferred shares ("Series D Preferred Shares") to the following investors at a purchase price of approximately US$14.301049 per share for a total consideration of US$123,000,000 (equivalent to RMB796,191,738).

For illustration purpose, the Series D, Series C, Series B, Series A-1 and Series A-2 Investors are referred to as holders of Preferred Shares ("Holders of Preferred Shares").

The key terms of Series A-1, Series A-2, Series B, Series C and Series D Preferred Shares ("Preferred Shares") are as follows:

Liquidation

Liquidation Preference. Upon any liquidation, dissolution or winding up of the Company and/or any other Group Companies, either voluntary or involuntary, all assets and funds of the Company legally available for distributions to the members of the Company shall be made in the following manner:

(a) Before any distribution or payment shall be made to the holders of any Series C Preferred Shares, Series B Preferred Shares, Series A-1 Preferred Shares, Series A-2 Preferred Shares, Ordinary Shares or any other equity securities of the Company, an amount equal to one hundred and twenty percent (120%) of the Series D Issue Price and all dividends declared but unpaid with respect thereto, shall be paid to each holder of the Series D Preferred Shares with respect to each Series D Preferred Share then held by such holder (the "Series D Liquidation Preference"). If, upon any liquidation, dissolution, or winding up, the assets of the Company are insufficient to make payment in full on all Series D Preferred Shares, then such assets shall be distributed among the holders of Series D Preferred Shares ratably in proportion to the full amounts to which they would otherwise be respectively entitled thereon.

(b) After distribution or payment in full of the Series D Liquidation Preference distributable or payable on the Series D Preferred Shares pursuant to Section (a), before any distribution or payment shall be made to the holders of any Series B Preferred Shares, Series A-1 Preferred Shares, Series A-2 Preferred Shares, Ordinary Shares or any other equity securities of the Company, an amount equal to one hundred percent (100%) of the Series C Issue Price and all dividends declared but unpaid with respect thereto, shall be paid to each holder of the Series C Preferred Shares with respect to each Series C Preferred Share then held by such holder (the "Series C Liquidation Preference"). If, upon any liquidation, dissolution, or winding up, the assets of the Company are insufficient to make payment in full on all Series C Preferred Shares, then such assets shall be distributed among the holders of Series C Preferred Shares ratably in proportion to the full amounts to which they would otherwise be respectively entitled thereon.

(c) After distribution or payment in full of the Series D Liquidation Preference and the Series C Liquidation Preference distributable or payable on the Series D Preferred Shares and the Series C Preferred Shares pursuant to Section (a) and Section (b), before any distribution or payment shall be made to the holders of any Series A-1 Preferred Shares, Series A-2 Preferred Shares, Ordinary Shares or any other equity securities of the Company, an amount equal to one hundred percent (100%) of the Series B Issue Price and all dividends declared but unpaid with respect thereto, shall be paid to each holder of the Series B Preferred Shares with respect to each Series B Preferred Share then held by such holder (the "Series B Liquidation Preference"). If, upon any liquidation, dissolution, or winding up, the assets of the Company are insufficient to make payment in full on all Series B Preferred Shares, then such assets shall be distributed among the holders of Series B Preferred Shares ratably in proportion to the full amounts to which they would otherwise be respectively entitled thereon.

(d) After distribution or payment in full of the Series D Liquidation Preference, the Series C Liquidation Preference and the Series B Liquidation Preference distributable or payable on the Series D Preferred Shares, the Series C Preferred Shares and Series B Preferred Shares pursuant to Section (a), Section (b) and Section (c), before any distribution or payment shall be made to the holders of any Ordinary Shares or any other equity securities of the Company, an amount equal to one hundred percent (100%) of the applicable Series A-1 Issue Price and Series A-2 Issue Price and all dividends declared and unpaid with respect thereto per Series A-1 Preferred Shares and Series A-2 Preferred Shares, shall be paid to each holder of the Series A-1 Preferred Shares and Series A-2 Preferred Shares with respect to each Series A-1 Preferred Shares and/or Series A-2 Preferred Shares then held by such holder (the "Series A Liquidation Preference"). If, upon any liquidation, dissolution, or winding up, the assets of the Company are insufficient to make payment in full on all Series A-1 Preferred Shares and Series A-2 Preferred Shares, then such assets shall be distributed among the holders of Series A-1 Preferred Shares and Series A-2 Preferred Shares ratably in proportion to the full amounts to which they would otherwise be respectively entitled thereon.

(e) After distribution or payment in full of the Series D Liquidation Preference, the Series C Liquidation Preference, the Series B Liquidation Preference and the Series A Liquidation Preference distributable or payable on the Preferred Shares pursuant to Section (a) to Section (d), the remaining assets of the Company available for distribution to members shall be distributed ratably among the holders of issued and outstanding Ordinary Shares and the holders of issued and outstanding Preferred Shares in proportion to the number of issued and outstanding Ordinary Shares held by them (with issued and outstanding Preferred Shares treated on an as-converted but otherwise non-diluted basis).

Conversion

Right to Convert Preferred Shares. Unless converted earlier pursuant to Automatic Conversion, each Preferred Share shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share and after such share has been fully paid, into such number of fully paid and non-assessable Ordinary Shares as determined by dividing the applicable Issue Price by the applicable Conversion Price (as defined below), determined as hereinafter provided, in effect at the time of the conversion. The price at which Ordinary Shares shall be issuable upon conversion of any Preferred Share shall initially be the applicable Issue Price per Preferred Share (the "Conversion Price"). The conversion price is initially the Subscription Price of different Series Preferred Investors, resulting in an initial conversion ratio of 1:1, and shall be subject to adjustment from time to time, including but not limited to share dividends, subdivisions, combinations or consolidation of ordinary shares, reclassifications, exchange and substitution, and adjustment upon issuance of new securities for a consideration per share less than the Conversion Price.

Automatic Conversion. The Preferred Shares will automatically be converted into Ordinary Shares, at the then applicable Conversion Price, upon the consummation of a Qualified IPO. In the event of the automatic conversion of the Preferred Shares, the person(s) entitled to receive the Ordinary Shares issuable upon such conversion of Preferred Shares shall not be deemed to have converted such Preferred Shares until immediately prior to the closing of such Qualified IPO.

Redemption

Redemption Events. At any time and from time to time following the occurrence of any of the following events, at the election of any holder of Preferred Shares, the Company shall redeem all or any portion of the issued and outstanding Preferred Shares as requested and held by such holder of Preferred Shares at the Redemption Price set forth in Section "Redemption Price":

(a) the Group Companies fails to consummate a Qualified IPO on or prior to the date of the fifth (5th) anniversary of the Closing;

(b) any other Preferred Shares of the Company become redeemable; or

(c) any material breach by any Group Company or the Founders of the terms of the Transaction Agreements (as defined in the Share Purchase Agreement) and such breach fails to be cured within ninety (90) days upon receipt of a written notice specifying the material breach.

Redemption Price. The redemption price for each Preferred Share (the "Redemption Price") shall be: (i) with respect to the Series D Preferred Share, equal to the Series D Issue Price, plus an amount accruing thereon daily at a compound interest rate of eight percent (8%) per annum, from the Closing to the date on which the applicable redemption price is fully paid, plus all declared but unpaid dividends thereon; (ii) with respect to the Series C Preferred Share, equal to the Series C Issue Price, plus an amount accruing thereon daily at a compound interest rate of eight percent (8%) per annum, from February 21, 2020 to the date on which the applicable redemption price is fully paid, plus all declared but unpaid dividends thereon (for avoidance of doubt, for the Series C Preferred Shares purchased by Qiming at the Additional Closing, such interest shall accrue from the Additional Closing to the date on which the applicable redemption price is fully paid, plus all declared but unpaid dividends thereon); (iii) with respect to the Series B Preferred Share, equal to 1.5 times of the Series B Issue Price, plus all declared but unpaid dividends thereon; (iv) with respect to the Series A Preferred Share, equal to 1.5 times of the applicable Series A Issue Price, plus all declared but unpaid dividends thereon.

Presentation and classification

The Group designated host debt and conversion derivative of Preferred Shares as financial liabilities measured at fair value through profit or loss, and presented as convertible redeemable preferred shares in the consolidated statements of financial position. Management considered that fair value change in the Preferred Shares attributable to changes of own credit risk is not significant.

The movements of the convertible redeemable preferred shares are set out as follows:

	RMB'000
At 1 January 2019	422,057
Issuance of Series B Preferred Shares	284,173
Fair value changes of Series A-1 and A-2 Preferred Shares	14,864
Fair value changes of Series B Preferred Shares	24,929
Exchange differences of preferred shares	11,986
At 31 December 2019 and 1 January 2020	758,009
Issuance of Series C Preferred Shares	491,822
Fair value changes of Series A-1 and A-2 Preferred Shares	329,311
Fair value changes of Series B Preferred Shares	81,020
Fair value changes of Series C Preferred Shares	159,257
Exchange differences of preferred shares	(99,784)
At 31 December 2020 and 1 January 2021	1,719,635
Issuance of Series D Preferred Shares	796,192
Fair value changes of Series A-1 and A-2 Preferred Shares	20,437
Fair value changes of Series B Preferred Shares	10,298
Fair value changes of Series C Preferred Shares	16,436
Fair value changes of Series D Preferred Shares	21,770
Exchange differences of preferred shares	18,158
At 31 March 2021	2,602,926

* The Group has used the back-solve method to determine the underlying equity value of the Company and adopted the equity allocation model to determine the fair value of the Preferred Shares as at the date of issuance and as at 31 December 2019, 2020 and 31 March 2021.

Key valuation assumptions used to determine the fair value of Preferred Shares as at 31 December 2019 and 2020, and 31 March 2021 are as follows:

	As at 31 December		**As at 31 March**
	2019	**2020**	**2021**
Risk-free interest rate	1.83%	0.44%	0.94%
Discounts for lack of marketability ("DLOM")	23%	21%	19%
Volatility	51.15%	53.30%	53.88%

The Group estimated the risk-free interest rate based on the yield of the US Government Bond with maturity close to the expected exit timing as of the valuation date. The DLOM was estimated based on the option-pricing method. Under the option-pricing method, the cost of put option, which can hedge the price change before the privately held share can be sold, was considered as a basis to determine the lack of marketability discount. Volatility was estimated based on annualized standard deviation of daily stock price return of comparable companies for a period from the valuation date and with a similar time span to expiration.

20. OTHER NON-CURRENT LIABILITIES

	As at 31 December		As at 31 March
	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*
Prepayments of Series D Investors	–	19,575	–

The Company received RMB19,575,000 on 31 December 2020 from Hankang Biotech Fund II, L.P., one of the Series D investors.

21. SHARE CAPITAL

The Company was incorporated on 28 March 2018 with authorized share capital of USD50,000 divided into 500,000,000 shares of a par value of USD0.0001 each.

On 27 June 2018, the Company re-designated the 500,000,000 Shares as 485,975,529 Shares of par value of US$0.0001 each, 9,806,078 Series A-1 Preferred Shares of par value of US$0.0001 each and 4,218,393 Series A-2 Preferred Shares of par value of US$0.0001 each. During the Reorganization, the Company allotted and issued 9,008,526 Ordinary Shares, 9,806,078 Series A-1 Preferred Shares and 4,218,393 Series A-2 Preferred Shares.

On 24 January 2019, the authorized share capital of the Company was changed to USD50,000, divided into 500,000,000 shares, consisting of (i) 479,219,137 Ordinary Shares of par value USD0.0001 each; (ii) 9,806,078 Series A-1 Preferred Shares of par value USD0.0001 each; (iii) 4,218,393 Series A-2 Preferred Shares of par value USD0.0001 each; and (iv) 6,756,392 Series B Preferred Shares of par value of USD0.0001 each. The Company allotted and issued 6,756,392 Series B Preferred Shares in January 2019. On 16 December 2019, 910,676 Ordinary Shares were issued to Affluent Bay Limited, which was owned and managed by The Core Trust Company Limited (匯聚信託有限公司), the trustee of Affluent Bay Trust which is set up by the Company to facilitate the administration of the 2019 Share Incentive Plan.

On 27 March 2020, the authorized share capital of the Company was changed to USD50,000, divided into 500,000,000 shares, consisting of (i) 469,796,539 Ordinary Shares of par value USD0.0001 each; (ii) 9,806,078 Series A-1 Preferred Shares of par value USD0.0001 each; (iii) 4,218,393 Series A-2 Preferred Shares of par value USD0.0001 each;(iv)6,305,966 Series B Preferred Shares of par value of USD0.0001 each; and (v) 9,873,024 Series C Preferred Shares of par value of USD0.0001 each. The Company allotted and issued 9,873,024 Series C Preferred Shares in March 2020.

On 5 January 2021, the authorized share capital of the Company was changed to USD50,000, divided into 500,000,000 shares, consisting of (i) 461,195,771 Ordinary Shares of par value USD0.0001 each; (ii) 9,806,078 Series A-1 Preferred Shares of par value USD0.0001 each; (iii) 4,218,393 Series A-2 Preferred Shares of par value USD0.0001 each; (iv) 6,305,966 Series B Preferred Shares of par value of USD0.0001 each; (v) 9,873,024 Series C Preferred Shares of par value of USD0.0001 each and (vi) 8,600,768 Series D Preferred Shares of par value of USD0.0001 each. The Company allotted and issued 8,600,768 Series D Preferred Shares in January 2021.

Issued and fully paid:

	As at 31 December 2019	As at 31 December 2020	As at 31 March 2021
	RMB'000	*RMB'000*	*RMB'000*
Ordinary shares of USD0.0001 each	6	6	6

A summary of movements in the Company's share capital is as follows:

	Number of share in issue	Paid-in capital *RMB'000*
At 1 January 2019	9,008,526	6
Issue of Ordinary Shares but not fully paid*	910,676	–
At 31 December 2019, 2020 and 31 March 2021	9,919,202	6

* On December 16, 2019, 910,676 Shares were issued to Affluent Bay Limited, which was owned and managed by The Core Trust Company Limited (匯聚信託有限公司), the trustee of Affluent Bay Trust which is set up by the Company to facilitate the administration of the 2019 Share Incentive Plan.

As mentioned in note 19, all outstanding preferred shares, with a total number of 38,804,229 shares, shall automatically be converted into ordinary shares upon the closing of a Qualified IPO.

22. RESERVES

The Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statements of changes in equity on pages I-8 to I-9 of the Historical Financial Information.

The Company

	Share option reserve *RMB'000*	Capital reserve *RMB'000*	Exchange fluctuation reserve *RMB'000*	Accumulated losses *RMB'000*	Total *RMB'000*
At 1 January 2019	3,772	895	–	(233,804)	(229,137)
Total comprehensive loss for the year	–	–	(5,976)	(34,880)	(40,856)
Equity-settled share option arrangements	993	–	–	–	993
At 31 December 2019	4,765	895	(5,976)	(268,684)	(269,000)

	Share option reserve *RMB'000*	Capital reserve *RMB'000*	Exchange fluctuation reserve *RMB'000*	Accumulated losses *RMB'000*	Total *RMB'000*
At 1 January 2020	4,765	895	(5,976)	(268,684)	(269,000)
Total comprehensive loss for the year	–	–	59,461	(559,983)	(500,522)
Equity-settled share option arrangements	4,149	–	–	–	4,149
At 31 December 2020	8,914	895	53,485	(828,667)	(765,373)

	Share option reserve *RMB'000*	Capital reserve *RMB'000*	Exchange fluctuation reserve *RMB'000*	Accumulated losses *RMB'000*	Total *RMB'000*
At 1 January 2021	8,914	895	53,485	(828,667)	(765,373)
Total comprehensive loss for the period	–	–	(4,363)	(77,768)	(82,131)
Equity-settled share option arrangements	497	–	–	–	497
At 31 March 2021	9,411	895	49,122	(906,435)	(847,007)

23. SHARE-BASED PAYMENTS

2019 Share Incentive Plan

In 2016, a share incentive plan was adopt by Abbisko Therapeutics Co., Ltd (上海和譽生物醫藥科技有限公司) for the benefit of the then senior management and employees (the "2016 Plan"). Pursuant to the Reorganization, the 2016 Plan was terminated and replaced by the 2019 Share Incentive Plan. In July 2019, the Company adopted the 2019 Share Incentive Plan for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group. Eligible participants of the 2019 Share Incentive Plan may include any employees and directors of the Company and its subsidiaries.

It is further resolved that, the exercise price under the notice and the award agreement shall be determined based on the following principles: (i) for options granted in the start-up period of the company (since the incorporation date of Abbisko Therapeutics Co., Ltd (上海和譽生物醫藥科技有限公司) to December 31, 2017), it shall be a fixed price as approved by the administrator; (ii) for options granted during the period from January 1, 2018 to December 31, 2018, it shall be 10% of the placing price in the Company's then latest round of equity financing (i.e. RMB0.20); and (iii) for options granted or would be granted during the period from January 1, 2019 to the closing date of the company's series C financing, it shall be 30% of the placing price in the Company's then latest round of equity financing.

On 1 December 2019, the Company has granted options to 63 grantees to subscribe for an aggregate of 963,020 shares under the 2019 Share Incentive Plan to replace the original plan on Abbisko Therapeutics Co., Ltd before Reorganization. Subject to the terms and conditions as set out in the 2019 Share Incentive Plan, 351,870 shares can be vested immediately, 171,934 shares can be vested in 50% and 50% on the first and second anniversaries of the grant date of the options respectively, 138,950 shares can be vested in 20%,30% and 50% on the first, second and third anniversaries of the grant date of the options respectively. The replacement delayed vesting dates and increased exercise price of a part of options and the value of the awards to some employees was reduced. As a result, there is no reduction in the cost recognized in profit or loss.

On 1 December 2019, the Company has granted options to 54 veteran grantees to subscribe for an aggregate of 239,291 shares. All the options shall be vested in equal tranches over four years. On the same date, the Company has granted options to 30 new grantees to subscribe for an aggregate of 480,692 shares. All the options shall be vested in equal tranches over four years.

On 1 December 2020, the Company has granted options to 21 new grantees to subscribe for an aggregate of 49,000 shares. All the options shall be vested in equal tranches over four years.

The following share options were outstanding under the equity share option plan during the year ended 31 December 2019 and 2020 and three months ended 31 March 2021:

	Number of options
At 1 January 2019	–
Granted during the year	1,683,003
Forfeited during the year	(2,149)
At 31 December 2019 and 1 January 2020	1,680,854
Granted during the year	49,000
Forfeited during the year	(414,033)
At 31 December 2020 and 1 January 2021	1,315,821
Forfeited during the period	(13,587)
At 31 March 2021	1,302,234

The fair value of the share options granted during the year ended 31 December 2019 and 2020 was RMB11,673,000 and RMB1,855,000, and the Group recognized share option expenses of RMB993,000, RMB4,571,000 and RMB587,000 during the year ended 31 December 2019 and 2020 and three months ended 31 March 2021, respectively.

The fair value of the equity-settled share options granted at 1 December 2019 and 2020 was estimated as at the dates of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	2019	2020
Expected volatility (%)	54.1	57.1
Risk-free interest rate (%)	1.93	1.09
Exercise Multiple	2.2-2.8	2.2-2.8

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

24. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the year of 2019, 2020 and the three months ended 31 March 2021, the Group had non-cash additions to right-of-use assets of Nil, RMB1,571,000 and Nil and non-cash additions to lease liabilities of Nil, RMB1,571,000 and Nil, respectively, in respect of lease arrangements for property, office premises and plant.

(b) Changes in liabilities arising from financing activities

	Lease liabilities *RMB'000*	Other payables and accruals *RMB'000*	Other non-current liabilities *RMB'000*	Convertible redeemable preferred shares *RMB'000*
At 1 January 2019	14,054	101,575	–	422,057
Changes from financing cash flows:				
Lease payments	(5,676)	–	–	–
Issue of convertible redeemable preferred shares	–	–	–	182,598
Total changes from financing cash flows	(5,676)	–	–	182,598
Other changes:				
Accretion of interest recognized during the year	523	–	–	–
Recognition of convertible redeemable preferred shares	–	(101,575)	–	101,575
Exchange differences of convertible redeemable preferred shares	–	–	–	11,986
Fair value loss on convertible redeemable preferred shares	–	–	–	39,793
Total other changes	523	(101,575)	–	153,354
At 31 December 2019	8,901	–	–	758,009

	Lease liabilities *RMB'000*	Other payables and accruals *RMB'000*	Other non-current liabilities *RMB'000*	Convertible redeemable preferred shares *RMB'000*
At 1 January 2020	8,901	–	–	758,009
Changes from financing cash flows:				
Increase in an amount due to preferred share investors	–	–	19,575	–
Issue of convertible redeemable preferred shares	–	–	–	491,822
Lease payment	(5,085)	–	–	–
Total changes from financing cash flows	(5,085)	–	19,575	491,822
Other changes:				
New leases	1,571	–	–	–
Accretion of interest recognized during the year	338	–	–	–
Covid-19-related rent concessions from lessors	(1,419)	–	–	–
Exchange differences of convertible redeemable preferred shares	–	–	–	(99,784)
Fair value losses on convertible redeemable preferred shares	–	–	–	569,588
Total other changes	490	–	–	469,804
At 31 December 2020	4,306	–	19,575	1,719,635
At 1 January 2021	4,306	–	19,575	1,719,635
Changes from financing cash flows:				
Issue of convertible redeemable preferred shares	–	–	–	776,617
Total changes from financing cash flows	–	–	–	776,617
Other changes:				
Recognition of convertible redeemable preferred shares	–	–	(19,575)	19,575
Accretion of interest recognized during the period	39	–	–	–
Exchange differences of convertible redeemable preferred shares	–	–	–	18,158
Fair value losses on convertible redeemable preferred shares	–	–	–	68,941
Total other changes	39	–	(19,575)	106,674
At 31 March 2021	4,345	–	–	2,602,926

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	For the year ended 31 December		For the three months ended 31 March
	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*
Within financing activities	5,676	5,085	–

25. COMMITMENTS

The Group had the following capital commitments at the end of each of the Relevant Periods.

	31 December		31 March
	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*
Contracted, but not provided for			
Plant and machinery	560	1,104	662
	560	1,104	662

26. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in the Historical Financial Information, the Group had the following transactions with related parties during the Relevant Periods and the three months ended 31 March 2020:

		For the year ended 31 December		For the three months ended 31 March	
		2019	2020	2020	2021
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Render of services					
Shanghai Yanjian New Drug R&D Co., Ltd.	*(i)*	201	–	–	–

Note:

(i) Abbisko Therapeutics Co., Ltd had 20.3168% share equity in Shanghai Yanjian New Drug R&D Co., Ltd.

The pricing of services was made according to the published prices and conditions similar to those offered to the major customers of the suppliers.

(b) Outstanding balances with related parties:

	As at 31 December		As at 31 March
	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*
Other receivables:			
Due from shareholders:			
Gold Canary Investment Limited*	13	22	42
Panorama HY Investment Limited*	13	22	34
ANJA Holding Limited*	13	22	34
	39	66	110
Due from related parties:			
Dr. XU Yao-Chang**	1,497	8,861	8,871
Dr. CHEN Zhui**	209	196	197
	1,706	9,057	9,068

* Outstanding balances are non-trade balances that will be settled prior to the listing of the Company.

** Outstanding balances are non-trade balances that have been settled as at the date of this report.

(c) Compensation of key management personnel of the Group:

	For the year ended 31 December		For the three months ended 31 March	
	2019	2020	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Salaries, bonuses, allowances, and benefits in kind	7,825	8,609	2,027	3,781
Pension scheme contributions	–	–	–	19
Equity-settled share option expenses	455	2,328	582	102
Total compensation paid to key management personnel	8,280	10,937	2,609	3,902

Further details of directors' and the chief executive's emoluments are included in note 8 to the Historical Financial Information.

27. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

As at 31 December 2019

Financial assets

	Financial assets at amortized cost *RMB'000*
Financial assets included in other receivables	13,166
Cash and cash equivalents	285,637
	298,803

Financial liabilities

	Financial liabilities at fair value through profit or loss *RMB'000*	**Financial liabilities at amortized cost** *RMB'000*	**Total** *RMB'000*
Convertible redeemable preferred shares	758,009	–	758,009
Financial liabilities included in other payables and accruals	–	5,954	5,954
Lease liabilities	–	8,901	8,901
	758,009	14,855	772,864

As at 31 December 2020

Financial assets

	Financial assets at amortized cost *RMB'000*
Financial assets included in other receivables	28,009
Cash and cash equivalents	617,773
	645,782

Financial liabilities

	Financial liabilities at fair value *RMB'000*	**Financial liabilities at amortized cost** *RMB'000*	**Total** *RMB'000*
Convertible redeemable preferred shares	1,719,635	–	1,719,635
Other non-current liabilities	–	19,575	19,575
Financial liabilities included in other payables and accruals	–	18,746	18,746
Lease liabilities	–	4,306	4,306
	1,719,635	42,627	1,762,262

As at 31 March 2021

Financial assets

	Financial assets at amortized cost *RMB'000*
Financial assets included in other receivables	21,508
Cash and cash equivalents	1,367,883
	1,389,391

Financial liabilities

	Financial liabilities at fair value through profit or loss *RMB'000*	**Financial liabilities at amortized cost** *RMB'000*	**Total** *RMB'000*
Convertible redeemable preferred shares	2,602,926	–	2,602,926
Financial liabilities included in other payables and accruals	–	30,171	30,171
Lease liabilities	–	4,345	4,345
	2,602,926	34,516	2,637,442

28. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, financial assets included in deposits and other receivables, financial liabilities included in other payables and accruals and other non-current liabilities approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each of the Relevant Periods and 31 March 2020, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The Directors review the results of the fair value measurement of financial instruments periodically for financial reporting.

The fair value of the convertible redeemable preferred shares measured at FVTPL is determined using the valuation techniques, including back-solve method and equity allocation method, and is within Level 3 fair value measurement.

Unobservable inputs and sensitivity analysis of Level 3 liabilities

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at the end of each of the Track Record Period.

Significant unobservable inputs	Increase/ (decrease) in the inputs	Increase/(decrease) in fair value		
		As at 31 December		As at 31 March
		2019	2020	2021
		RMB'000	*RMB'000*	*RMB'000*
Risk-free interest rate	1%/(1%)	(404)/415	(712)/728	(694)/709
DLOM	1%/(1%)	(1,383)/1,383	(4,847)/4,847	(4,845)/4,845
Volatility	1%/(1%)	(95)/93	(215)/214	(207)/206

Liabilities measured at fair value

As at 31 December 2019

	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Convertible redeemable preferred shares	–	–	758,009	758,009

As at 31 December 2020

	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Convertible redeemable preferred shares	–	–	1,719,635	1,719,635

As at 31 March 2021

	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Convertible redeemable preferred shares	–	–	2,602,926	2,602,926

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as other receivables and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarized below.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from changes in exchange rates.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity.

	Increase/ (decrease) in rate of foreign currency	**Increase/ (decrease) in profit before tax**	**Increase/ (decrease) in equity**
	%	*RMB'000*	*RMB'000*
31 December 2019			
If RMB weakens against USD	5	11,372	11,372
If RMB strengthens against USD	(5)	(11,372)	(11,372)
31 December 2020			
If RMB weakens against USD	5	29,142	29,142
If RMB strengthens against USD	(5)	(29,142)	(29,142)
31 March 2021			
If RMB weakens against USD	5	30,925	30,925
If RMB strengthens against USD	(5)	(30,925)	(30,925)

Credit risk

The Group trades only with recognized and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, financial assets included in deposits and other receivables and other assets, with a maximum exposure equal to the carrying amount of these instruments.

Since the Group trades only with recognized and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's other receivables are widely dispersed in different sectors and industries.

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group's financial liabilities except for convertible redeemable preferred shares (please refer to Note 19) as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

	As at 31 December 2019				
	On demand	**Less than 3 months**	**3 to less than 12 months**	**1 to 5 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities in other payables and accruals	–	5,954	–	–	5,954
Lease liabilities	–	1,419	4,257	3,548	9,224
	–	7,373	4,257	3,548	15,178

	As at 31 December 2020				
	On demand	**Less than 3 months**	**3 to less than 12 months**	**1 to 5 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Other non-current liabilities	–	–	–	19,575	19,575
Financial liabilities in other payables and accruals	–	18,746	–	–	18,746
Lease liabilities	–	1,626	2,750	–	4,376
	–	20,372	2,750	19,575	42,697

	As at 31 March 2021				
	On demand	**Less than 3 months**	**3 to less than 12 months**	**1 to 5 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities in other payables and accruals	–	30,171	–	–	30,171
Lease liabilities	–	3,252	1,124	–	4,376
	–	33,423	1,124	–	34,547

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

30. EVENTS AFTER THE RELEVANT PERIODS

Disposal of long-term investment

Abbisko Therapeutics Co., Ltd. entered into a share transfer agreement with several companies on 6 April 2021. Abbisko Therapeutics Co., Ltd. sold all 20.3168% shares of Shanghai Yanjian new drug R&D Co., Ltd for RMB5,900,000.

31. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Group or any of its subsidiaries in respect of any period subsequent to 31 March 2021.

The following information does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants and Registered Public Interest Entity Auditor, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this Prospectus, and is included herein for information purpose only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted consolidated net tangible assets of the Group prepared in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants for illustration purposes only, and is set out here to illustrate the effect of the Global Offering on the consolidated net tangible assets of the Group attributable to owners of the parent as if the Global Offering had taken place on 31 March 2021.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group to owners of the parent had the Global Offering been completed as of 31 March 2021 or as at any future dates.

	Audited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 31 March 2021 *RMB'000 (Note 1)*	**Estimated impact related to the change of terms of convertible redeemable preferred shares upon Listing** *RMB'000 (Note 2)*	**Estimated net Proceeds from the Global Offering** *RMB'000 (Note 3)*	**Unaudited pro forma adjusted consolidated net tangible assets as at 31 March 2021** *RMB'000*	**Unaudited pro forma adjusted consolidated net tangible assets per Share as at 31 March 2021** *RMB (Note 4)*	*HK$ (Note 5)*
Based on an Offer Price of HK$12.16 per Share	(1,232,637)	2,602,926	1,290,540	2,660,829	4.24	5.14
Based on an Offer Price of HK$12.46 per Share	(1,232,637)	2,602,926	1,323,389	2,693,678	4.29	5.20

Notes:

1. The consolidated net tangible liabilities of the Group attributable to owners of the Company as at 31 March 2021 was equal to the audited net liabilities attributable to owners of the Company as at 31 March 2021 of RMB1,232,303,000 after deducting of intangible assets of RMB334,000 as of 31 March 2021 set out in the Accountants' Report in Appendix I to this prospectus.

2. Upon the listing and the completion of the Global Offering, all the Preferred Shares will be automatically converted into ordinary shares. These Preferred Shares will be re-designed from liabilities to equity. Accordingly, for the purpose of the unaudited pro forma financial information, the unaudited pro forma adjusted net tangible assets attributable to the owners of the Company will be increased by RMB2,602,926,000, being the carrying amount of the Preferred Shares of 31 March 2021.

3. The estimated net proceeds from the Global Offering are based on estimated low end and high end offer prices of HK$12.16 or HK$12.46 per Share after deduction of the underwriting fees and other related expenses payable by the Company and do not take into account any share which may be sold and offered upon exercise of the Over-allotment Option.

4. The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after adjustments referred to in the preceding paragraphs and on the basis that 627,970,310 Shares are in issue assuming that i) the Global Offering has been completed on 31 March 2021, ii) the subdivision of each issued ordinary share into 10 shares following the reclassification and redesignation of the issued preferred shares into ordinary shares has been completed on 31 March 2021, and iii) any Shares which may be issued upon exercise of the Over-allotment Option or any option which may be granted under the 2019 Share Incentive Plan subsequent to 31 March 2021 are not taken into account. The unaudited pro forma adjusted consolidated net tangible assets per Share based on an Offer Price of HK$12.16 and HK$12.46 per Share will be RMB3.79 (equivalent to HK$4.60) and RMB3.83 (equivalent to HK$4.65), respectively, on the basis that 702,466,350 Shares are in issue if assuming the Shares may be granted under the Share Inventive Plan subsequent to 31 March 2021 are taken into account.

5. For the purpose of this unaudited pro forma statement of adjusted net tangible assets, the balances stated in RMB are converted into HK$ at the rate of RMB1.00 to HK$1.2132.

6. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2021.

The following is the text of a report received from our reporting accountants, Ernst & Young, Certified Public Accountants and Registered Public Interest Entity Auditor, Hong Kong, prepared for the purpose of incorporation in this prospectus, in respect of the pro forma financial information of the Group.

Ernst & Young
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Quarry Bay, Hong Kong

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B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Abbisko Cayman Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Abbisko Cayman Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the pro forma consolidated net tangible assets as at 31 March 2021, and related notes as set out on pages II-1 to II-2 of the prospectus dated 30 September 2021 issued by the Company (the "Unaudited Pro Forma Financial Information"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Part A of Appendix II to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group's financial position as at 31 March 2021 as if the transaction had taken place at 31 March 2021. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the period ended 31 March 2021, on which an accountants' report has been published.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline ("AG") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and

- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Hong Kong
30 September 2021

SUMMARY OF THE CONSTITUTION OF THE COMPANY

1 Memorandum of Association

The Memorandum of Association of the Company was conditionally adopted on September 16, 2021 and states, inter alia, that the liability of the members of the Company is limited, that the objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Act or any other law of the Cayman Islands.

The Memorandum of Association is available for inspection at the address specified in Appendix V in the section headed "Documents available for inspection".

2 Articles of Association

The Articles of Association of the Company were conditionally adopted on September 16, 2021 and include provisions to the following effect:

2.1 Classes of Shares

The share capital of the Company consists of ordinary shares. The capital of the Company at the date of adoption of the Articles is US$50,000 divided into 5,000,000,000 shares of US$0.00001 each.

2.2 Directors

(a) Power to allot and issue Shares

Subject to the provisions of the Companies Act and the Memorandum and Articles of Association, the unissued shares in the Company (whether forming part of its original or any increased capital) shall be at the disposal of the Directors, who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration, and upon such terms, as the Directors shall determine.

Subject to the provisions of the Articles of Association and to any direction that may be given by the Company in general meeting and without prejudice to any special rights conferred on the holders of any existing shares or attaching to any class of shares, any share may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, and to such persons at such times and for such consideration as the Directors may determine. Subject to the

Companies Act and to any special rights conferred on any shareholders or attaching to any class of shares, any share may, with the sanction of a special resolution, be issued on terms that it is, or at the option of the Company or the holder thereof, liable to be redeemed.

(b) Power to dispose of the assets of the Company or any subsidiary

The management of the business of the Company shall be vested in the Directors who, in addition to the powers and authorities by the Articles of Association expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not by the Articles of Association or the Companies Act expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Companies Act and of the Articles of Association and to any regulation from time to time made by the Company in general meeting not being inconsistent with such provisions or the Articles of Association, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

(c) Compensation or payment for loss of office

Payment to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must first be approved by the Company in general meeting.

(d) Loans to Directors

There are provisions in the Articles of Association prohibiting the making of loans to Directors or their respective close associates which are equivalent to the restrictions imposed by the Companies Ordinance.

(e) Financial assistance to purchase Shares

Subject to all applicable laws, the Company may give financial assistance to Directors and employees of the Company, its subsidiaries or any holding company or any subsidiary of such holding company in order that they may buy shares in the Company or any such subsidiary or holding company. Further, subject to all applicable laws, the Company may give financial assistance to a trustee for the acquisition of shares in the Company or shares in any such subsidiary or holding company to be held for the benefit of employees of the Company, its subsidiaries, any holding company of the Company or any subsidiary of any such holding company (including salaried Directors).

(f) Disclosure of interest in contracts with the Company or any of its subsidiaries

No Director or proposed Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any person, company or partnership of or in which any Director shall be a member or otherwise interested be capable on that account of being avoided, nor shall any Director so contracting or being any member or so interested be liable to account to the Company for any profit so realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship thereby established, provided that such Director shall, if his interest in such contract or arrangement is material, declare the nature of his interest at the earliest meeting of the board of Directors at which it is practicable for him to do so, either specifically or by way of a general notice stating that, by reason of the facts specified in the notice, he is to be regarded as interested in any contracts of a specified description which may be made by the Company.

A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Directors in respect of any contract or arrangement or any other proposal in which the Director or any of his close associates (or, if required by the Listing Rules, his other associates) has any material interest, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution), but this prohibition shall not apply to any of the following matters, namely:

(i) the giving to such Director or any of his close associates of any security or indemnity in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;

(ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his close associates has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

(iii) any proposal concerning an offer of shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or any of his close associates is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:

(A) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme under which the Director or any of his close associates may benefit; or

(B) the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both to Directors, their close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or any of his close associates, as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

(v) any contract or arrangement in which the Director or any of his close associates is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

(g) Remuneration

The Directors shall be entitled to receive by way of remuneration for their services such sum as shall from time to time be determined by the Directors, or the Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided amongst the Directors in such proportions and in such manner as they may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.

The Directors shall also be entitled to be paid all expenses, including travel expenses, reasonably incurred by them in or in connection with the performance of their duties as Directors including their expenses of travelling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company or in the discharge of their duties as Directors.

The Directors may grant special remuneration to any Director who shall perform any special or extra services at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission or participation in profits or otherwise as may be agreed.

The remuneration of an executive Director or a Director appointed to any other office in the management of the Company shall from time to time be fixed by the Directors and may be by way of salary, commission or participation in profits or otherwise or by all or any of those modes and with such other benefits (including share option and/or pension and/or gratuity and/or other benefits on retirement) and allowances as the Directors may from time to time decide. Such remuneration shall be in addition to such remuneration as the recipient may be entitled to receive as a Director.

(h) Retirement, appointment and removal

The Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next general meeting of the Company and shall then be eligible for re-election at that meeting, but shall not be taken into account in determining the number of Directors and which Directors are to retire by rotation at such meeting.

The Company may by ordinary resolution remove any Director (including a Managing Director or other executive Director) before the expiration of his period of office notwithstanding anything in the Articles of Association or in any agreement between the Company and such Director (but without prejudice to any claim for compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment of office as a result of the termination of this appointment as Director). The Company may also by ordinary resolution appoint another person in his place. Any Director so appointed shall hold office during such time only as the Director in whose place he is appointed would have held the same if he had not been removed.

The Company may also by ordinary resolution elect any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. No person shall, unless recommended by the Directors, be eligible for election to the office of Director at any general meeting unless, during the period, which shall be at least seven days, commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has been given to the Secretary of the Company notice in writing by a member of the Company (not being the person to

be proposed) entitled to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

There is no shareholding qualification for Directors nor is there any specified age limit for Directors.

The office of a Director shall be vacated:

(i) if he resigns his office by notice in writing to the Company at its registered office or its principal office in Hong Kong;

(ii) if an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Directors resolve that his office be vacated;

(iii) if, without leave, he is absent from meetings of the Directors (unless an alternate Director appointed by him attends) for 12 consecutive months, and the Directors resolve that his office be vacated;

(iv) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;

(v) if he ceases to be or is prohibited from being a Director by law or by virtue of any provision in the Articles of Association;

(vi) if he is removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) for the time being then in office; or

(vii) if he shall be removed from office by an ordinary resolution of the members of the Company under the Articles of Association.

At every annual general meeting of the Company one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

(i) Borrowing powers

The Directors may from time to time at their discretion exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof.

(j) Proceedings of the Board

The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit in any part of the world. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairperson of the meeting shall have a second or casting vote.

2.3 Alteration to constitutional documents

No alteration or amendment to the Memorandum or Articles of Association may be made except by special resolution.

2.4 Variation of rights of existing shares or classes of shares

If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Companies Act, be varied or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting all the provisions of the Articles of Association relating to general meetings shall *mutatis mutandis* apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy or duly authorised representative) at the date of the relevant meeting not less than one-third in nominal value of the issued shares of that class.

The special rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

2.5 Alteration of capital

The Company may, from time to time, whether or not all the shares for the time being authorised shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by ordinary resolution, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

The Company may from time to time by ordinary resolution:

(a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares. On any consolidation of fully paid shares and division into shares of larger amount, the Directors may settle any difficulty which may arise as they think expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Directors for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;

(b) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled subject to the provisions of the Companies Act; and

(c) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Companies Act, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.

The Company may by special resolution reduce its share capital or any capital redemption reserve in any manner authorised and subject to any conditions prescribed by the Companies Act.

2.6 Special resolution – majority required

A "special resolution" is defined in the Articles of Association to have the meaning ascribed thereto in the Companies Act, for which purpose, the requisite majority shall be not less than three-fourths of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given and includes a special resolution approved in writing by all of the members of the Company entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of such members, and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments (if more than one) is executed.

In contrast, an "ordinary resolution" is defined in the Articles of Association to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting held in accordance with the Articles of Association and includes an ordinary resolution approved in writing by all the members of the Company aforesaid.

2.7 Voting rights

Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a poll every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each share registered in his name in the register of members of the Company.

Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

In the case of joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.

A member of the Company in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote by any person authorised in such circumstances to do so and such person may vote by proxy.

Save as expressly provided in the Articles of Association or as otherwise determined by the Directors, no person other than a member of the Company duly registered and who shall have paid all sums for the time being due from him payable to the Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another member of the Company), or to be reckoned in a quorum, either personally or by proxy at any general meeting.

At any general meeting a resolution put to the vote of the meeting shall be decided by way of a poll save that the chairperson of the meeting may allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its proxy(ies) or representative(s) at any general meeting of the Company or at any general meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if it were an individual member of the Company holding the number and class of shares specified in such authorisation, including, where a show of hands is allowed, the right to vote individually on a show of hands.

2.8 Annual general meetings and extraordinary general meetings

The Company shall hold a general meeting as its annual general meeting each year, within a period of not more than 15 months after the holding of the last preceding annual general meeting (or such longer period as the Stock Exchange may authorise). The annual general meeting shall be specified as such in the notices calling it.

The board of Directors may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any one or more members holding together, as at the date of deposit of the requisition, shares representing not less than one-tenth of the paid up capital of the Company which carry the right of voting at general meetings of the Company. The written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company, specifying the objects of the meeting and the resolutions to be added to the meeting

agenda, and signed by the requisitionist(s). If the Directors do not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Directors shall be reimbursed to them by the Company.

2.9 Accounts and audit

The Directors shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions and otherwise in accordance with the Companies Act.

The Directors shall from time to time determine whether, and to what extent, and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to inspection by members of the Company (other than officers of the Company) and no such member shall have any right of inspecting any accounts or books or documents of the Company except as conferred by the Companies Act or any other relevant law or regulation or as authorised by the Directors or by the Company in general meeting.

The Directors shall, commencing with the first annual general meeting, cause to be prepared and to be laid before the members of the Company at every annual general meeting a profit and loss account for the period, in the case of the first account, since the incorporation of the Company and, in any other case, since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up and a Director's report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company's affairs as at the end of such period, an auditor's report on such accounts and such other reports and accounts as may be required by law. Copies of those documents to be laid before the members of the Company at an annual general meeting shall not less than 21 days before the date of the meeting, be sent in the manner in which notices may be served by the Company as provided in the Articles of Association to every member of the Company and every holder of debentures of the Company provided that the Company shall not be required to send copies of those documents to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

2.10 Auditors

The Company shall at every annual general meeting appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. The removal of an auditor before the expiration of his period of office shall require the approval of an ordinary resolution of the members in general meeting. The remuneration of the auditors shall be fixed by the Company at the annual general meeting at which they are appointed provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Directors.

2.11 Notice of meetings and business to be conducted thereat

An annual general meeting shall be called by not less than 21 days' notice in writing and any extraordinary general meeting shall be called by not less than 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place and agenda of the meeting, particulars of the resolutions and the general nature of the business to be considered at the meeting. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the auditors and all members of the Company (other than those who, under the provisions of the Articles of Association or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company).

Notwithstanding that a meeting of the Company is called by shorter notice than that mentioned above, it shall be deemed to have been duly called if it is so agreed:

(a) in the case of a meeting called as an annual general meeting, by all members of the Company entitled to attend and vote thereat or their proxies; and

(b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right.

If, after the notice of a general meeting has been sent but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Directors, in their absolute discretion, consider that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time and place specified in the notice calling such meeting, it may change or postpone the meeting to another date, time and place.

The Directors also have the power to provide in every notice calling a general meeting that in the event of a gale warning or a black rainstorm warning is in force at any time on the day of the general meeting (unless such warning is cancelled at least a minimum period of time prior to the general meeting as the Directors may specify in the relevant notice), the meeting shall be postponed without further notice to be reconvened on a later date.

Where a general meeting is postponed:

(a) the Company shall endeavour to cause a notice of such postponement, which shall set out the reason for the postponement in accordance with the Listing Rules, to be placed on the Company's website and published on the Stock Exchange's website as soon as practicable, but failure to place or publish such notice shall not affect the automatic postponement of a general meeting due to a gale warning or black rainstorm warning being in force on the day of the general meeting;

(b) the Directors shall fix the date, time and place for the reconvened meeting and at least seven clear days' notice shall be given for the reconvened meeting; and such notice shall specify the date, time and place at which the postponed meeting will be reconvened and the date and time by which proxies shall be submitted in order to be valid at such reconvened meeting (provided that any proxy submitted for the original meeting shall continue to be valid for the reconvened meeting unless revoked or replaced by a new proxy); and

(c) only the business set out in the notice of the original meeting shall be transacted at the reconvened meeting, and notice given for the reconvened meeting does not need to specify the business to be transacted at the reconvened meeting, nor shall any accompanying documents be required to be recirculated. Where new business is to be transacted at such reconvened meeting, the Company shall give a fresh notice for such reconvened meeting in accordance with the Articles of Association.

2.12 Transfer of shares

Transfers of shares may be effected by an instrument of transfer in the usual common form or in such other form as the Directors may approve which is consistent with the standard form of transfer as prescribed by the Stock Exchange.

The instrument of transfer shall be executed by or on behalf of the transferor and, unless the Directors otherwise determine, the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members of the Company in respect thereof. All instruments of transfer shall be retained by the Company.

The Directors may refuse to register any transfer of any share which is not fully paid up or on which the Company has a lien. The Directors may also decline to register any transfer of any shares unless:

(a) the instrument of transfer is lodged with the Company accompanied by the certificate for the shares to which it relates (which shall upon the registration of the transfer be cancelled) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

(b) the instrument of transfer is in respect of only one class of shares;

(c) the instrument of transfer is properly stamped (in circumstances where stamping is required);

(d) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four;

(e) the shares concerned are free of any lien in favour of the Company; and

(f) a fee of such amount not exceeding the maximum amount as the Stock Exchange may from time to time determine to be payable (or such lesser sum as the Directors may from time to time require) is paid to the Company in respect thereof.

If the Directors refuse to register a transfer of any share they shall, within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association or by advertisement published in the newspapers, be suspended and the register of members of the Company closed at such times for such periods as the Directors may from time to time determine, provided that the registration of transfers shall not be suspended or the register closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

2.13 Power of the Company to purchase its own shares

The Company is empowered by the Companies Act and the Articles of Association to purchase its own shares subject to certain restrictions and the Directors may only exercise this power on behalf of the Company subject to the authority of its members in general meeting as to the manner in which they do so and to any applicable requirements imposed from time to time by the Stock Exchange and the Securities and Futures Commission of Hong Kong. Shares which have been repurchased will be treated as cancelled upon the repurchase.

2.14 Power of any subsidiary of the Company to own shares

There are no provisions in the Articles of Association relating to the ownership of shares by a subsidiary.

2.15 Dividends and other methods of distribution

Subject to the Companies Act and the Articles of Association, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Directors. No dividend may be declared or paid other than out of profits and reserves of the Company lawfully available for distribution, including share premium.

Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For these purposes no amount paid up on a share in advance of calls shall be treated as paid up on the share.

The Directors may from time to time pay to the members of the Company such interim dividends as appear to the Directors to be justified by the profits of the Company. The Directors may also pay half-yearly or at other intervals to be selected by them any dividend which may be payable at a fixed rate if they are of the opinion that the profits available for distribution justify the payment.

The Directors may retain any dividends or other monies payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. The Directors may also deduct from any dividend or other monies payable to any member of the Company all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.

No dividend shall carry interest against the Company.

Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared on the share capital of the Company, the Directors may further resolve: (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted are to be of the same class as the class already held by the allottee, provided that the members of the Company entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or (b) that the members of the Company entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Directors may think fit on the basis that the shares so allotted are to be of the same class as the class already held by the allottee. The Company may upon the recommendation of the Directors by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the foregoing a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to members of the Company to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to a holder of shares may be paid by cheque or warrant sent through the post addressed to the registered address of the member of the Company entitled, or in the case of joint holders, to the registered address of the person whose name stands first in the register of members of the Company in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register of members of the Company in respect of such shares, and shall be sent at his or their risk and the payment of any such cheque or warrant by the bank on which it is drawn shall operate as a good discharge to the Company in respect of the dividend and/or bonus represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. The Company may cease sending such cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise its power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered. Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable or property distributable in respect of the shares held by such joint holders.

Any dividend unclaimed for six years from the date of declaration of such dividend may be forfeited by the Directors and shall revert to the Company.

The Directors may, with the sanction of the members of the Company in general meeting, direct that any dividend be satisfied wholly or in part by the distribution of specific assets of any kind, and in particular of paid up shares, debentures or warrants to subscribe securities of any other company, and where any difficulty arises in regard to such distribution the Directors may settle it as they think expedient, and in particular may

disregard fractional entitlements, round the same up or down or provide that the same shall accrue to the benefit of the Company, and may fix the value for distribution of such specific assets and may determine that cash payments shall be made to any members of the Company upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.

2.16 Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person who must be an individual as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. A proxy need not be a member of the Company.

Instruments of proxy shall be in common form or in such other form as the Directors may from time to time approve provided that it shall enable a member to instruct his proxy to vote in favour of or against (or in default of instructions or in the event of conflicting instructions, to exercise his discretion in respect of) each resolution to be proposed at the meeting to which the form of proxy relates. The instrument of proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates provided that the meeting was originally held within 12 months from such date.

The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney authorised in writing or if the appointor is a corporation either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

The instrument appointing a proxy and (if required by the Directors) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the registered office of the Company (or at such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 48 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. Delivery of any instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

2.17 Calls on shares and forfeiture of shares

The Directors may from time to time make calls upon the members of the Company in respect of any monies unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium or otherwise) and not by the conditions of allotment thereof made payable at fixed times and each member of the Company shall (subject to the Company serving upon him at least 14 days' notice specifying the time and place of payment and to whom such payment shall be made) pay to the person at the time and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine. A person upon whom a call is made shall remain liable on such call notwithstanding the subsequent transfer of the shares in respect of which the call was made.

A call may be made payable either in one sum or by instalments and shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect of such share or other monies due in respect thereof.

If a sum called in respect of a share shall not be paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding 15% per annum, as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.

If any call or instalment of a call remains unpaid on any share after the day appointed for payment thereof, the Directors may at any time during such time as any part thereof remains unpaid serve a notice on the holder of such shares requiring payment of so much of the call or instalment as is unpaid together with any interest which may be accrued and which may still accrue up to the date of actual payment.

The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or instalment is unpaid will be liable to be forfeited.

If the requirements of such notice are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or instalments and interest due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited shares and not actually paid before the forfeiture. A forfeited share shall be deemed to be the property of the Company and may be re-allotted, sold or otherwise disposed of.

A person whose shares have been forfeited shall cease to be a member of the Company in respect of the forfeited shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which at the date of forfeiture were payable by him to the Company in respect of the shares, together with (if the Directors shall in their discretion so require) interest thereon at such rate not exceeding 15% per annum as the Directors may prescribe from the date of forfeiture until payment, and the Directors may enforce payment thereof without being under any obligation to make any allowance for the value of the shares forfeited, at the date of forfeiture.

2.18 Inspection of register of members

The register of members of the Company shall be kept in such manner as to show at all times the members of the Company for the time being and the shares respectively held by them. The register may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association or by advertisement published in the newspapers, be closed at such times and for such periods as the Directors may from time to time determine either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

Any register of members kept in Hong Kong shall during normal business hours (subject to such reasonable restrictions as the Directors may impose) be open to inspection by any member of the Company without charge and by any other person on payment of a fee of such amount not exceeding the maximum amount as may from time to time be permitted under the Listing Rules as the Directors may determine for each inspection.

2.19 Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment, choice or election of a chairperson which shall not be treated as part of the business of the meeting.

Two members of the Company present in person or by proxy shall be a quorum provided always that if the Company has only one member of record the quorum shall be that one member present in person or by proxy.

A corporation being a member of the Company shall be deemed for the purpose of the Articles of Association to be present in person if represented by its duly authorised representative being the person appointed by resolution of the directors or other governing body of such corporation or by power of attorney to act as its representative at the relevant general meeting of the Company or at any relevant general meeting of any class of members of the Company.

The quorum for a separate general meeting of the holders of a separate class of shares of the Company is described in paragraph 2.4 above.

2.20 Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles of Association concerning the rights of minority shareholders in relation to fraud or oppression.

2.21 Procedure on liquidation

If the Company shall be wound up, and the assets available for distribution amongst the members of the Company as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members of the Company in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. If in a winding up the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members of the Company in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. The foregoing is without prejudice to the rights of the holders of shares issued upon special terms and conditions.

If the Company shall be wound up, the liquidator may with the sanction of a special resolution of the Company and any other sanction required by the Companies Act, divide amongst the members of the Company in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members of the Company. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members of the Company as the liquidator, with the like sanction and subject to the Companies Act, shall think fit, but so that no member of the Company shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.

2.22 Untraceable members

The Company shall be entitled to sell any shares of a member of the Company or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or operation of law if: (a) all cheques or warrants, not being less than three in number, for any sums payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (b) the Company has not during that time or before the expiry of the three month period referred to in (d) below received any indication of the whereabouts or existence of the member; (c) during the 12 year period, at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed by the member; and (d) upon expiry of the 12 year period, the Company has caused an advertisement to be published in the newspapers or subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association, giving notice of its intention to sell such shares and a period of three months has elapsed since such advertisement and the Stock Exchange has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former member for an amount equal to such net proceeds.

SUMMARY OF CAYMAN ISLANDS COMPANY LAW AND TAXATION

1 Introduction

The Companies Act is derived, to a large extent, from the older Companies Acts of England, although there are significant differences between the Companies Act and the current Companies Act of England. Set out below is a summary of certain provisions of the Companies Act, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of corporate law and taxation which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

2 Incorporation

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 28 March 2018 under the Companies Act. As such, its operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the size of its authorised share capital.

3 Share Capital

The Companies Act permits a company to issue ordinary shares, preference shares, redeemable shares or any combination thereof.

The Companies Act provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premia on those shares shall be transferred to an account called the "share premium account". At the option of a company, these provisions may not apply to premia on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The Companies Act provides that the share premium account may be applied by a company, subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation:

(a) paying distributions or dividends to members;

(b) paying up unissued shares of the company to be issued to members as fully paid bonus shares;

(c) in the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Act);

(d) writing-off the preliminary expenses of the company;

(e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company; and

(f) providing for the premium payable on redemption or purchase of any shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid the company will be able to pay its debts as they fall due in the ordinary course of business.

The Companies Act provides that, subject to confirmation by the Grand Court of the Cayman Islands, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

Subject to the detailed provisions of the Companies Act, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. The manner of such a purchase must be authorised either by the articles of association or by an ordinary resolution of the company. The articles of association may provide that the manner of purchase may be determined by the directors of the company. At no time may a company

redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any member of the company holding shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and to act in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

4 Dividends and Distributions

With the exception of section 34 of the Companies Act, there are no statutory provisions relating to the payment of dividends. Based upon English case law which is likely to be persuasive in the Cayman Islands in this area, dividends may be paid only out of profits. In addition, section 34 of the Companies Act permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account (see paragraph 3 above for details).

5 Shareholders' Suits

The Cayman Islands courts can be expected to follow English case law precedents. The rule in *Foss v. Harbottle* (and the exceptions thereto which permit a minority shareholder to commence a class action against or derivative actions in the name of the company to challenge (a) an act which is *ultra vires* the company or illegal, (b) an act which constitutes a fraud against the minority where the wrongdoers are themselves in control of the company, and (c) an action which requires a resolution with a qualified (or special) majority which has not been obtained) has been applied and followed by the courts in the Cayman Islands.

6 Protection of Minorities

In the case of a company (not being a bank) having a share capital divided into shares, the Grand Court of the Cayman Islands may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Grand Court shall direct.

Any shareholder of a company may petition the Grand Court of the Cayman Islands which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

Claims against a company by its shareholders must, as a general rule, be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

The English common law rule that the majority will not be permitted to commit a fraud on the minority has been applied and followed by the courts of the Cayman Islands.

7 Disposal of Assets

The Companies Act contains no specific restrictions on the powers of directors to dispose of assets of a company. As a matter of general law, in the exercise of those powers, the directors must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the company.

8 Accounting and Auditing Requirements

The Companies Act requires that a company shall cause to be kept proper books of account with respect to:

(a) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place;

(b) all sales and purchases of goods by the company; and

(c) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

9 Register of Members

An exempted company may, subject to the provisions of its articles of association, maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as its directors may from time to time think fit. There is no requirement under the Companies Act for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection.

10 Inspection of Books and Records

Members of a company will have no general right under the Companies Act to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

11 Special Resolutions

The Companies Act provides that a resolution is a special resolution when it has been passed by a majority of at least two-thirds of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given, except that a company may in its articles of association specify that the required majority shall be a number greater than two-thirds, and may additionally so provide that such majority (being not less than two-thirds) may differ as between matters required to be approved by a special resolution. Written resolutions signed by all the members entitled to vote for the time being of the company may take effect as special resolutions if this is authorised by the articles of association of the company.

12 Subsidiary Owning Shares in Parent

The Companies Act does not prohibit a Cayman Islands company acquiring and holding shares in its parent company provided its objects so permit. The directors of any subsidiary making such acquisition must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the subsidiary.

13 Mergers and Consolidations

The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorised by (a) a special resolution of each constituent company and (b) such other authorisation, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette.

Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

14 Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing 75% in value of shareholders or creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the Grand Court of the Cayman Islands. Whilst a dissenting shareholder would have the right to express to the Grand Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Grand Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management and if the transaction were approved and consummated the dissenting shareholder would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of his shares) ordinarily available, for example, to dissenting shareholders of United States corporations.

15 Take-overs

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may at any time within two months after the expiration of the said four months, by notice require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Grand Court of the Cayman Islands within one month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Grand Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

16 Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

17 Liquidation

A company may be placed in liquidation compulsorily by an order of the court, or voluntarily (a) by a special resolution of its members if the company is solvent, or (b) by an ordinary resolution of its members if the company is insolvent. The liquidator's duties are to collect the assets of the company (including the amount (if any) due from the contributories (shareholders)), settle the list of creditors and discharge the company's liability to them, rateably if insufficient assets exist to discharge the liabilities in full, and to settle the list of contributories and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

18 Stamp Duty on Transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

19 Taxation

Pursuant to section 6 of the Tax Concessions Act (As Revised) of the Cayman Islands, the Company may obtain an undertaking from the Financial Secretary of the Cayman Islands:

(a) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

(b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:

  (i) on or in respect of the shares, debentures or other obligations of the Company; or

  (ii) by way of the withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Act (As Revised).

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are not party to any double tax treaties that are applicable to any payments made by or to the Company.

20 Exchange Control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

21 General

Maples and Calder (Hong Kong) LLP, the Company's legal advisers on Cayman Islands law, have sent to the Company a letter of advice summarising aspects of Cayman Islands company law. This letter, together with a copy of the Companies Act, is available for inspection as referred to in the section headed "Documents available for inspection" in Appendix V. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he/she is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES

1. Incorporation

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Cayman Companies Act on March 28, 2018. Our registered office address is at the offices of P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. As our Company is incorporated in the Cayman Islands, our operation is subject to the relevant laws and regulations of the Cayman Islands, the Articles and the Memorandum. A summary of the relevant laws and regulations of the Cayman Islands and of our constitution is set out in the section headed "Summary of the Constitution of our Company and Cayman Companies Act" in Appendix III to this Prospectus.

Our registered place of business in Hong Kong is at 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong. We have registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on June 21, 2021 with the Registrar of Companies in Hong Kong. Ms. Chan Yin Wah, one of our joint company secretaries, has been appointed as the authorized representative of our Company for the acceptance of service of process in Hong Kong. The address for service of process in Hong Kong the same as its principal place of business in Hong Kong set out above.

As the date of this Prospectus, our Company's head office was located at Building 3, No. 898, Halei Road, Zhangjiang Hi-Tech Park, Pudong New Area, Shanghai, PRC.

2. Changes in Share Capital of Our Company

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on March 28, 2018 with an authorized share capital of US$50,000 divided into 500,000,000 ordinary shares of a par value of US$0.0001 each as at the date of incorporation. On the same day, one ordinary shares was allotted and issued at par value to our initial subscriber, N.D. Nominees Ltd., which was then transferred to Dr. Chen's Holdco, a company held as to 100% by Dr. Chen at the time. On the same day, one ordinary shares was allotted and issued at par value to Dr. Xu's Holdco, a company held as to 100% by Dr. Xu at the time and one ordinary shares was allotted and issued at par value to Dr. Yu's Holdco Panorama HY Investment Limited, a company held as to 100% by Dr. Yu at the time.

The following sets out the changes in the share capital of our Company during the two years immediately preceding the date of this Prospectus:

(a) on February 21, 2020, our Company allotted and issued an aggregate of 8,462,592 Series C Preferred Shares to certain Series C Investors pursuant to the series C preferred shares purchase agreement dated February 11, 2020;

(b) on March 27, 2020, our Company allotted and issued 1,410,432 Series C Preferred Shares to certain Series C Investors pursuant to a series C preferred shares subscription agreement dated March 27, 2020;

(c) on January 5, 2021, our Company allotted and issued 8,600,768 Series D Preferred Shares to the Series D Investors pursuant to the series D preferred share purchase agreement dated December 23, 2020;

(d) on September 18, 2021, our Company allotted and issued 1,909,023 ordinary shares to Abbisko Galaxy Myth Limited and on September 18, 2021, 1,835,101 ordinary shares were issued to Abbisko Glorious Ode Limited, both of which were owned and managed by Futu Trustee Limited, the trustee of Abbisko Galaxy Myth Trust and Abbisko Glorious Ode Trust.

(e) on September 18, 2021, our Company allotted and issued 3,705,480 ordinary shares to Computershare Hong Kong Trustees Limited, the trustee of Abbisko Cayman Limited Trust.

For details of our Company's authorized and issued share capital, and consideration relating to Preferred Shares above, please refer to the sections headed "Share Capital – Authorized and Issued Share Capital", and "History, Restructuring and Corporate Structure – Major Corporate Development, Shareholding Changes and Reorganization of Our Group" in this Prospectus.

Save as disclosed above, there has been no alternation in our share capital within two years immediately preceding the date of this Prospectus.

3. Changes in share capital of our subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 1 to the Accountants' Report as set out in Appendix I to this Prospectus.

The following sets out the changes in the share capital of our subsidiaries during the two years immediately preceding the date of this Prospectus:

On July 20, 2021, the registered capital of Abbisko Shanghai increased from RMB340,000,000 to RMB800,000,000.

On March 16, 2020, the registered capital of Abbisko Shanghai increased from RMB60,000,000 to RMB130,000,000. Subsequently on September 16, 2020, the registered capital of Abbisko Shanghai further increased from RMB130,000,000 to RMB340,000,000.

On July 28, 2020, Abbisko Wuxi was incorporated as a limited liability company in the PRC with an initial registered capital of US$10,000,000.

On September 25, 2020, Abbisko Australia was incorporated as a proprietary company limited by shares in Australia and 100 shares were issued to Abbisko Hong Kong.

Save as disclosed above, there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this Prospectus.

4. Written Resolutions Passed by Our Shareholders on September 16, 2021

Written resolutions of our Shareholders were passed on September 16, 2021 pursuant to which, among others:

(a) conditional upon (1) the Listing Committee granting listing of, and permission to deal in, the Shares in issue and to be issued as stated in this prospectus and such listing and permission not subsequently having been revoked prior to the commencement of dealing in the Shares on the Stock Exchange; (2) the Offer Price having been determined; and (3) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise, in each case on or before such dates as may be specified in the Underwriting Agreements:

(i) each of the issued Series A Preferred Shares of a par value of US$0.0001 each, Series B Preferred Shares of a par value of US$0.0001 each, Series C Preferred Shares of a par value of US$0.0001 each, Series D Preferred Shares of a par value of US$0.0001 each be converted into Shares on an one-to-one basis by re-designation and re-classification, with effect from immediately prior to the Listing on the Listing Date and all unissued, Series A Preferred Shares, Series B Preferred Shares, Series C Preferred Share and Series D Preferred Shares be re-designated and re-classified into ordinary shares, such that the authorized share capital of the Company shall be US$50,000 divided into 500,000,000 ordinary shares of a par value of US$0.0001 each, and upon completion of the conversion of the Preferred Shares, each ordinary share of a par value of US$0.0001 each be subdivided into ten Shares of par value US$0.00001 each, such that following the Share Subdivision, the authorized share capital of the Company shall be US$50,000 divided into 5,000,000,000 Shares of par value US$0.00001 each, with effect from the Listing Date;

(ii) the Share Subdivision and the Global Offering (including the Over-allotment Option) were approved, and the proposed allotment and issue of the Offer Shares under the Global Offering were approved, and the Board was authorized to determine the Offer Price for, and to allot and issue the Offer Shares;

(iii) a general unconditional mandate was given to our Directors to exercise all powers of our Company to allot, issue and deal with Shares or securities convertible into Shares and to make or grant offers, agreements or options (including any warrants, bonds, notes and debentures conferring any rights to subscribe for or otherwise receive Shares) which would or might require Shares to be allotted and issued or dealt with subject to the requirement that the aggregate nominal value of the Shares so allotted and issued or agreed conditionally or unconditionally to be allotted and issued or dealt with, shall not exceed the sum of (i) 20% of the aggregate nominal value of the share capital of our Company in issue immediately following the completion of the

Share Subdivision and the Global Offering (excluding any Shares which may be issued pursuant to the Over-allotment Option and the 2019 Share Incentive Plan); and (ii) the aggregate nominal value of the share capital of our Company repurchased by our Company (if any) pursuant to the authority granted to the Directors;

(iv) a general unconditional mandate (the "**Repurchase Mandate**") was given to our Directors to exercise all powers of our Company to repurchase on the Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, such number of Shares as will represent up to 10% of the aggregate nominal value of the Shares in issue immediately following the completion of the Share Subdivision and the Global Offering, excluding any Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option and the 2019 Share Incentive Plan; and

(v) the general unconditional mandate as mentioned in paragraph (iii) above was extended by the addition to the aggregate nominal value of the Shares which may be allotted and issued or agreed to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the Shares purchased by our Company pursuant to the mandate to purchase Shares referred to in paragraph (iv) above up to 10% of the aggregate nominal value of the Shares in issue immediately following the completion of the Share Subdivision and the Global Offering, excluding any Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option and the 2019 Share Incentive Plan.

(b) our Company conditionally approved and adopted the Memorandum and Articles with effect from the Listing.

(c) each Shareholder agrees to waive the pre-money valuation requirements with respect to a "Qualified IPO" under the Articles and our Company's Series D shareholders' agreement entered into between the Company and its Shareholders (the "**Series D SHA**") and that the Global Offering constitutes a "Qualified IPO". If the Global Offering and the Listing fail to complete, the waiver shall be revoked automatically and the original pre-money valuation requirements with respect to a "Qualified IPO" shall be reinstated and continue to apply to any subsequent initial public offering by our Company which is proposed as a Qualified IPO.

Each of the general mandates referred to in paragraphs (a)(iii), (a)(iv) and (a)(v) above will remain in effect until whichever is the earliest of:

- the conclusion of the next annual general meeting of our Company unless renewed by an ordinary resolution of the Shareholders in general meeting either unconditionally or subject to condition;
- the expiration of the period within which the next annual general meeting of our Company is required to be held under the applicable laws of the Cayman Islands or the Articles of Association; or
- when revoked or varied by an ordinary resolution of the Shareholders in a general meeting of our Company.

5. Repurchase of Our Own Securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this Prospectus concerning the repurchase of our own securities.

(a) Provision of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their own securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

(i) Shareholders' Approval

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders in a general meeting, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to a resolution passed by our Shareholders on September 16, 2021, the Repurchase Mandate was given to our Directors authorizing them to exercise all powers of our Company to repurchase Shares on the Stock Exchange, or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, with a total nominal value up to 10% of the aggregate nominal value of our Shares in issue immediately following the completion of the Share Subdivision and the Global Offering (excluding any Shares which may be issued under the Over-allotment Option), with such mandate to expire at the earliest of (i) the conclusion of the next annual general meeting of our Company (unless otherwise renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions), (ii) the expiration of the period within which our Company's next annual general meeting is required by the Articles of Association or any other applicable laws to be held, and (iii) the date when it is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

(ii) Source of Funds

Purchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles of Association and the applicable laws and regulations of Hong Kong and the Cayman Islands. A listed company may not purchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. As a matter of Cayman Islands law, any purchases by the Company may be made out of profits or out of the proceeds of a

new issue of shares made for the purpose of the purchase or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Articles of Association and subject to the Cayman Companies Act. Any premium payable on the purchase over the par value of the shares to be purchased must have been provided for out of profits or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Articles of Association and subject to the Cayman Companies Act.

(iii) Trading Restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue.

A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange. The Listing Rules also prohibit a listed company from repurchasing its securities if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(iv) Status of Repurchased Shares

The listing of all purchased securities (whether on the Stock Exchange or otherwise) is automatically canceled and the relative certificates must be canceled and destroyed. Under the laws of the Cayman Islands, unless, prior to the purchase the Directors resolve to hold the shares purchased by our Company as treasury shares, shares purchased by our Company shall be treated as canceled and the amount of our Company's issued share capital shall be diminished by the nominal value of those shares. However, the purchase of shares will not be taken as reducing the amount of the authorized share capital under Cayman Islands law.

(v) Suspension of Repurchase

A listed company may not make any repurchase of securities after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (b) the deadline for publication of an announcement of a listed company's results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a listed company has breached the Listing Rules.

(vi) Reporting Requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate prices paid.

(vii) Core Connected Persons

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a "core connected person", that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or a close associate of any of them (as defined in the Listing Rules) and a core connected person shall not knowingly sell his securities to the company.

(b) Reasons for Repurchases

Our Directors believe that it is in the best interests of our Company and Shareholders for our Directors to have a general authority from the Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share or earnings per Share and will only be made where our Directors believe that such repurchases will benefit our Company and Shareholders.

(c) Funding of Repurchases

Repurchase of the Shares must be funded out of funds legally available for such purpose in accordance with the Articles and the applicable laws of the Cayman Islands. Our Directors may not repurchase the Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, our Directors may make repurchases with profits of the Company or out of a new issuance of shares made for the purpose of the repurchase or, if authorized by the Articles of Association and subject to the Cayman Companies Act, out of capital and, in the case of any premium payable on the repurchase, out of profits of our Company or from sums standing to the credit of the share premium account of our Company or, if authorized by the Articles of Association and subject to Cayman Companies Act, out of capital.

However, our Directors do not propose to exercise the general mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or its gearing levels which, in the opinion of our Directors, are from time to time appropriate for our Company.

(d) General

The exercise in full of the Repurchase Mandate, on the basis of 702,466,350 Shares in issue immediately following the completion of the Share Subdivision and the Global Offering, but assuming the Over-allotment Option is not exercised, could accordingly result in up to approximately 70,246,635 Shares being repurchased by our Company during the period prior to the earliest of:

- the conclusion of the next annual general meeting of our Company unless renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions;

- the expiration of the period within which our Company's next annual general meeting is required by the Articles of Association or any other applicable laws to be held; or

- the date on which it is varied or revoked by an ordinary resolution of our Shareholders in a general meeting.

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intends to sell any Shares to our Company.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws in the Cayman Islands.

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than 25% of the Shares then in issue could only be implemented if the Stock Exchange agreed to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be granted other than in exceptional circumstances.

No core connected person of our Company has notified our Company that he or she has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of our Group within the two years preceding the date of this Prospectus which are or may be material:

(a) the Abbisko Cayman Limited Series D Shareholders' Agreement dated January 5, 2021 entered into among Abbisko Cayman Limited, Xu Yao-Chang (徐耀昌), Yu Hongping (喻紅平), Chen Zhui (陳椎), AFFLUENT BAY LIMITED, SKY INFINITY INVESTMENT LIMITED, ABSOLUTE INVESTMENT LIMITED, LAV Biosciences Fund V, L.P., LAV Brassicanapus, L.P., BEIJING HANKANG JIANXIN VENTURE CAPITAL CO., LTD. (北京漢康建信創業投資有限公司), SHANGHAI RUOXIANG INVESTMENT MANAGEMENT CENTER (LIMITED PARTNERSHIP) (上海若香投資管理中心(有限合夥)), SHANGHAI SINOPHARM INNOVATION EQUITY INVESTMENT FUND PARTNERSHIP (LIMITED PARTNERSHIP) (上海國藥創新股權投資基金合夥企業(有限合夥)), SHANGHAI SHENGZHONG INVESTMENT MANAGEMENT PARTNERSHIP (LIMITED PARTNERSHIP) (上海聖眾投資管理合夥企業(有限合夥)), Qiming Venture Partners VI, L.P., Qiming Managing Directors Fund VI, L.P., Hankang Biotech Fund I, L.P., Hankang Capital Management Limited, Hankang Biotech Fund II, L.P., CICC Glory Biopharma Limited, CICC Biomedical Fund L.P. (中金啟德(廈門)創新生物醫藥股權投資基金合夥企業(有限合夥)), CICC Private Investment Holding Co. Limited, Shenzhen Zhongshenxinchuang Investment Partnership (L.P.), (深圳中深新創股權投資合夥企業(有限合夥)), Tetrad Ventures Pte Ltd, GOLDEN VALLEY GLOBAL LIMITED, Sprouts International Holdings Limited, Elbrus Investments Pte. Ltd., Carlyle Growth Investments II, WORLDWIDE HEALTHCARE TRUST PLC,

ORBIMED GENESIS MASTER FUND, L.P., ORBIMED NEW HORIZONS MASTER FUND, L.P., Janchor Partners Pan-Asian Master Fund, Epsomite Gem Investments Ltd, BlackRock Health Sciences Master Unit Trust, BlackRock Health Sciences Trust II, SHANGHAI HEALTHCARE CAPITAL PARTNERSHIP (LIMITED PARTNERSHIP) (上海生物醫藥產業股權投資基金合夥企業(有限合夥)), LBC Sunshine Healthcare Fund L.P., SAGE PARTNERS MASTER FUND, Poly Platinum Enterprises Limited, Abbisko Hongkong Limited, Abbisko Therapeutics Co., Ltd. (上海和譽生物醫藥科技有限公司), Wuxi Abbisko Biomedical Technology Co., Ltd. (無錫和譽生物醫藥科技有限公司), ABBISKO THERAPEUTICS AUSTRALIA PTY LTD, Gold Canary Investment Limited, Panorama HY Investment Limited and ANJA Holding Limited, pursuant to which shareholder rights were agreed among the parties;

(b) the amendment to Abbisko Cayman Limited Series D shareholders' agreement dated June 3, 2021 entered into among Abbisko Cayman Limited, Xu Yao-Chang (徐耀昌), Yu Hongping (喻紅平), Chen Zhui (陳椎), AFFLUENT BAY LIMITED, SKY INFINITY INVESTMENT LIMITED, ABSOLUTE INVESTMENT LIMITED, LAV Biosciences Fund V, L.P., LAV Brassicanapus, L.P., BEIJING HANKANG JIANXIN VENTURE CAPITAL CO., LTD. (北京漢康建信創業投資有限公司), SHANGHAI RUOXIANG INVESTMENT MANAGEMENT CENTER (LIMITED PARTNERSHIP) (上海若香投資管理中心(有限合夥)), SHANGHAI SINOPHARM INNOVATION EQUITY INVESTMENT FUND PARTNERSHIP (LIMITED PARTNERSHIP) (上海國藥創新股權投資基金合夥企業(有限合夥)), SHANGHAI SHENGZHONG INVESTMENT MANAGEMENT PARTNERSHIP (LIMITED PARTNERSHIP) (上海聖眾投資管理合夥企業(有限合夥)), Qiming Venture Partners VI, L.P., Qiming Managing Directors Fund VI, L.P., Hankang Biotech Fund I, L.P., Hankang Capital Management Limited, Hankang Biotech Fund II, L.P., CICC Glory Biopharma Limited, CICC Biomedical Fund L.P. (中金啟德(廈門)創新生物醫藥股權投資基金合夥企業(有限合夥)), Wuxi AstraZeneca-CICC Venture Capital Partnership (Limited Partnership) (無錫阿斯利康中金創業投資合夥企業(有限合夥)), Shenzhen Zhongshenxinchuang Investment Partnership (L.P.) (深圳中深新創股權投資合夥企業(有限合夥)), Tetrad Ventures Pte Ltd, GOLDEN VALLEY GLOBAL LIMITED, Sprouts International Holdings Limited, Elbrus Investments Pte. Ltd., CG Halcyon Investments, WORLDWIDE HEALTHCARE TRUST PLC, ORBIMED GENESIS MASTER FUND, L.P., ORBIMED NEW HORIZONS MASTER FUND, L.P., Janchor Partners Pan-Asian Master Fund, Epsomite Gem Investments Ltd, BlackRock Health Sciences Master Unit Trust, BlackRock Health Sciences Trust II, SHANGHAI HEALTHCARE CAPITAL PARTNERSHIP (LIMITED PARTNERSHIP) (上海生物醫藥產業股權投資基金合夥企業(有限合夥)), LBC Sunshine Healthcare Fund L.P., SAGE PARTNERS MASTER FUND, Poly Platinum Enterprises Limited, Abbisko Hongkong Limited, Abbisko Therapeutics Co., Ltd. (上海和譽生物醫藥科技有限公司), Wuxi Abbisko Biomedical Technology Co., Ltd. (無錫和譽生物醫藥科技有限公司), ABBISKO THERAPEUTICS AUSTRALIA PTY LTD, Yaochang Family Holding Limited, Panorama HY Investment Limited, Chogir Limited and Jamdrok Limited, pursuant to which certain shareholder rights were agreed among the parties;

(c) the cornerstone investment agreement dated September 28, 2021 entered into between our Company, LAV STAR LIMITED, LAV STAR OPPORTUNITIES LIMITED, LAV Amber Limited, Morgan Stanley Asia Limited, J.P. Morgan Securities (Far East) Limited, J.P. Morgan Securities (Asia Pacific) Limited and J.P. Morgan Securities Plc, pursuant to which LAV STAR LIMITED, LAV STAR OPPORTUNITIES LIMITED and LAV Amber Limited agreed to subscribe for Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US dollar 8,000,000, US dollar 8,000,000 and US dollar 4,000,000, respectively;

(d) the cornerstone investment agreement dated September 28, 2021 entered into between our Company, ARANDA INVESTMENTS PTE. LTD., Morgan Stanley Asia Limited, J.P. Morgan Securities (Far East) Limited, J.P. Morgan Securities (Asia Pacific) Limited and J.P. Morgan Securities Plc, pursuant to which ARANDA INVESTMENTS PTE. LTD. agreed to subscribe for Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US dollar 10,000,000;

(e) the cornerstone investment agreement dated September 28, 2021 entered into between our Company, JANCHOR PARTNERS PAN-ASIAN MASTER FUND, Morgan Stanley Asia Limited, J.P. Morgan Securities (Far East) Limited, J.P. Morgan Securities (Asia Pacific) Limited and J.P. Morgan Securities Plc, pursuant to which JANCHOR PARTNERS PAN-ASIAN MASTER FUND agreed to subscribe for Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US dollar 7,000,000;

(f) the cornerstone investment agreement dated September 28, 2021 entered into between our Company, LAKE BLEU PRIME HEALTHCARE MASTER FUND LIMITED, Morgan Stanley Asia Limited, J.P. Morgan Securities (Far East) Limited, J.P. Morgan Securities (Asia Pacific) Limited and J.P. Morgan Securities Plc, pursuant to which LAKE BLEU PRIME HEALTHCARE MASTER FUND LIMITED agreed to subscribe for Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US dollar 10,000,000;

(g) the cornerstone investment agreement dated September 28, 2021 entered into between our Company, ORBIMED NEW HORIZONS MASTER FUND, L.P., ORBIMED GENESIS MASTER FUND, L.P., WORLDWIDE HEALTHCARE TRUST PLC, Morgan Stanley Asia Limited, J.P. Morgan Securities (Far East) Limited, J.P. Morgan Securities (Asia Pacific) Limited and J.P. Morgan Securities Plc, pursuant to which ORBIMED NEW HORIZONS MASTER FUND, L.P., ORBIMED GENESIS MASTER FUND, L.P. and WORLDWIDE HEALTHCARE TRUST PLC agreed to subscribe for Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$ 1,500,000, US$ 1,000,000 and US$ 7,500,000, respectively;

(h) the cornerstone investment agreement dated September 28, 2021 entered into between our Company, UBS ASSET MANAGEMENT (SINGAPORE) LTD. (in its capacity as the investment advisor or delegate of the investment manager for and on behalf of UBS (LUX) EQUITY FUND – GREATER CHINA, UBS (LUX) EQUITY FUND – CHINA OPPORTUNITY, UBS (HK) FUND SERIES – CHINA OPPORTUNITY EQUITY (USD), UBS (CAY) INVESTMENT FUND SPC – UBS CHINA EQUITY SELECT CHERRY SEGREGATED PORTFOLIO II, UBS (LUX) EQUITY SICAV – ALL CHINA (USD), UBS (LUX) KEY SELECTION SICAV – CHINA EQUITY LONG SHORT (USD) and UBS (LUX) KEY SELECTION SICAV – CHINA ALLOCATION OPPORTUNITY), Morgan Stanley Asia Limited, J.P. Morgan Securities (Far East) Limited, J.P. Morgan Securities (Asia Pacific) Limited and J.P. Morgan Securities Plc, pursuant to which UBS ASSET MANAGEMENT (SINGAPORE) LTD. (in its capacity as the investment advisor or delegate of the investment manager for and on behalf of UBS (LUX) EQUITY FUND – GREATER CHINA, UBS (LUX) EQUITY FUND – CHINA OPPORTUNITY, UBS (HK) FUND SERIES – CHINA OPPORTUNITY EQUITY (USD), UBS (CAY) INVESTMENT FUND SPC – UBS CHINA EQUITY SELECT CHERRY SEGREGATED PORTFOLIO II, UBS (LUX) EQUITY SICAV – ALL CHINA (USD), UBS (LUX) KEY SELECTION SICAV – CHINA EQUITY LONG SHORT (USD) and UBS (LUX) KEY SELECTION SICAV - CHINA ALLOCATION OPPORTUNITY) agreed to subscribe for Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US dollar 20,000,000;

(i) the cornerstone investment agreement dated September 28, 2021 entered into between our Company, HUDSON BAY MASTER FUND LTD., Morgan Stanley Asia Limited, J.P. Morgan Securities (Far East) Limited, J.P. Morgan Securities (Asia Pacific) Limited and J.P. Morgan Securities Plc, pursuant to which HUDSON BAY MASTER FUND LTD. agreed to subscribe for Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US dollar 10,000,000;

(j) the cornerstone investment agreement dated September 28, 2021 entered into between our Company, AIHC MASTER FUND, Morgan Stanley Asia Limited, J.P. Morgan Securities (Far East) Limited, J.P. Morgan Securities (Asia Pacific) Limited and J.P. Morgan Securities Plc, pursuant to which AIHC MASTER FUND agreed to subscribe for Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US dollar 6,000,000;

(k) the cornerstone investment agreement dated September 28, 2021 entered into between our Company, VIVO OPPORTUNITY FUND, L.P., VIVO ASIA OPPORTUNITY FUND, L.P., Morgan Stanley Asia Limited, J.P. Morgan Securities (Far East) Limited, J.P. Morgan Securities (Asia Pacific) Limited and J.P. Morgan Securities Plc, pursuant to which VIVO OPPORTUNITY FUND, L.P. and VIVO ASIA OPPORTUNITY FUND, L.P. agreed to subscribe for Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US dollar 10,000,000 collectively;

(l) the cornerstone investment agreement dated September 28, 2021 entered into between our Company, BlackRock Global Funds - World Healthscience Fund, Morgan Stanley Asia Limited, J.P. Morgan Securities (Far East) Limited, J.P. Morgan Securities (Asia Pacific) Limited and J.P. Morgan Securities Plc, pursuant to which BlackRock Global Funds – World Healthscience Fund agreed to subscribe for Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$10,000,000;

(m) the cornerstone investment agreement dated September 28, 2021 entered into between our Company, EPSOMITE GEM INVESTMENTS LTD, Morgan Stanley Asia Limited, J.P. Morgan Securities (Far East) Limited, J.P. Morgan Securities (Asia Pacific) Limited and J.P. Morgan Securities Plc, pursuant to which EPSOMITE GEM INVESTMENTS LTD agreed to subscribe for Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US dollar 15,000,000; and

(n) the Hong Kong Underwriting Agreement.

2. Our Intellectual Property Rights

(a) Trademarks

As at the Latest Practicable Date, we are the owner of the following material registered trademarks, details of which are as follows:

No.	Trademark	Place of Registration	Class	Registered Owner
1.		PRC	42	Abbisko Shanghai
2.	Abbisko	PRC	5, 42	Abbisko Shanghai
3.	Abbisko Therapeutics	PRC	5, 42	Abbisko Shanghai
4.	和誉	PRC	42	Abbisko Shanghai
5.	和誉医药	PRC	42	Abbisko Shanghai
6.		PRC	5, 42	Abbisko Shanghai

As of the Latest Practicable Date, we had applied for the registration of the following trademarks, which we consider to be material to our business:

No.	Trademark	Place of Registration	Class	Application Number	Application Date
1.		Hong Kong	5, 16, 42	305624785	May 14, 2021

(b) Domain Name

As of the Latest Practicable Date, we had registered the following domain names:

1. www.abbisko.com

2. www.abbisko.net

3. www.abbisko.cn

(c) Patents

For a discussion of the details of the material filed patent applications by the Company in connection with our clinical and pre-clinical products, please refer to the section headed "Business – Intellectual Property" in this Prospectus.

Save as aforesaid, as at the Latest Practicable Date, there were no other trade or service marks, patents, intellectual or industrial property rights which were material in relation to our Group's business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS

1. Particulars of Directors' Service Contracts and Appointment Letters

(a) Executive Directors and Non-executive Directors

Each of our executive Directors and non-executive Directors has entered into a service contract with our Company on June 10, 2021. The initial term of their respective service contract shall commence from the date of their appointment for a period of three years until terminated in accordance with the terms and conditions of the service agreement and subject to re-election as and when required under the Articles of Association or by either party giving to the other not less than 3 months' prior notice.

(b) Independent non-executive Directors

Each of the independent non-executive Directors has entered into an appointment letter with our Company effective from September 16, 2021. The initial term for their appointment letters shall commence from the date of their appointment for a period of three years, whichever is earlier (subject always to re-election as and when required under the Articles of Association) until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than 2 months' prior notice in writing (as the case may be).

Details of the Company's remuneration policy is described in the section headed "Directors and Senior Management – Remuneration of Directors and Senior Management" in this Prospectus.

2. Directors' Remuneration

The aggregate amount of remuneration paid to our Directors in respect of the financial years ended December 31, 2019 and 2020 and the three months ended March 31, 2021 was RMB4.8 million, RMB6.5 million and RMB2.5 million, respectively.

Under the arrangements in force as at the date of this Prospectus, it is estimated that the aggregate amount of remuneration (excluding any discretionary bonus which may be paid) payable by our Company to our Directors for the financial year ending December 31, 2021 is expected to be approximately RMB10.0 million.

The aggregate amount of remuneration of our five highest paid individuals (including both employees and Directors) for the years ended December 31, 2019 and 2020 and the three months ended March 31, 2021 were approximately RMB8.3 million, RMB10.4 million and RMB3.3 million, respectively.

None of our Directors or any past directors of any member of the Group has been paid any sum of money for the years ended December 31, 2019 and 2020 and the three months ended March 31, 2021 as (a) an inducement to join or upon joining the Company; or (b) for loss of office as a director of any member of the Group or of any other office in connection with the management of the affairs of any member of the Group.

There were no arrangements under which any Director has waived or agree to waive any emolument during the Track Record Period.

3. Disclosure of Interests

(a) Interests and Short Positions of Our Directors and the Chief Executive of Our Company in the Share Capital of Our Company and Its Associated Corporations Following Completion of the Global Offering

Immediately following completion of the Share Subdivision and the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme), the interests or short positions of our Directors and chief executives in the Shares, underlying Shares and debentures of our Company and its associated corporations, within the meaning of Part XV of the SFO, which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which he/she is taken or deemed to have taken under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for

Securities Transactions by Directors of Listed Companies contained in the Listing Rules, will be as follows:

Name of Director or chief executive officer	Nature of interest	Number of Shares immediately after the completion of the Share Subdivision and the Global Offering[1]	Approximate percentage of interest in our Company immediately after completion of the Share Subdivision and Global Offering[2]
Dr. Xu[3]	Founder of discretionary trust; interest in controlled corporation; interests held jointly with another person; interest of a party to an agreement regarding interest in our Company	164,581,300	23.43%
Dr. Chen[3]	Founder of discretionary trust; interest in controlled corporation; interests held jointly with another person; interest of a party to an agreement regarding interest in our Company	164,581,300	23.43%
Dr. Yu[3]	Interest in controlled corporation; interests held jointly with another person; interest of a party to an agreement regarding interest in our Company	164,581,300	23.43%
Mr. Yeh[4]	Beneficial owner	5,617,300	0.80%

Notes:

1. Assuming the conversion of the Preferred Shares into Shares on a one-to-one basis has been completed prior to the Listing.

2. The calculation is based on the total number of 702,466,350 Shares in issue immediately after the completion of the Share Subdivision and the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme).

3. Dr. Xu is the settlor of a discretionary trust, the Xu Family Trust, of which Trident Trust Company (HK) Limited acts as its trustee and the beneficiaries of which are Dr. Xu's family members. Yaochang Family Holding Limited is wholly owned by Hery International Development Limited, which is in turn wholly owned by Trident Trust Company (HK) Limited as the trustee of the Xu

Family Trust. Each of Dr. Xu (as settlor of the Xu Family Trust), Trident Trust Company (HK) Limited and Hery International Development Limited are deemed to be interested in the 70,290,520 Shares in the Company held by Yaochang Family Holding Limited.

Dr. Chen is the settlor of a discretionary trust, the Zabuye Trust, of which Trident Trust Company (HK) Limited acts as its trustee and the beneficiaries of which are Dr. Chen's family members. Chogir Limited is wholly owned by Zabuye Limited, which in turn is wholly owned by Trident Trust Company (HK) Limited as the trustee of the Zabuye Trust. Jamdrok Limited is wholly owned by Dr. Chen. Each of Dr. Chen (as the settlor of the Zabuye Trust), Trident Trust Company (HK) Limited and Zabuye Limited are deemed to be interested in the 4,948,690 Shares in the Company held by Chogir Limited. Dr. Chen is also deemed to be interested in the 4,948,680 Shares in the Company held by Jamdrok Limited.

Dr. Yu's Holdco is wholly owned by Dr. Yu. Dr. Xu, Dr. Yu and Dr. Chen entered into an acting-in-concert agreement on May 26, 2021, pursuant to which they acknowledged and confirmed that (i) since 2016, each of Dr. Xu, Dr. Yu, Dr. Chen and their controlled entities has beenacting in concert at the shareholders' meetings of Abbisko Shanghai and the Company; (ii) they will continue to act inconcert at the shareholders' meeting of the Company; and (iii) in the event that the parties are unable to reach consensus on matters of the Company, each of the parties shall exercise their respective voting rights in accordancewith the instructions of Dr. Xu. As such, each of Dr. Xu, Dr. Chen and Dr. Yu (i.e. the Concert Parties) are deemed to be interested in the Shares each other is interested in.

Computershare Hong Kong Trustees Limited, the trustee of Abbisko Cayman Limited Trust, held 37,054,800 Shares. Futu Trustee Limited, the trustee of Abbisko Galaxy Myth Trust and Abbisko Glorious Ode Trust, held 37,441,240 Shares through its wholly owned corporations Abbisko Galaxy Myth Limited and Abbisko Glorious Ode Limited. Pursuant to trust deeds dated September 10, 2021 and August 25, 2021, Computershare Hong Kong Trustees Limited and Futu Trustee Limited will exercise their voting rights in accordance with the instructions of Dr. Xu. As such, each of the Concert Parties are deemed to be interested in the Shares held by Computershare Hong Kong Trustees Limited and Futu Trustee Limited.

4. Mr. Yeh is interested in RSUs granted to him under the 2019 Share Incentive Plan entitling him to receive up to 5,617,300 Shares subject to certain conditions.

(b) Interests and Short Positions Discloseable under Divisions 2 and 3 of Part XV of the SFO

For information on the persons who will, immediately following the completion of the Share Subdivision and the Global Offering, having or be deemed or taken to have beneficial interests or short position in our Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Company, see "Substantial Shareholders" in this Prospectus.

Save as set out above, as of the Latest Practicable Date, our Directors were not aware of any persons who would, immediately following the completion of the Global Offering and taking no account of any Shares which may be issued pursuant to the 2019 Share Incentive Plan, be interested, directly or indirectly, in 10% or more of the nominal of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group or had option in respect of such capital.

4. Disclaimers

Save as disclosed in this Prospectus:

(a) there are no existing or proposed service contracts (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between the Directors and any member of the Group;

(b) none of the Directors or the experts named in the paragraph headed "G. Other Information – 6. Consents of Experts" in this Appendix has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this Prospectus, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group;

(c) save in connection with the Underwriting Agreements, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any Shares in or debentures of the Company within the two years ended on the date of this Prospectus;

(d) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of our Group as a whole;

(e) taking no account of any Shares which may be taken up under the Global Offering, so far as is known to any Director or chief executive of the Company, no other person (other than a Director or chief executive of the Company) will, immediately following completion of the Global Offering, have interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or (not being a member of the Group), be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group;

(f) none of the Directors or chief executive of the Company has any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or will be required, pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange once the Shares are listed thereon;

(g) save in connection with the Underwriting Agreements, none of the experts listed in the paragraph headed "G. Other Information – 6. Consents of Experts" in this Appendix: (i) is interested legally or beneficially in any of our Shares or any shares in any of our subsidiaries; or (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group; and

(h) so far as is known to our Directors, none of our Directors or their respective close associates or Shareholders (who to the knowledge of our Directors owns more than 5% of the number of our issued shares) has any interest in our five largest suppliers.

D. 2019 SHARE INCENTIVE PLAN

In 2016, a share incentive plan was adopted by Abbisko Shanghai for the benefit of the then senior management and employees (the "**2016 Plan**"). Pursuant to the Reorganization, the 2016 Plan was terminated and replaced by the 2019 Share Incentive Plan. The 2019 Share Incentive Plan was adopted and approved by resolutions in writing by the Board and the Shareholders on July 4, 2019 and further amended on June 10, 2021. The purpose of the 2019 Plan is to attract and retain the best available personnel and to provide additional incentives to employees, directors and consultants of the Company and to promote the success of the Company's business.

1. Summary of terms

(a) Duration

The 2019 Plan shall be valid and effective for the period of ten years commencing from the adoption date after which period no further options, share appreciation right, dividend equivalent right, restricted shares and restricted share units ("**Award**") will be granted, unless terminated sooner.

(b) Administration

The 2019 Plan shall be subject to the administration of (i) the Board; (ii) one of the officers or directors or a committee designated by the Board (the "Administrator"); and (iii) the shareholders. The Board shall have the authority to (i) approve the 2019 Plan and the separate programs under the 2019 Plan; (ii) select the core management team and Directors to which Awards may be granted from time to time; (iii) to determine whether and to what extent the Awards are granted for the core management team and Directors; (iv) to determine the type or the number of Awards to be granted for the core management team and Directors and the number of shares to be covered by each Award granted; (v) to determine the terms and conditions of any Award granted for the core management team and Directors; (vi) amend the terms of any outstanding Award granted for the core management team and Directors under the 2019 Plan; (vii) amend, suspend or terminate the 2019 Plan at any time provided, however, that no such amendment shall be made without the approval of the shareholders to the extent that such approval is required by the applicable laws; (viii) terminate the grant of Award during any suspension of the 2019 Plan or after termination of the 2019 Plan; (ix) to take such other major action, not inconsistent with the terms of the 2019 Plan and the applicable laws, as the Board deems appropriate, such as the early exercise of the Awards and the loan plan and the amount of consideration to be covered by each Award granted. The shareholders shall have the power to approve and determine the maximum aggregate number of ordinary shares which may be issued pursuant to all Awards under the 2019 Plan.

The Administrator shall have the authority to (i) propose amendments to the 2019 Plan and separate programs under the 2019 Plan and report the propose amendments of the 2019 Plan to the Board for approval; (ii) to select employees (not including the core management team and consultants) whom Awards may be granted from time to time; (iii) to determine whether and to what extent Awards are granted for the employees (not including the core management team and consultants); (iv) to determine the type or the number of Awards to be granted for the employees (not including the core management team and consultants), the number of ordinary shares to be covered by each Award; (v) to approve forms of Award agreements for use under the 2019 Plan and the separate programs and to amend the terms of the Award agreements; (vi) to determine the terms and conditions of any Award granted for the employees (not including the core management team and consultants); (vii) to amend the terms any outstanding Award granted for the employees (not including the core management team) and consultants

under the 2019 Plan; (viii) to construe and interpret the terms of the 2019 Plan and Awards; (ix) to take such other action, not inconsistent with the terms of the 2019 Plan and the applicable laws, as the Administrator deems appropriate.

(c) Award Agreement

Each Award granted under the 2019 Plan shall be evidenced by an award agreement between the Company and the eligible participant, approved by the Administrator and the Board.

(d) Type of Award

The 2019 Plan provides for awards of options, share appreciation right, dividend equivalent right, restricted share and restricted share units ("**RSUs**").

(i) **Options**. Subject to the 2019 Plan, the Administrator or the Board (as the case may be) shall be entitled to make an offer to any eligible participant to take up options in respect of such number of Shares as the Administrator may determine and at the exercise price determined by the Administrator or the Board (as the case may be) in its sole discretion and disclosed in the notices of stock option award and the award agreement. An option shall be deemed exercised when the Company receives (i) notice in writing from the eligible participant to the Company in the specified form under the award agreement; (ii) full payment for the Shares with respect to which the option is exercised.

(ii) **Share Appreciation right and dividend equivalent right**. Subject to the 2019 Plan, the Administrator or the Board (as the case may be) shall be entitled to make an offer to any eligible participant to take up share appreciation right or dividend equivalent right in respect of such number of Shares as the Administrator may determine and at the exercise or purchase price determined by the Administrator or the Board (as the case may be) in its sole discretion and disclosed in the award agreement.

(iii) **Restricted Share**. Subject to the 2019 Plan, a restricted share may be issued to the eligible participant for such consideration, if any, and subject to such restrictions on transfer, rights of first refusal, repurchase provisions, forfeiture provisions, and other terms and conditions established by the Administrator or the Board (as the case may be).

(iv) **Restricted Share Units**. A restricted share unit may be earned in whole or in part upon the passage of time or the attainment of performance criteria established by the Administrator or the Board (as the case may be) and may be settled for cash, Shares or other securities or a combination of cash, Shares or other securities as established by the Administrator or the Board (as the case may be).

(e) Payment

The consideration to be paid for the Shares to be issued upon exercise or purchase of an Award including the method of payment, shall be determined by the Board according to the specific circumstances and subject to the applicable laws. The tax withholding to be paid for the Shares shall be determined according to the provisions in the 2019 Plan and the applicable laws.

(f) Non-transferability of Awards

Subject to the applicable laws, the Awards shall not be transferrable unless otherwise approved by the Administrator. Upon the Administrator's approval, the eligible participant may designate one or more beneficiaries of the eligible participant's award in the event of the participant's death on a beneficiary designation form provided by the Administrator.

(g) Maximum Number of ordinary shares

Subject to the terms of the 2019 Plan, the maximum aggregate number of ordinary shares which may be issued pursuant to all Awards is 8,360,280 ordinary shares (to be adjusted to 83,602,800 Shares upon completion of the Share Subdivision), or any other share as approved by the Board or the shareholders' meeting according to the shareholders' agreement and the Articles of Association of the Company. As at the Latest Practicable Date, the aggregate number of underlying ordinary shares pursuant to the outstanding options and RSUs granted under the 2019 Plan is 6,794,179 (to be adjusted to 67,941,790 Shares upon completion of the Share Subdivision). The aggregate number of underlying ordinary shares pursuant to the outstanding RSUs to be granted under the 2019 Plan is 1,747,101 (to be adjusted to 17,471,010 Shares upon completion of the Share Subdivision).

On December 16, 2019, 910,676 ordinary shares were issued to Affluent Bay Limited, which was owned and managed by The Core Trust Company Limited (匯聚信託有限公司), the trustee of Affluent Bay Trust. On September 18, 2021, 3,705,480 ordinary shares were issued to Computershare Hong Kong Trustees Limited, the trustee of Abbisko Cayman Limited Trust. On September 18, 2021, 1,909,023 ordinary shares were issued to Abbisko Galaxy Myth Limited and on September 18, 2021, 1,835,101 ordinary shares were issued to Abbisko Glorious Ode Limited, both of which were owned and managed by Futu Trustee Limited, the trustee of Abbisko Galaxy Myth Trust and Abbisko Glorious Ode Trust. The Affluent Bay Trust, Abbisko Cayman Limited Trust, Abbisko Galaxy Myth Trust and Abbisko Glorious Ode Trust are all trusts set up by the Company to facilitate the administration of the ordinary shares Incentive Plan.

Pursuant to trust deeds dated September 10, 2021 and August 25, 2021, Computershare Hong Kong Trustees Limited and Futu Trustee Limited will exercise their voting rights in accordance with the instructions of Dr. Xu.

(h) Change in Control

In the event of a Corporate Transaction, each Award can be assumed or replaced immediately prior to the specified effective date of such Corporate Transaction. For the portion of each Award that is neither assumed or substituted, such portion of the Award shall automatically become fully vested and exercisable and be released from any repurchase or forfeiture rights for all of the ordinary shares at the time represented by such portion of the Award, immediately prior to the specified effective date of such Corporate Transaction, provided that the eligible participant's continuous service has not terminated prior to such date. All outstanding Awards under the 2019 Plan shall terminate effective upon the consummation of a Corporate Transaction, provided however that all such Awards shall not terminate to the extent that they are assumed or replaced in connection with the Corporate Transaction.

For the above purpose, a "**Corporate Transaction**" means the following events as determined by the Board: (i) a merger, amalgamation, consolidation or other business combination of the Company with or into any person, in which the Company is not the surviving entity, as a result of which the shareholders of the company immediately prior to such transaction will cease to own a majority of the voting power of the surviving entity immediately after consummation of such transaction; (ii) the sale, transfer, exclusive license or other disposition of all or substantially all of the assets of the Company and its Subsidiaries and Affiliates; (iii) the complete liquidation or dissolution of the Company; (iv) any reverse merger or series of related transactions culminating in a reverse merger in which the Company is the surviving entity but the ordinary shares outstanding immediately prior to such merger are converted or exchanged by virtue of the merger into other property, whether in the form of securities, cash or otherwise, or in which securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities are transferred to a person different from those who held such securities immediately prior to such merger or the initial transaction culminating in such merger but excluding any such transaction or series of related transactions that the Board determines shall not be a corporate transaction; or (v) acquisition in a single or series of related transactions by any person or related group of persons (other than the Company or by a Company-sponsored employee benefit plan) of beneficial ownership of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities, but excluding any such transaction or series of related transactions that the Board determines shall not be a corporate transaction.

2. Outstanding options, share appreciation right, dividend equivalent right, restricted shares and RSUs

As at the Latest Practicable Date, the aggregate number of underlying ordinary shares pursuant to the outstanding options granted under the 2019 Plan is 3,000,699 ordinary shares in aggregate (to be adjusted to 30,006,990 Shares upon the Share Subdivision), representing approximately 4.27% of the total issued Shares immediately following the completion of the Share Subdivision and the Global Offering, assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme. The exercise price of all the options granted under the 2019 Plan is between RMB0.10 and RMB23.8 per share. No options under the 2019 Plan shall be granted after the Listing Date. Therefore, the 2019 Plan is not subject to provisions of Chapter 17 of the Listing Rules.

As at the Latest Practicable Date, the aggregate number of underlying ordinary shares pursuant to the outstanding RSUs granted under the 2019 Plan is 3,793,480 ordinary shares in aggregate (to be adjusted to 37,934,800 Shares upon the Share Subdivision), representing approximately 5.40% of the total issued Shares immediately following the completion of the Share Subdivision and the Global Offering, assuming the Overallotment Option is not exercised.

As of the Latest Practicable Date, no shares appreciation right or dividend equivalent right had been granted pursuant to the 2019 Plan.

3. General

Application has been made to the Listing Committee for the listing of and permission to deal in the Shares to be issued pursuant to the 2019 Plan.

4. Details of outstanding options granted

Our Directors, senior management, a former Director who is considered as a connected person of our Group, consultants and employees were granted options under the 2019 Plan to subscribe for an aggregate of 3,000,699 outstanding ordinary shares (to be adjusted to 30,006,990 Shares upon the Share Subdivision), representing approximately 4.27% of the issued share capital of our Company upon completion of the Share Subdivision and the Global Offering, assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme. The proposal to grant the options under the 2019 Plan to the grantees as set out below has been approved by the Board.

Below is a list of Directors, senior management, consultants, a former Director and other grantees who have been granted options to subscribe for 120,000 ordinary shares (to be adjusted to 1,200,000 Shares upon Share Subdivision) of the Company or more of our Group who are grantees of the options under the 2019 Plan. No option under the 2019 Plan has been granted to other connected persons of the Company.

Name of grantee	Position	Address	Exercise price upon the Share Subdivision *(RMB/ shares)*	Number of Shares underlying the outstanding options upon the Share Subdivision	Date of grant[6]	Vesting period	Approximate percentage of equity interest in the Company underlying the outstanding options[7]
Directors							
Dr. Xu	Chairman of the board, Executive Director, Chief Executive officer	No. 5, Lane 1298, Kang Qiao Road, Pu Dong New District, Shanghai, PRC	2.38	1,817,260	December 1, 2019	Note 3	0.26%
Dr. Yu	Executive Director, Senior Vice President, Chemistry	Room 903, No. 19, Lane 2066, Yu Qiao Road, Pu Dong New District, Shanghai, PRC	0.01	999,630	December 1, 2016	Note 2	0.14%
			1.34	297,820	December 1, 2019	Note 3	0.04%
Sub-total				1,297,450			0.18%
Dr. Chen	Executive Director, Senior Vice President, Biology	1302, Building 3, 39 Yin Xiao Road, Shanghai, PRC	2.38	1,297,450	December 1, 2019	Note 3	0.18%
Senior Management							
Dr. JI Jing	Chief Medical Officer	Room 601, No. 16, Lane 175, Fangxin Road, Pudong New Area	1.45	3,600,000	June 1, 2021	Note 4	0.51%
Mr. LI Yongyi	General Counsel	Room 301, No. 2, Building 8, Yuhuili Second District, Chaoyang District, Beijing, PRC	1.45	2,300,000	June 1, 2021	Note 4	0.33%
Dr. ZHANG Zhen	Vice President and Head of CMC	Room 302, No. 69, Juntaoxincun, Dingzhuzhen, Yixing City, Jiangsu, PRC	1.45	2,000,000	June 1, 2021	Note 4	0.28%

Name of grantee	Position	Address	Exercise price upon the Share Subdivision *(RMB/ shares)*	Number of Shares underlying the outstanding options upon the Share Subdivision	Date of grant[6]	Vesting period	Approximate percentage of equity interest in the Company underlying the outstanding options[1]
Consultants							
CHEN Rong[7]	Consultant	Room 201, No.26, Lane 1769, Wulian Road, Pudong New Area, Shanghai	1.45	130,000	September 1, 2021	Note 5	0.02%
LI Yaozong[8]	Consultant	Room 401, No.10, Taoyuan New Village, Chuansha Town, Pudong New Area, Shanghai	1.45	150,000	September 1, 2021	Note 5	0.02%
LU Baotian[9]	Consultant	No. 501, Gate 1, Building 16, Xinlijiayuan, Yunqi Road, Binhai New Area, Tianjin	1.45	150,000	September 1, 2021	Note 5	0.02%
Others							
Mr. SHEN Jingkang	Former Director	Room 1002, No.8, Lane 77, Longrui Road, Xuhui District, Shanghai	1.45	50,000	September 1, 2021	Note 5	0.01%
Ms. TIAN Huimin	Head of Operations	Room 801, No. 80 Lane 399, Ju Feng Road Pu Dong New District Shanghai, PRC	0.01	299,890	December 1, 2016	Note 2	0.04%
			0.01	29,990	December 1, 2017	Note 2	0.004%
			1.34	49,640	December 1, 2019	Note 3	0.01%
			1.45	1,280,000	June 1, 2021	Note 4	0.18%
Sub-total				1,659,520			0.24%
Total				14,451,680			2.06%

Notes:

(1) These percentages are calculated on the basis of 702,466,350 Shares in issue immediately following completion of the Share Subdivision and the Global Offering, assuming that the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme.

(2) 20% of the shares vest on the first anniversary of the date of grant, 30% of the shares vest on the second anniversary of the date of grant and the remaining 50% of the shares vest on the third anniversary of the date of grant.

(3) 25% of the shares vest on each anniversary of the date of grant, up to the fourth anniversary.

(4) 25% of the shares vest on each of the 6th month, 18th month, 30th month and 42nd month after the date of grant.

(5) 25% of the shares vest on each of the 15th month, 27th month, 39th month and 51st month after the date of grant.

(6) The share options granted under the 2019 Plan have been granted by the Company at nil consideration.

(7) Chen Rong was engaged as our Company's consultant to provide procurement and supply chain management services.

(8) Li Yaozong was engaged as our Company's consultant to provide computer-aided drug design services and set up an artificial intelligence platform.

(9) Lu Baotian was engaged as our Company's consultant to provide advice on manufacturing facilities and construction.

The following table summarizes the number of underlying Shares of the options (exercised or outstanding, but not including terminated ones) granted to individuals other than our Directors, senior management, consultants, a former Director and other grantees who have been granted options to subscribe for 120,000 ordinary shares (to be adjusted to 1,200,000 Shares upon Share Subdivision) of the Company or more under the 2019 Plan.

Name of grantee	Position held with our Group	Address	Exercise Price upon the Share Subdivision *(RMB/ shares)*	Number of Shares underlying the outstanding options upon the Share Subdivision	Date of grant[6]	Vesting Period	Approximate percentage of equity interest in the Company underlying the outstanding options[1]
134 other employees and former employees of our Group (including 128 employees and 6 former employees of our Group)[5]	–	–	0.01	3,370,290	December 1, 2016 and December 1, 2017	Note 2	0.48%
			0.20	1,179,580	December 1, 2018	Note 2	0.17%
			1.34	2,873,440	December 1, 2019	Note 3	0.41%
			1.45	8,132,000	December 1, 2020, June 1, 2021 and September 1, 2021	Note 4	1.16%
Total				15,555,310			2.21%

Notes:

(1) These percentages are calculated on the basis of 702,466,350 Shares in issue immediately following completion of the Share Subdivision and the Global Offering, assuming that the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme.

(2) 20% of the shares vest on the first anniversary of the date of grant, 30% of the shares vest on the second anniversary of the date of grant and the remaining 50% of the shares vest on the third anniversary of the date of grant.

(3) 25% of the shares vest on each anniversary of the date of grant, up to the fourth anniversary.

(4) For the options granted on December 1, 2020, 25% of the shares vest on each anniversary of the date of grant, up to the fourth anniversary. For the options granted on June 1, 2021, 25% of the shares vest on each of the 6th month, 18th month, 30th month and 42nd month after the date of grant. For the options granted on September 1, 2021, 25% of the shares vest on each of the 15th month, 27th month, 39th month and 51st month after the date of grant.

(5) With respect to the share options that were granted to the existing grantees who are our former employees, such share options were granted during the period between December 1, 2019 and December 1, 2020 (both days inclusive), which the grantees were the then employees of our Company. These share options were granted to the then employees of our Company with the intention of retaining our Company's then best available personnel, which has served the purpose of the 2019 Plan.

Pursuant to the terms of the 2019 Plan, upon the termination of a grantee's continuous service, our Company has the right to repurchase from the grantee all or 30% of the vested share options. In view of their contribution and services of the former employees to our Company, our Company has waived its right to repurchase such vested share options from these former employees. The outstanding options held by these former employees still remain valid as at of the Latest Practicable Date.

(6) The share options granted under the 2019 Plan have been granted by the Company at nil consideration.

All the shares underlying the 2019 Plan have been allotted and issued and are held by the trustees or its wholly-owned subsidiary on trust through Affluent Bay Limited, Computershare Hong Kong Trustees Limited, Abbisko Galaxy Myth Limited and Abbisko Glorious Ode Limited prior to the Global Offering. Accordingly, if all the outstanding options granted under the Equity Incentive Plans are exercised, there will not be any dilution effect on the shareholdings of our shareholders nor any impact on the earnings per share arising from the exercise of the outstanding options.

Waiver and Exemption

Our Company has applied for and has been granted a waiver from (i) a waiver from the Stock Exchange from strict compliance with the disclosure requirements under Rule 17.02(1)(b) and paragraph 27 of Appendix 1A to the Listing Rules; and (ii) an exemption from the SFC from strict compliance with the disclosure requirements of paragraph 10(d) of Part I of the Third Schedule to the Companies Ordinance. Please refer to the section headed "Waivers from Strict Compliance with the Listing Rules and Exemptions from Strict Compliance with the Companies (Winding up and Miscellaneous Provisions) Ordinance" in this Prospectus for details.

5. Details of outstanding RSUs granted

Below is a list of grantees of the RSUs under the 2019 Share Incentive Plan:

Name of grantee	Number of Shares underlying the outstanding RSUs upon the Share Subdivision	Date of grant	Vesting period	Approximate percentage of equity interest in the Company underlying the outstanding RSUs[(1)]
Directors				
Dr. Xu	11,237,500	June 1, 2021	Note 2	1.60%
Dr. Yu	9,000,000	June 1, 2021	Note 2	1.28%
Dr. Chen	9,000,000	June 1, 2021	Note 2	1.28%
Mr. Yeh	5,617,300	June 1, 2021	Note 2	0.80%
Other participants	3,080,000	June 1, 2021 and September 1, 2021	Note 2	0.44%
Total	37,934,800			5.40%

Notes:

(1) These percentages are calculated on the basis of 702,466,350 Shares in issue immediately following completion of the Share Subdivision and the Global Offering, assuming that the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Post-IPO Share Option Scheme and Post-IPO RSU Scheme.

(2) 50%, 25% and 25% of the shares vest on the 18th month, 30th month and 42nd month after the date of grant respectively.

(3) All the Shares underlying the 2019 Plan have been issued to ESOP Trustees or their subsidiaries.

E. POST-IPO RSU SCHEME

The Company has conditionally adopted the Post-IPO RSU Scheme by Shareholders' resolutions dated September 16, 2021. The Post-IPO RSU Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as the Post-IPO RSU Scheme does not involve the grant of options by our Company. The Company may appoint a trustee (the "**RSU Trustee**") to administer the Post-IPO RSU Scheme with respect to the grant of any Award (as defined below), by way of restricted share unit(s) ("**RSU(s)**"), which may vest in the form of Shares (the "**Award Shares**") or the actual selling price of the Award Shares in cash in accordance with the Post-IPO RSU Scheme.

1. Eligible Persons to the Post-IPO RSU Scheme

Any individual, being an employee, Director (including executive Directors, non-executive Directors and independent non-executive Directors) or Consultant of any member of the Group or any affiliate (an "**Eligible Person**" and, collectively "**Eligible Persons**") who the Board or its delegate(s) considers, in its sole discretion, to have contributed or will contribute to the Group is eligible to receive an award granted by the Board (an "**Award**"), by way of RSUs, which may vest in the form of Award Shares or the actual selling price of the Award Shares of RSUs in cash in accordance with the Post-IPO RSU Scheme. However, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Post-IPO RSU Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Post-IPO RSU Scheme.

2. Purpose of the Post-IPO RSU Scheme

The purpose of the Post-IPO RSU Scheme is to align the interests of Eligible Persons' with those of our Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, and to encourage and retain Eligible Persons to make contributions to the long-term growth and profits of our Group.

3. Awards

An Award gives a selected participant a conditional right, when the RSU vests, to obtain the Award Share or, if in the absolute discretion of the Board or its delegate(s), it is not practicable for the selected participant to receive the Award in Shares, the cash equivalent from the sale of the Award Shares. An Award includes all cash income from dividends in respect of those Shares from the date the Award is granted (the "**Grant Date**") to the date the Award vests (the "**Vesting Date**"). For the avoidance of doubt, the Board at its discretion may from time to time determine that any dividends declared and paid by our Company in relation to the Award Shares be paid to the selected participant even though the Award Shares have not yet vested.

4. Grant of Award

(i) Making the Grant

The Board or the committee of the Board or person(s) to which the Board has delegated its authority may, from time to time, at their absolute discretion, grant an Award to a selected participant by way of an award letter ("**Award Letter**"). The Award Letter will specify the Grant Date, the number of Award Shares underlying the Award, the vesting criteria and conditions, the Vesting Date and such other details as the Board or its delegate(s) may consider necessary.

Each grant of an Award to any Director, chief executive or substantial shareholder of our Company shall be subject to the prior approval of the independent non-executive Directors of our Company (excluding any independent non-executive Director who is a proposed recipient of an Award). Our Company will comply with the relevant requirements under Chapter 14A of the Listing Rules for any grant of Shares to connected persons of our Company.

(ii) Restrictions on Grants and Timing of Grants

The Board and its delegate(s) may not grant any Award to any selected participant in any of the following circumstances:

(A) where any requisite approval from any applicable regulatory authorities has not been granted;

(B) where any member of our Group will be required under applicable securities laws, rules or regulations to issue a prospectus or other offer documents in respect of such Award or the Post-IPO RSU Scheme, unless the Board determines otherwise;

(C) where such Award would result in a breach by any member of our Group or its directors of any applicable securities laws, rules or regulations in any jurisdiction;

(D) where such grant of Award would result in a breach of the Post-IPO RSU Limit (as defined below) or the minimum public float requirement as required under the Listing Rules, or would otherwise cause our Company to issue Shares in excess of the permitted amount in the mandate approved by the Shareholders;

(E) where an Award is to be satisfied by way of issue of new Shares to the RSU Trustee, in any circumstances that cause the total Shares issued or allotted to connected persons to be in excess of the amount permitted in the mandate approved by the Shareholders;

(F) where any Director of our Company is in possession of unpublished inside information in relation to our Company or where dealings by Directors of our Company are prohibited under any code or requirement of the Listing Rules and all applicable laws, rules or regulations, from time to time;

(G) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results, unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met, in accordance with the Listing Rules;

(H) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and the half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results, unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met, in accordance with the Listing Rules; and

(I) during any period of delay in the publication of a results announcement.

5. Maximum Number of Shares to be Granted

The aggregate number of Shares underlying all grants made pursuant to the Post-IPO RSU Scheme (excluding Award which have been forfeited in accordance with the Post-IPO RSU Scheme) will not exceed 10% of the issued share capital of the Company as of the date of approval of the Post-IPO RSU Scheme without Shareholders' approval (the "**Post-IPO RSU Scheme Limit**"), being 4,872,343 ordinary shares (adjusted to 48,723,430 Shares following the Share Subdivision).

6. Rights attached to the Award

Save that the Board at its discretion may from time to time determine that any dividends declared and paid by our Company in relation to the Award Shares be paid to the selected participants even though the RSUs have not yet vested in the form of Award Shares, the selected participant only has a contingent interest in the Award Shares underlying an Award unless and until such Award Shares are actually transferred to the selected participant, nor does he/she have any rights to any related income until the RSUs vest in the form of Award Shares.

The RSU Trustee shall not exercise the voting rights in respect of any Award Shares which are held under the Trust that have not yet vested.

7. Issue of Shares and/or transfer of funds to the RSU Trustee

Our Company shall, as soon as reasonably practicable and no later than 30 business days from the Grant Date, (i) issue and allot Shares to the RSU Trustee and/or (ii) transfer to the RSU Trustee the necessary funds and instruct the RSU Trustee to acquire Shares through on-market transactions at the prevailing market price, so as to satisfy the Awards.

Our Company shall not issue or allot Award Shares nor instruct the RSU Trustee to acquire Shares through on-market transactions at the prevailing market price, where such action (as applicable) is prohibited under the Listing Rules, the Securities and Futures Ordinance or other applicable laws from time to time. Where such a prohibition causes the prescribed timing imposed by the Post-IPO RSU Scheme Rules or the trust deed to be missed, such prescribed timing shall be treated as extended until as soon as reasonably practicable after the first Business Day on which the prohibition no longer prevents the relevant action.

8. Assignment of Awards

Unless express written consent is obtained from the Board or the committee of the Board or person(s) to which the Board has delegated its authorities, any Award granted under the Post-IPO RSU Scheme but not yet vested are personal to the selected participants to whom they are granted and cannot be assigned or transferred. A selected participant shall not in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any other person over or in relation to any Award, or enter into any agreement to do so.

9. Vesting of Awards

The Board or its delegate(s) may from time to time while the Post-IPO RSU Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the Award to be vested.

Within a reasonable time period as agreed between the RSU Trustee and the Board from time to time prior to any Vesting Date, the Board or its delegate(s) will send a vesting notice to the relevant selected participant and instruct the RSU Trustee the extent to which the Award Shares held in the trust shall be transferred and released from the trust to the selected participant. Subject to the receipt of the vesting notice and notification from the Board or its delegate(s), the RSU Trustee will transfer and release the relevant Award in the manner as determined by the Board or its delegate(s).

If, in the absolute discretion of the Board or its delegate(s), it is not practicable for the selected participant to receive the Award in Shares, solely due to legal or regulatory restrictions with respect to the selected participant's ability to receive the Award in Shares or the RSU Trustee's ability to give effect to any such transfer to the selected participant, the Board or its delegate(s) will direct and procure the RSU Trustee to sell, on-market at the prevailing market price, the number of RSUs so vested in the form of Award Shares in respect of the selected participant and pay the selected participant the proceeds arising from such sale based on the actual selling price of the Award Shares following vesting of such RSUs in cash as set out in the vesting notice.

If there is an event of change in control of our Company by way of a merger, a privatization of our Company by way of a scheme or by way of an offer, the Board or the committee of the Board or person(s) to which the Board has delegated its authority shall at their sole discretion determine whether the Vesting Dates of any Awards will be accelerated to an earlier date.

10. Consolidation, subdivision, bonus issue and other distribution

In the event our Company undertakes a subdivision or consolidation of the Shares, corresponding changes will be made to the number of outstanding RSUs that have been granted provided that the adjustments shall be made in such manner as the Board determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Post-IPO RSU Scheme for the selected participants. All fractional shares (if any) arising out of such consolidation or subdivision in respect of the Award Shares of a selected participant shall be deemed as returned shares and shall not be

transferred to the relevant selected participant on the relevant Vesting Date. The RSU Trustee shall hold returned shares to be applied towards future Awards in accordance with the provisions of the Post-IPO RSU Scheme rules for the purpose of the Post-IPO RSU Scheme.

In the event of an issue of Shares by our Company credited as fully paid to the holders of the Shares by way of capitalization of profits or reserves (including share premium account), the Shares attributable to any Award Shares held by the RSU Trustee shall be deemed to be an accretion to such Award Shares and shall be held by the RSU Trustee as if they were Award Shares purchased by the RSU Trustee hereunder and all the provisions hereof in relation to the original Award Shares shall apply to such additional Shares.

In the event of any non-cash distribution or other events not referred to above by reason of which the Board considers an adjustment to an outstanding Award to be fair and reasonable, an adjustment shall be made to the number of outstanding RSUs of each selected participant as the Board shall consider as fair and reasonable, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Post-IPO RSU Scheme for the selected participants. Our Company shall provide such funds, or such directions on application of the returned shares or returned trust funds, as may be required to enable the RSU Trustee to purchase Shares on-market at the prevailing market price to satisfy the additional Award.

In the event of other non-cash and non-scrip distributions made by our Company not otherwise referred to in the Post-IPO RSU Scheme rules in respect of the Shares held upon trust, the RSU Trustee shall sell such distribution and the net sale proceeds thereof shall be deemed as related income of the Post-IPO RSU Scheme or returned trust funds of the returned Shares held upon trust as the case may be.

11. Cessation of employment and other events

Except as otherwise determined by the Board or the committee of the Board or person(s) to which the Board has delegated its authority, upon termination of employment, office or service with our Company during the applicable restriction period, Awards that are at that time unvested shall be forfeited or repurchased in accordance with the terms and provisions of the grant letter and/or award agreement to be entered into by such selected participant; provided, however, that the Board or the committee of the Board or person(s) to which the Board has delegated its authority may (a) provide in any grant letter and/or award agreement that restrictions or forfeiture and repurchase conditions relating to the Awards will be waived in whole or in part in the event of terminations resulting from specified causes; and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to the Awards.

If a selected participant ceases to be an Eligible Person for reasons other than those stated this paragraph, any outstanding RSUs and related income not yet vested in the form of Award Shares shall be immediately forfeited, unless the Board or its delegate(s) determines otherwise at their absolute discretion.

12. Alteration of the Post-IPO RSU Scheme

The Post-IPO RSU Scheme may be altered in any respect (save for the Post-IPO RSU Scheme Limit) by a resolution of the Board provided that no such alteration shall operate to affect adversely any subsisting rights of any selected participant unless otherwise provided for in the rules of the Post-IPO RSU Scheme, except:

(i) with the consent in writing of selected participants amounting to three-fourths in nominal value of all RSUs held by the RSU Trustee on that date; or

(ii) with the sanction of a special resolution that is passed at a meeting of the selected participants amounting to three-fourths in nominal value of all RSUs held by the RSU Trustee on that date.

13. Termination

The Post-IPO RSU Scheme shall terminate on the earlier of:

(i) the end of the period of ten years commencing on the Listing Date except in respect of any non-vested RSUs granted hereunder prior to the expiration of the Post-IPO RSU Scheme, for the purpose of giving effect to the vesting in the form of Award Shares of such RSUs or otherwise as may be required in accordance with the provisions of the Post-IPO RSU Scheme; and

(ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any selected participant under the rules of the Post-IPO RSU Scheme, provided further that for the avoidance of doubt, the change in the subsisting rights of a selected participant in this paragraph refers solely to any change in the rights in respect of the RSUs already granted to a selected participant.

14. Administration of the Post-IPO RSU Scheme

Our Company has established a committee comprising of, among others, Directors and senior management members, for the administration of the Post-IPO RSU Scheme.

15. General

As of the Latest Practicable Date, no RSU had been granted or agreed to be granted under the Post-IPO RSU Scheme.

An application has been submitted to the Listing Committee for the listing of, and permission to deal in, the Shares which may be issued pursuant to the Post-IPO RSU Scheme.

F. POST-IPO SHARE OPTION SCHEME

A summary of the principal terms of the Post-IPO Share Option Scheme conditionally approved and adopted in compliance with Chapter 17 of the Listing Rules by resolutions of our Shareholders on September 16, 2021 is as follows.

1. Purpose

The Post-IPO Share Option Scheme is established to reward employees, Directors or Consultants for their past contribution to the success of the Company, and to provide incentives to them to further contribute to the Company.

2. Selected participants

Any individual, being an employee, Director or Consultant of any member of our Group ("**Selected Participant**") who the Board may in its absolute discretion select to grant an Option to subscribe for such number of Shares as the Board may determine at the Subscription Price (as defined below).

3. Maximum number of Shares

The maximum number of Shares in respect of which Options may be granted under the Post-IPO Share Option Scheme shall not exceed 10% of the issued share capital of the Company as of the date of approval of the Post-IPO Share Option Scheme by the shareholders of the Company, being 4,872,343 ordinary shares (adjusted to 48,723,430 Shares following the Share Subdivision). Options lapsed in accordance with the terms of the Post-IPO Share Option Scheme shall not be counted for the purpose of calculating the Limit of the Scheme. The total number of Shares to be issued upon exercise of all outstanding Options under the Post-IPO Share Option Scheme and all other schemes of the Company granted and yet to be exercised shall not exceed 30% of all the Shares in issue from time to time. No Option may be granted under the Post-IPO Share Option Scheme if this will result in the limit being exceeded.

The maximum number of Shares shall be adjusted, in such manner as the auditor of the Company shall certify in writing to the Board to be fair and reasonable, in the event of any alteration in the capital structure of the Company whether by way of capitalization of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of the Company provided that no such adjustment shall be made in the event of an issue of Shares as consideration in respect of a transaction to which the Company is a party.

4. Maximum entitlement of a grantee

Except with the approval of shareholders in general meeting with the prospective Grantee and his associates abstaining from voting, no Option may be granted to any one person such that the total number of Shares issued and to be issued upon exercise of Options and any other Option over the Shares (including exercised, canceled and outstanding Options) granted and to

be granted to such person in any 12-month period up to the date of the latest grant exceeds 1% of the Shares in issue from time to time. The Company shall send a circular to its shareholders containing the information required under the Listing Rules. The number and terms of the Options to be granted to such prospective Grantee shall be fixed before the shareholders' approval of the grant of such Options and the date of Board meeting for proposing such further grant should be taken as the Offer Date for the purpose of calculating the Subscription Price.

5. Performance target

The Post-IPO Share Option Scheme does not set out any performance targets that must be achieved before the options may be exercised. However, subject to the provisions of the Listing Rules, the Board may in its absolute discretion specify such event, time limit or conditions (if any) as it thinks fit including, without limitation, conditions as to performance criteria to be satisfied and/or the Company and/or the Group which must be satisfied before an Option can be exercised, provided such terms and conditions shall not be inconsistent with any other terms and conditions of the Post-IPO Share Option Scheme.

6. Subscription price

The amount payable for each Share to be subscribed for under an option ("**Subscription Price**") in the event of the option being exercised shall be determined by the Board at its absolute discretion, but shall be not less than the greater of:

(i) the closing price of a Share as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant;

(ii) the average closing price of our Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and

(iii) the nominal value of a Share on the date of grant,

provided that, for the purpose of determining the Subscription Price where the Shares have been listed on the Stock Exchange for less than five business days, the issue price of the Shares in the Company's Global Offering of the Shares shall be used as the closing price of the Shares for any business day falling within the period before the listing of the Shares on the Stock Exchange.

7. Rights are personal to grantee

An Option is personal to the grantee and shall not be assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favor of any third party over or in relation to any option, except for the transmission of an option on the death of the grantee to his personal representative(s) on the terms of the Post-IPO Share Option Scheme.

8. Options granted to Connected Persons

The approval of independent non-executive Directors of the Company (excluding any independent non-executive director of the Company who is intended to be a grantee of the Option) will be required for each grant of Options to a director, chief executive, or substantial shareholder of the Company or any of their respective associates.

If a grant of Option(s) to a substantial shareholder or an independent non-executive Director of the Company or their respective associates will result in the total number of Shares issued and to be issued upon exercise of all the options granted and to be granted (including options exercised, canceled and outstanding) to such person under the Post-IPO Share Option Scheme and any other scheme in the 12-month period up to and including the date of such grant:

(i) representing in aggregate over 0.1% of the Shares in issue from time to time; and

(ii) having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet at the date of each grant, in excess of HK$5 million,

such further grant of Option(s) must be approved by the shareholders of the Company, voting by way of poll. In this case the Board shall procure that all the requirements of the Listing Rules relating to sending a circular to shareholders are complied with. All Connected Persons of the Company shall abstain from voting in favor of the resolution at such general meeting.

9. Grant offer letter and notification of grant of options

An offer of the grant of an Option shall be made to any Grantee by letter in such form as the Board may from time to time determine specifying the number of Shares, the Subscription Price, the Option Period, the date by which the grant must be accepted being a date not more than 28 days after the Offer Date (provided such offer shall be open for acceptance after the effective period of the Post-IPO Share Option Scheme) and further requiring the employee to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the Post-IPO Share Option Scheme. The letter shall also state that the offer of an Option shall be personal to the employee concerned and shall not be transferable. The inadvertent non-compliance with the requirements of the above shall not render the grant of an Option invalid if the Board so determines and makes such remedial action, if any, as it deems appropriate in its absolute discretion.

An Option shall be deemed to have been granted and accepted and to have taken effect when the duplicate letter comprising acceptance of the offer of the grant of the Option duly signed by the Grantee together with a payment to the Company and/or any of its Subsidiaries of HK$1 (or the equivalent of HK$1 in the local currency of any jurisdiction where the

company and/or its Subsidiaries operate, as the Board may in its absolute discretion determine) by way of consideration for the grant thereof is received by the Company within the time period specified in the offer of the grant of the Option. Such remittance shall not be refundable.

Any offer of the grant of an Option may be accepted or deemed to have been accepted in respect of any number of Shares up to the number in respect of which the Option is offered provided that it is accepted in respect of a Board Lot or an integral multiple thereof. To the extent that the offer of the grant of an Option is not accepted within 28 days after the Offer Date, it will be deemed to have been irrevocably declined and will lapse, unless the Board in its absolute discretion determines otherwise.

10. Restriction of grant of options

No Option shall be offered or granted:

(a) to any employee after inside information has become to the Company's knowledge until (and including) the trading day after the Company has announced the information;

(b) to any employee during the period commencing one month immediately before the earlier of:

(i) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the results of the Company for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

(ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement. No Option shall be granted during any period of delay in publishing a results announcement.

(c) to any director of the Company (except where the Subscription Price is to be determined by the Board at the time of exercise of the Option):

(i) during the period of 60 days immediately preceding the publication of the annual results of the Company or, if shorter, the period from the end of the relevant financial year up to the publication of the results; or

(ii) during the period of 30 days immediately preceding the publication of the quarterly (if any) or half-yearly results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication of the results.

11. Time of exercise of an Option

Subject as provided in the Post-IPO Share Option Scheme and any conditions specified by the Board, an Option may, subject to the terms and conditions upon which such option is granted, be exercised in whole or in part by the grantee giving notice in writing to our Company in such form as the Board may from time to time determine stating that the option is thereby exercised and the number of Shares in respect of which it is exercised.

12. Lapse of Option

Any Option shall elapse automatically and not be exercisable on the earliest of:

(a) the expiry of the Option Period;

(b) subject to the date of the commencement of the winding-up of the Company;

(c) the date on which the Grantee ceases to be an employee, Director or Consultant of the Company by reason of the summary termination of his employment, office or service on any one or more of the grounds that he has been guilty of misconduct, or has been convicted of any criminal offense involving his integrity or honesty or (if so determined by the Board in its absolute discretion) on any other ground on which the relevant company in the Group would be entitled to terminate his employment, office or service summarily at common law or pursuant to any applicable laws or under the Grantee's service contract with relevant company in the Group;

(d) where the Grantee is an employee, Director or Consultant of a subsidiary of the Company, the date on which such subsidiary ceases to be a member of the Group;

(e) the date on which the Option is canceled by the Board;

(f) the date on which the Grantee commits a breach of Post-IPO Share Option Scheme rule; or

(g) the occurrence or non-occurrence of any event, expiry of any period, or non-satisfaction of any condition, as specified in the letter containing the offer or grant of the relevant Option.

13. Voting and dividend rights

No dividends shall be payable and no voting rights shall be exercisable in relation to any options or Shares that are the subject of options that have not been exercised.

14. Effects of alterations in the capital structure of our Company

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalization of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of the Company in accordance with applicable laws and regulatory requirements (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), such corresponding adjustments (if any) shall be made to:

(a) the number or nominal amount of Shares, the subject matter of the Option (insofar as it is unexercised); and/or

(b) the aggregate number of Shares subject to outstanding Options; and/or

(c) the Subscription Price; and/or

(d) the method of exercise of the Option,

as the auditor of the Company shall certify in writing to the Board to be in their opinion fair and reasonable, provided that any adjustment shall be made on the basis that the proportion of the issued share capital of the Company to which a Grantee is entitled after such adjustment shall remain the same, or as nearly as possible the same as that to which he was entitled to subscribe had he exercised all the Options held by him immediately before such adjustment, but so that no such adjustment shall be made the effect of which would be to enable any Share to be issued at less than its nominal value, or to alter any terms of the relevant Option to the advantage of the Grantee without the approval of the shareholders of the Company.

If there has been any alteration in the capital structure of the Company as referred to in the Company shall, upon receipt of a notice from the Grantee, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made pursuant to the certificate of the auditor of the Company obtained by the Company for such purpose, or if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the auditor of the Company to issue a certificate in that regard.

15. Rights on takeover and schemes of compromise or arrangement

If a general or partial offer (whether by way of take-over offer, share repurchase offer or otherwise in like manner other than by way of a scheme of arrangement) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or in concert with the offeror) the Company shall use its best endeavors to procure that such offer is extended to all the Grantees (on the same terms mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, shareholders of the Company). If such offer becomes or is

declared unconditional, the Grantee (or his legal personal representative(s)) shall be entitled to exercise his outstanding Option(s) in full at any time within 14 days after the date on which such general offer becomes or is declared unconditional.

16. Rights on a voluntary winding up

In the event of an effective resolution being passed for the voluntary winding-up of the Company or an order of the court being made for the winding-up of the Company, notice thereof shall be given by the Company to Grantees with Options outstanding in full or in part at such date. If a Grantee immediately prior to such event had any outstanding Options, the Grantee (or his legal personal representative(s)) may by notice in writing to the Company within 21 days after the date of such resolution elect to be treated as if the Options had been exercised immediately before the passing of such resolution either to its full extent or to the extent specified in the notice, such notice to be accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given, whereupon the Grantee shall be duly issued and allotted with the relevant Shares (or treated as such by the Company) and entitled to receive out of the assets available in the liquidation pari passu with the holders of Shares such sum as would have been received in respect of the Shares that are the subject of such election.

17. Ranking of Shares

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association of the Company for the time being in force and will rank *pari passu* with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders to participate in all dividends and other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor falls before the date of allotment.

18. Duration

The Post-IPO Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date when the Post-IPO Share Option Scheme becomes unconditional, after which period no further Options will be granted by the provisions of the Post-IPO Share Option Scheme, but the provisions of this Post-IPO Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the Post-IPO Share Option Scheme.

19. Alteration of the Post-IPO Share Option Scheme

The Board may subject to the rules of the Post-IPO Share Option Scheme amend any of the provisions of the Post-IPO Share Option Scheme (including without limitation amendments in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions, imposed by the provisions of the Post-IPO Share Option Scheme, which are not found in Chapter 17 of the Listing Rules) at any time (but not so as to affect adversely any rights which have accrued to any grantee at that date).

Those specific provisions of the Post-IPO Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of selected participants, and no changes to the authority of the administrator of the Post-IPO Share Option Scheme in relation to any alteration of the terms of the Post-IPO Share Option Scheme shall be made, without the prior approval of Shareholders in general meeting. Any alterations to the terms of the Post-IPO Share Option Scheme which are of a material nature, or any change to the terms and conditions of options granted (including those granted to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates), must also, to be effective, be approved by our Shareholders in general meeting and the Stock Exchange, except where the alterations take effect automatically under the existing terms of the Post-IPO Share Option Scheme. The options and the Post-IPO Share Option Scheme so altered must comply with Chapter 17 of the Listing Rules. Any change to the authority of the Directors or Post-IPO Share Option Scheme administrators in relation to any alternation to the terms of the Post-IPO Share Option Scheme must be approved by Shareholders in general meeting.

Notwithstanding any provisions to the contrary in the Post-IPO Share Option Scheme, if on the relevant date of exercise there are restrictions or conditions imposed by the relevant laws and regulations to which the grantee is subject and the grantee has not obtained approval, exemption or waiver from the relevant regulatory authorities for the subscription of and dealing in our Shares, the grantee may sell the options to such transferee, subject to the approval by the Board, which shall not unreasonably withhold or delay such approval. In the event that the options are transferred to a connected person of our Company, no Shares shall be allotted and issued upon the exercise of the options by a connected person of our Company unless the Board is satisfied that the allotment and issue of Shares will not trigger any breach of the Listing Rules, the Articles of Association, the Companies Act or the Takeovers Code.

20. Termination

The Company by an ordinary resolution in general meeting or the Board may at any time terminate the operation of the Post-IPO Share Option Scheme and in such event no further Options will be offered but the provisions of the Post-IPO Share Option Scheme shall remain in full force in all other respects. All Options granted but unexercised prior to such termination shall continue to be valid and exercisable in accordance with their terms of issue after the termination of the Post-IPO Share Option Scheme.

21. Value of Option

Our Directors consider it inappropriate to disclose the value of options which may be granted under the Post-IPO Share Option Scheme as if they had been granted as of the Latest Practicable Date. Any such valuation will have to be made on the basis of a certain option pricing model or other method that depends on various assumptions including the exercise price, the exercise period, interest rate, expected volatility and other variables. As no options have been granted, certain variables are not available for calculating the value of options. Our Directors believe that any calculation of the value of options granted as of the Latest Practicable Date would be based on a number of speculative assumptions that are not meaningful and would be misleading to investors.

22. Administration of the Post-IPO Share Option Scheme

Our Company has established a committee comprising of, among others, Directors and senior management members, for the administration of the Post-IPO Share Option Scheme.

23. General

As of the Latest Practicable Date, no option had been granted or agreed to be granted under the Post-IPO Share Option Scheme.

An application has been made to the Listing Committee of the Stock Exchange for listing of and permission to deal in the Shares which may be issued pursuant to the exercise of any options which may be granted under the Post-IPO Share Option Scheme.

G. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

2. Litigation

Save as disclosed in the section headed "Risk Factors" in this Prospectus and so far as our Directors are aware, no litigation or claim of material importance is pending or threatened against any member of our Group.

3. Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Listing Committee for the listing of, and permission to deal in, the Shares of our Company in issue (including the Shares or conversion of Preferred Shares) and to be issued pursuant to (i) the Global Offering and (ii) the Over-Allotment Option.

The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The Joint Sponsors will receive an aggregate fee of US$1 million for acting as the sponsor for the Listing.

4. Compliance Adviser

Our Company has appointed Somerley Capital Limited as our Compliance Adviser in compliance with Rule 3A.19 of the Listing Rules.

5. Preliminary Expenses

We have not incurred any material preliminary expenses in relation to the incorporation of our Company.

6. Consents of Experts

The following experts have each given and have not withdrawn their respective written consents to the issue of this Prospectus with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

Name	Qualification
Morgan Stanley Asia Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
J.P. Morgan Securities (Far East) Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Ernst & Young	Certified Public Accountants under Professional Accountants Ordinance (Cap. 50) Registered Public Interest Entity Auditor under Financial Reporting Council Ordinance (Cap. 588)
Maples and Calder (Hong Kong) LLP	Legal advisors to the Company as to Cayman Islands laws
Han Kun Law Offices	Legal advisors to the Company as to PRC laws
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry Consultant

As at the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

7. Agency Fees or Commissions Paid or Payable

Save as disclosed in this Prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of our Company within the two years immediately preceding the date of this Prospectus.

8. No Material Adverse Change

The Directors confirm that there has been no material adverse change in our financial or trading position since March 31, 2021 (being the date to which the latest audited financial statements of our Group were made up) up to the date of this Prospectus.

9. Other Disclaimers

(a) Save as disclosed in this Prospectus, within the two years immediately preceding the date of this Prospectus:

(i) no share or loan capital or debenture of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partly paid other than in cash or otherwise;

(ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and

(iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries.

(b) Save as disclosed in this Prospectus:

(i) there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;

(ii) no share or loan capital or debenture of our Company of any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and

(iii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries by our Company for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or debentures of our Company or any of our subsidiaries.

(c) Save as disclosed in the paragraph headed "B. Further Information about our Business – 1. Summary of Material Contracts" in this section, none of our Directors or proposed Directors or experts (as named in this Prospectus), have any interest, direct or indirect, in any assets which have been, within the two years immediately preceding the date of this Prospectus, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group.

(d) We do not have any promoters. No cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this Prospectus within the two years immediately preceding the date of this Prospectus.

(e) There is no restriction affecting the remittance of profits or repatriation of capital of our Company into Hong Kong from outside Hong Kong.

10. Binding Effect

This Prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

11. Bilingual Prospectus

The English language and Chinese language versions of this Prospectus are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this Prospectus and delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of the **GREEN** Application Form;

(b) the written consents referred to in the section headed "Statutory and General Information – G. Other Information – 6. Consents of Experts" in Appendix IV to this Prospectus; and

(c) a copy of each of the material contracts referred to in the section headed "Statutory and General Information – B. Further Information about our Business – 1. Summary of Material Contracts" in Appendix IV to this Prospectus.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's principal place of business in Hong Kong at the office of Davis Polk & Wardwell at The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this Prospectus:

(a) the Memorandum of Association and the Articles of the Company;

(b) the Accountants' Report, and the independent reporting accountants' assurance report on the unaudited pro forma financial information of our Group prepared by Ernst & Young, the text of which is set out in Appendices I and II to this Prospectus;

(c) the audited consolidated financial statements of our Company for the two financial years ended December 31, 2019 and 2020 and the audited condensed financial information for the three months ended March 31, 2021;

(d) the legal opinion issued by Han Kun Law Offices, our PRC Legal Advisor in respect of general corporate matters and the property interests of our Group in the PRC;

(e) the letter of advice from Maples and Calder (Hong Kong) LLP, our legal advisor as to the law of the Cayman Islands, summarizing certain aspects of the Cayman Companies Act referred to in Appendix III to this Prospectus;

(f) the industry report prepared by Frost & Sullivan;

(g) the material contracts referred to in the section entitled "B. Further Information about our Business – 1. Summary of Material Contracts" in Appendix IV to this Prospectus;

(h) the written consents referred to in the section entitled "G. Other Information – 6. Consents of Experts" in Appendix IV to this Prospectus;

(i) the service contracts or letters of appointment referred to in the section headed "C. Further information about our Directors – 1. Particulars of Directors' Service Contracts and Appointment Letters" in Appendix IV to this Prospectus;

(j) the terms of the 2019 Share Incentive Plan and a list of grantees under the 2019 Share Incentive Plan, containing all details as required under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance;

(k) the terms of the Post-IPO RSU Scheme;

(l) the terms of the Post-IPO Share Option Scheme; and

(m) the Cayman Companies Act.

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