

A. FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES**1. Incorporation**

Our Company was incorporated in the Cayman Islands on April 28, 2011 as an exempted company with limited liability. Our registered office address is at Maples Corporate Services Limited at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. Accordingly, our Company's corporate structure and Memorandum and Articles of Association are subject to the relevant laws of the Cayman Islands. A summary of our Memorandum and Articles of Association is set out in Appendix III.

Our registered place of business in Hong Kong is at Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. We were registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on May 31, 2018 with the Registrar of Companies in Hong Kong. Ronald Hao Xi Ede and Lok Yee Chan have been appointed as the authorised representatives of our Company for the acceptance of service of process in Hong Kong. The address for service of process is Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

As at the date of this prospectus, our Company's head office was located at 168 Dongping Street, Suzhou Industrial Park, China 215123.

2. Changes in share capital of our Company

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on April 28, 2011, with an authorized share capital of US\$50,000 divided into 500,000,000 ordinary shares, each with a par value of US\$0.0001.

The following sets out the changes in our Company's issued share capital during the two years immediately preceding the date of this prospectus:

- (a) On September 26, 2016, our Company issued shares in the following manner:
 - (i) 1,674 shares to Charles Leland Cooney;
 - (ii) 1,229,495 Series D preferred shares to LC Healthcare;
 - (iii) 81,966 Series D preferred shares to Highsino;
 - (iv) 2,458,990 Series D preferred shares to TLS Beta;
 - (v) 1,229,495 Series D preferred shares to Hillhouse INOV; and
 - (vi) 245,899 Series D preferred shares to Cowin China.
- (b) On December 23, 2016, our Company issued 1,296,667 shares to De-Chao Michael Yu.
- (c) On February 18, 2017, our Company issued 3,020,697 shares to De-Chao Michael Yu.

- (d) On January 31, 2018, our Company issued 6,576,975 Series E preferred shares to Seacliff (Cayman) Ltd. and 129,434 Series E preferred shares to Dwyer (Cayman) Ltd.
- (e) On April 4, 2018, our Company issued Series E preferred shares in the following manner:
 - (i) 535,068 Series E preferred shares to LC Healthcare;
 - (ii) 19,919 Series E preferred shares to Highsino;
 - (iii) 149,665 Series E preferred shares to LAV Opus;
 - (iv) 74,832 Series E preferred shares to LAV Orion;
 - (v) 299,329 Series E preferred shares to LAV Agility;
 - (vi) 535,068 Series E preferred shares to TLS Beta;
 - (vii) 361,303 Series E preferred shares to Hillhouse INOV;
 - (viii) 111,253 Series E preferred shares to Taikang AMC HK;
 - (ix) 273,063 Series E preferred shares to Cormorant Private Healthcare;
 - (x) 86,289 Series E preferred shares to Cormorant Global Healthcare;
 - (xi) 13,227 Series E preferred shares to CRMA;
 - (xii) 223,547 Series E preferred shares to Rock Springs;
 - (xiii) 1,490,313 Series E preferred shares to CRF Investment; and
 - (xiv) 298,063 Series E preferred shares to Ally Bridge.
- (f) On April 30, 2018, our Company issued 2,235 shares to Charles Leland Cooney.
- (g) On May 1, 2018, our Company issued 9,010,004 shares to Great Biono Fortune LP.
- (h) On June 1, 2018, our Company issued 2,272,727 Series B preferred shares to Hua Yuan.
- (i) On June 1, 2018, our Company issued 198,963 Series C preferred shares to Suzhou Frontline.

- (j) On June 1, 2018, our Company issued Series D preferred shares in the following manner:
- (i) 4,508,148 Series D preferred shares to Future Industry Investment (BVI) Co., Limited;
 - (ii) 4,508,148 Series D preferred shares to China Life;
 - (iii) 2,458,990 Series D preferred shares to Shanghai Sa Wang;
 - (iv) 1,639,327 Series D preferred shares to Pingan Inno Limited;
 - (v) 1,229,495 Series D preferred shares to Easy Swift Limited;
 - (vi) 1,229,495 Series D preferred shares to Shanghai Pengfang Health Consultation Co., Ltd.;
 - (vii) 614,747 Series D preferred shares to Shanghai Chiyi; and
 - (viii) 40,983 Series D preferred shares to Xiangan Inno Limited.
- (k) On June 12, 2018, our Company conducted a share subdivision such that the authorized share capital of the Company was re-designated to US\$50,000, comprising (i) 4,328,216,600 Shares, (ii) 50,000,000 Series A Preferred Shares of a par value of US\$0.00001 each, (iii) 136,363,660 Series B Preferred Shares of a par value of US\$0.00001 each, (iv) 158,894,480 Series C Preferred Shares of a par value of US\$0.00001 each, (v) 214,751,780 Series D Preferred Shares of a par value of US\$0.00001 each and (vi) 111,773,480 Series E Preferred Shares of a par value of US\$0.00001 each. See the section headed “History, Development and Corporate Structure – Share Subdivision” for further details.

Save as disclosed above, there has been no alteration in the share capital of our Company during the two years immediately preceding the date of this prospectus.

3. Changes in the share capital of our subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in note to the Accountants’ Report as set out in Appendix I.

The following sets out the changes in the share capital of our subsidiaries during the two years immediately preceding the date of this prospectus:

Innovent Suzhou

On August 19, 2016, the registered capital of Innovent Suzhou increased from US\$33,407,572 to US\$47,196,802.

On November 30, 2016, the registered capital of Innovent Suzhou increased from US\$47,196,802 to US\$52,464,750.

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.

Save for the subsidiaries mentioned in the Accountants' Report set out in Appendix I, our Company has no other subsidiaries.

4. Resolutions of the Shareholders of our Company dated October 15, 2018

Resolutions of our Shareholders were passed on October 15, 2018, pursuant to which, among others:

- (a) conditional on (i) the Listing Committee granting listing of, and permission to deal in, the Shares in issue and to be issued as to be 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; (ii) the Offer Price having been determined; (iii) 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; and (iv) the Underwriting Agreements having been duly executed by the Underwriters and our Company:
 - (1) the Global Offering (including the Over-allotment Option) was approved, and the proposed allotment and issue of the Offer Shares under the Global Offering were approved, and the Directors were authorised to determine the Offer Price for, and to allot and issue the Offer Shares;
 - (2) 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 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, otherwise than by way of the Global Offering, rights issue or pursuant to the exercise of any subscription rights attaching to any warrants which may be allotted and issued by the Company from time to time or, pursuant to the Equity Plans or allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association on a specific authority granted by our Shareholders in general meeting, shall not exceed 20% of the aggregate nominal value of the Shares in issue immediately following the completion of the Global Offering, excluding any Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option or the Equity Plans;

- (3) 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 Global Offering, excluding any Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option or the Equity Plans; and
- (4) the general unconditional mandate as mentioned in paragraph (2) 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 (3) above (up to 10% of the aggregate nominal value of the Shares in issue immediately following the completion of the Global Offering, excluding any Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option or the Equity Plans;
- (b) our Company conditionally approved and adopted the Memorandum and Articles of Association with effect from the Listing; and
- (c) our Company conditionally approved and adopted the RS Plan with effect from the Listing Date.

Each of the general mandates referred to in paragraphs (a)(2), (a)(3) and (a)(4) above will remain in effect until whichever is the earliest of:

- the conclusion of the next annual general meeting of our Company;
- the expiration of the period within which the next annual general meeting of our Company is required to be held by any applicable law or the Articles of Association; or
- the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

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 summarised 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 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 October 15, 2018, the Repurchase Mandate was given to our Directors authorising 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 recognised 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 Global Offering (excluding any Shares which may be issued under the Over-allotment Option and any Shares to be allotted and issued pursuant to the Equity Plans), 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 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 authorised by the Articles of Association and subject to the Cayman Islands Companies Law. 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 authorised by the Articles of Association and subject to the Cayman Islands Companies Law.

(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 cancelled and the relative certificates must be cancelled and destroyed. Under the laws of the Cayman Islands, unless, prior to the purchase the directors of our Company resolve to hold the shares purchased by our Company as treasury shares, shares purchased by our Company shall be treated as cancelled 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 authorised share capital under Cayman 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 and/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 of Association 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 authorised by the Articles of Association and subject to the Cayman Companies Law, 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 authorised by the Articles of Association and subject to Cayman Companies Law, 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 the Directors, are from time to time appropriate for our Company.

(d) General

The exercise in full of the Repurchase Mandate, on the basis of 1,118,150,710 Shares in issue immediately following the completion of the Global Offering, but assuming the Over-allotment Option is not exercised and no shares are issued pursuant to the Equity Plans, could accordingly result in up to approximately 111,815,071 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 when it is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close 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 given 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) had been entered into by members of our Group within the two years preceding the date of this prospectus and are or may be material:

- (a) a cornerstone investment agreement dated October 12, 2018 entered into between the Company, Seacliff (Cayman) Ltd., Morgan Stanley Asia Limited, Goldman Sachs (Asia) L.L.C., J.P. Morgan Securities (Far East) Limited, J.P. Morgan Securities (Asia Pacific) Limited, J.P. Morgan Securities plc, and China Merchants Securities (HK) Co., Limited, pursuant to which Seacliff (Cayman) Ltd. had agreed to, among other things, subscribe for Shares at the Offer Price in the amount of the Hong Kong dollar equivalent of US\$19,614,000;
- (b) a cornerstone investment agreement dated October 12, 2018 entered into between the Company, Dwyer (Cayman) Ltd., Morgan Stanley Asia Limited, Goldman Sachs (Asia) L.L.C., J.P. Morgan Securities (Far East) Limited, J.P. Morgan Securities (Asia Pacific) Limited, J.P. Morgan Securities plc, and China Merchants Securities (HK) Co., Limited, pursuant to which Dwyer (Cayman) Ltd. had agreed to, among other things, subscribe for Shares at the Offer Price in the amount of the Hong Kong dollar equivalent of US\$386,000;
- (c) a cornerstone investment agreement dated October 12, 2018 entered into between the Company, Cormorant Asset Management, LP, Morgan Stanley Asia Limited, Goldman Sachs (Asia) L.L.C., J.P. Morgan Securities (Far East) Limited, J.P. Morgan Securities (Asia Pacific) Limited, J.P. Morgan Securities plc, and China Merchants Securities (HK) Co., Limited, pursuant to which Cormorant Asset Management, LP had agreed to, among other things, subscribe for Shares at the Offer Price in the amount of the Hong Kong dollar equivalent of US\$25,000,000;
- (d) a cornerstone investment agreement dated October 12, 2018 entered into between the Company, Greenwoods Asset Management Limited, Morgan Stanley Asia Limited, Goldman Sachs (Asia) L.L.C., J.P. Morgan Securities (Far East) Limited, J.P. Morgan Securities (Asia Pacific) Limited, J.P. Morgan Securities plc, and China Merchants Securities (HK) Co., Limited, pursuant to which Greenwoods Asset Management Limited had agreed to, among other things, subscribe for Shares at the Offer Price in the amount of the Hong Kong dollar equivalent of US\$20,000,000;

- (e) a cornerstone investment agreement dated October 12, 2018 entered into between the Company, LAV Biosciences Fund IV, L.P., Morgan Stanley Asia Limited, Goldman Sachs (Asia) L.L.C., J.P. Morgan Securities (Far East) Limited, J.P. Morgan Securities (Asia Pacific) Limited, J.P. Morgan Securities plc, and China Merchants Securities (HK) Co., Limited, pursuant to which LAV Biosciences Fund IV, L.P. had agreed to, among other things, subscribe for Shares at the Offer Price in the amount of the Hong Kong dollar equivalent of US\$20,000,000;
- (f) a cornerstone investment agreement dated October 12, 2018 entered into between the Company, Dragon Billion China Master Fund, Dragon Billion Select Master Fund, LMA SPC on behalf of Map 109 Segregated Portfolio, LMA SPC on behalf of Map 147 Segregated Portfolio, Morgan Stanley Asia Limited, Goldman Sachs (Asia) L.L.C., J.P. Morgan Securities (Far East) Limited, J.P. Morgan Securities (Asia Pacific) Limited, J.P. Morgan Securities plc, and China Merchants Securities (HK) Co., Limited, pursuant to which Dragon Billion China Master Fund, Dragon Billion Select Master Fund, LMA SPC on behalf of Map 109 Segregated Portfolio and LMA SPC on behalf of Map 147 Segregated Portfolio had agreed to, among other things, subscribe for Shares at the Offer Price in the amount of the Hong Kong dollar equivalent of US\$30,000,000;
- (g) a cornerstone investment agreement dated October 12, 2018 entered into between the Company, Rock Springs Capital Master Fund LP, Morgan Stanley Asia Limited, Goldman Sachs (Asia) L.L.C., J.P. Morgan Securities (Far East) Limited, J.P. Morgan Securities (Asia Pacific) Limited, J.P. Morgan Securities plc, and China Merchants Securities (HK) Co., Limited, pursuant to which Rock Springs Capital Master Fund LP had agreed to, among other things, subscribe for Shares at the Offer Price in the amount of the Hong Kong dollar equivalent of US\$5,000,000;
- (h) a cornerstone investment agreement dated October 12, 2018 entered into between the Company, Elbrus Investments Pte. Ltd., Morgan Stanley Asia Limited, Goldman Sachs (Asia) L.L.C., J.P. Morgan Securities (Far East) Limited, J.P. Morgan Securities (Asia Pacific) Limited, J.P. Morgan Securities plc, and China Merchants Securities (HK) Co., Limited, pursuant to which Elbrus Investments Pte. Ltd. had agreed to, among other things, subscribe for Shares at the Offer Price in the amount of HK\$157,000,000;
- (i) a cornerstone investment agreement dated October 12, 2018 entered into between the Company, SCC Growth V Holdco L, Ltd., Morgan Stanley Asia Limited, Goldman Sachs (Asia) L.L.C., J.P. Morgan Securities (Far East) Limited, J.P. Morgan Securities (Asia Pacific) Limited, J.P. Morgan Securities plc, and China Merchants Securities (HK) Co., Limited, pursuant to which SCC Growth V Holdco L, Ltd. had agreed to, among other things, subscribe for Shares at the Offer Price in the amount of the Hong Kong dollar equivalent of US\$60,000,000;

- (j) a cornerstone investment agreement dated October 12, 2018 entered into between the Company, Value Partners Hong Kong Limited, Morgan Stanley Asia Limited, Goldman Sachs (Asia) L.L.C., J.P. Morgan Securities (Far East) Limited, J.P. Morgan Securities (Asia Pacific) Limited, J.P. Morgan Securities plc, and China Merchants Securities (HK) Co., Limited, pursuant to which Value Partners Hong Kong Limited had agreed to, among other things, subscribe for Shares at the Offer Price in the amount of the Hong Kong dollar equivalent of US\$30,000,000;
- (k) a cornerstone investment agreement dated October 12, 2018 entered into between the Company, Vivo Capital Fund IX, L.P., Morgan Stanley Asia Limited, Goldman Sachs (Asia) L.L.C., J.P. Morgan Securities (Far East) Limited, J.P. Morgan Securities (Asia Pacific) Limited, J.P. Morgan Securities plc, and China Merchants Securities (HK) Co., Limited, pursuant to which Vivo Capital Fund IX, L.P. had agreed to, among other things, subscribe for Shares at the Offer Price in the amount of the Hong Kong dollar equivalent of US\$1,754,250;
- (l) a cornerstone investment agreement dated October 12, 2018 entered into between the Company, Vivo Opportunity Fund, L.P., Morgan Stanley Asia Limited, Goldman Sachs (Asia) L.L.C., J.P. Morgan Securities (Far East) Limited, J.P. Morgan Securities (Asia Pacific) Limited, J.P. Morgan Securities plc, and China Merchants Securities (HK) Co., Limited, pursuant to which Vivo Opportunity Fund, L.P. had agreed to, among other things, subscribe for Shares at the Offer Price in the amount of the Hong Kong dollar equivalent of US\$13,245,750; and
- (m) the Hong Kong Underwriting Agreement.

2. Intellectual Property Rights

(a) Patents

(i) Registered patents

As at the Latest Practicable Date, we had registered the following patents that we consider to be or may be material to our business:

No.	Patent	Registered Owner	Place of registration	Registered Number	Expiry Date (MM/DD/YYYY)
1.	Recombinant fusion protein formulation	Innovent Suzhou	Australia	2015320084	09/25/2035
2.	Recombinant fusion protein formulation	Innovent Suzhou	Japan	2017526616	09/25/2035
3.	Recombinant fusion protein formulation	Innovent Suzhou	PRC	201410498228.8	09/25/2034
4.	A highly sensitive anti-CD20 monoclonal antibody and its applications	Innovent Suzhou; Hubei University	PRC	CN201410052926.5	02/17/2034
5.	A stable anti-TNF- α antibody product and its uses	Innovent Suzhou	PRC	201310611288.1	11/26/2033
6.	Protein inhibitors to complement and vegf pathways and methods of use thereof	Our Company; AP Biosciences, Inc.	Australia	AU2012318288	11/30/2032
7.	Protein inhibitors to complement and vegf pathways and methods of use thereof	Our Company; AP Biosciences, Inc.	Europe	EP12853600	11/30/2032
8.	Protein inhibitors to complement and vegf pathways and methods of use thereof	Our Company; AP Biosciences, Inc.	Japan	JP2014544968	11/30/2032
9.	Protein inhibitors to complement and vegf pathways and methods of use thereof	Our Company; AP Biosciences, Inc.	United States	US14/362,109	03/10/2033
10.	An anti-interleukin-8 antibody	Innovent Suzhou	PRC	201110074631.4	03/28/2031
11.	A series of fusion protein with doubled biological activities and its clinical applications	Innovent Suzhou	PRC	200610150592.0	10/20/2026
12.	An optimized fusion protein containing VEGF receptor fragment and its clinical applications	Innovent Suzhou	PRC	200510115530.1	11/04/2025
13.	An application of monoclonal antibody as a treatment for neurodegenerative diseases	Innovent Suzhou	PRC	201410757478.9	12/10/2034
14.	Recombinant fusion protein formulation	Innovent Suzhou	PRC	201410497937.4	09/25/2034










(ii) Pending patents

As at the Latest Practicable Date, we had applied for the registration of the following patents that we consider to be or may be material to our business:

No.	Patent	Registered Owner	Place of application	Registered Number	Application Date (MM/DD/YYYY)
1.	Anti-PD-L1 nanobody and its application	Innovent Suzhou	PCT	PCT/CN2017/ 095884	08/03/2017
2.	Anti-PD-L1 nanobody and its application	Innovent Suzhou	PRC	201710657665.3	08/03/2017
3.	PD-1 Antibody Formulation	Innovent Suzhou	PCT	PCT/CN2017/ 093141	07/17/2017
4.	PD-1 antibodies	Innovent Suzhou	PCT	PCT/CN2017/ 072190	01/23/2017
5.	PD-1 antibodies	Innovent Suzhou	PCT	PCT/CN2016/ 102238	10/15/2016
6.	PD-1 antibodies	Innovent Suzhou	PCT	PCT/CN2016/ 094122	08/09/2016
7.	PD-1 Antibody Formulation	Innovent Suzhou	PCT	PCT/CN2016/ 094094	08/09/2016
8.	PD-1 antibodies	Innovent Suzhou	PCT	PCT/CN2016/ 073169	02/02/2016
9.	Medicine used for treating pathological myopia	Innovent Suzhou	PRC	201510958213.X	12/18/2015
10.	A recombinant fully human anti-CTLA-4 monoclonal antibody product and its application	Innovent Suzhou	PRC	201510741831.9	11/04/2015
11.	Recombinant fusion protein product	Innovent Suzhou	PCT	PCT/CN2015/ 090778	09/25/2015
12.	Recombinant fusion protein product	Innovent Suzhou	PCT	PCT/CN2015/ 090777	09/25/2015
13.	PD-1 antibodies	Innovent Suzhou	PCT	PCT/CN2015/ 086494	08/10/2015
14.	A stable anti-VEGF antibody product and its uses	Innovent Suzhou	PRC	201410757524.5	12/10/2014
15.	An application of monoclonal antibody in as a treatment for psoriasis	Innovent Suzhou	PRC	201410386485.2	08/07/2014
16.	Complement and VEGF pathway protein inhibitor and its way of use	AP Biosciences, Inc.; our Company	PRC	CN201280068781.7	11/30/2012
17.	Protein inhibitors to complement and vegf pathways and methods of use thereof	AP Biosciences, Inc.; our Company	PCT	PCT/US2012/ 067489	11/30/2012

(b) Trademarks

As at the Latest Practicable Date, we have registered the following trademarks that we consider to be or may be material to our business:

No.	Trademark	Registered Owner	Class
1.		Our Company	5, 35, 42
2.		Our Company	5, 35, 42
3.		Innovent Suzhou	5, 10, 42
4.		Innovent Suzhou	5, 10, 42
5.		Innovent Suzhou	5, 10, 42
6.		Innovent Suzhou	5, 10, 42
7.		Innovent Suzhou	10, 42
8.		Innovent Suzhou	5, 42
9.		Innovent Suzhou	5, 10, 42

(c) *Domain names*

As at the Latest Practicable Date, we owned the following domain names which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner
1.	abouttyvyt.com	Innovent Suzhou
2.	fripdi.com	Innovent Suzhou
3.	kimpedro.com	Innovent Suzhou
4.	mytyvyt.com	Innovent Suzhou
5.	zokurbo.com	Innovent Suzhou

Save as aforesaid, as of 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 business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS

1. Particulars of Directors' Service Contracts and Appointment Letters

(a) *Executive Directors*

Each of the executive Directors (namely, Dr. De-Chao Michael Yu and Mr. Ronald Hao Xi Ede) had entered into a service agreement with our Company on October 15, 2018. The initial term of their service agreements shall commence from the date of their appointment and continue for a period of three years after or until the third annual general meeting of the Company since the Listing Date, 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 service agreement or by either party giving to the other not less than three months' prior notice in writing.

Pursuant to the service agreement entered into with our Company, Dr. De-Chao Michael Yu is entitled to bonuses in two lump sums of US\$4,433,699.7 and US\$5,097,799.83 respectively (subject to certain specified conditions to be satisfied). In addition, the Company shall bear and pay certain specified individual tax liabilities that Dr. De-Chao Michael Yu may or will incur.

Pursuant to the service agreement entered into with our Company, Mr. Ronald Hao Xi Ede is entitled to a bonus in a lump sum of US\$1,888,729.92 (subject to certain specified conditions to be satisfied). In addition, the Company shall bear and pay certain specified individual tax liabilities that Mr. Ronald Hao Xi Ede may or will incur.

(b) Non-executive Directors and independent non-executive Directors

The non-executive Director has entered into an appointment letter with our Company on October 15, 2018. The initial term for his appointment letter shall commence from the date of his appointment and shall continue for three years after or until the third annual general meeting of the Company since the Listing Date, whichever is sooner, (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 three month's prior notice in writing. Under the appointment letter, our non-executive Director will receive an annual director's fee of RMB360,000.

Each of the independent non-executive Directors has entered into an appointment letter with our Company on October 16, 2018. The initial term for their appointment letters shall be three years from the date of this prospectus or until the third annual general meeting of the Company since the Listing Date, whichever is sooner, (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 three months' prior notice in writing. Under these appointment letters, each of our independent non-executive Directors will receive an annual director's fee of RMB360,000.

2. Remuneration of Directors

- (a) Remuneration and benefits in kind of approximately RMB6.8 million and RMB7.7 million in aggregate were paid and granted by our Group to our Directors in respect of the years ended December 31, 2016 and 2017 respectively.
- (b) Under the arrangements currently in force, our Directors will be entitled to receive remuneration and benefits in kind which, for the year ending December 31, 2018, is expected to be approximately RMB112.0 million in aggregate (excluding discretionary bonus).
- (c) None of our Directors has or is proposed to have a service contract with the Company other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

3. Disclosure of Interests

(a) *Interests and short positions of our Directors in the share capital of our Company and its associated corporations following completion of the Global Offering*

Immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised and no shares are issued pursuant to the Equity Plans), the interests and/or short positions (as applicable) 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 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:

(i) *Interest in Shares*

Name of director or chief executive	Nature of interest	Number and class of securities	Approximate percentage of interest in our Company immediately after the Global Offering ⁽¹⁾
De-Chao Michael Yu	Beneficial owner	45,628,190 ⁽²⁾	4.08%
	Grantor of a trust	10,000,000 ⁽³⁾	0.89%
	Interest in a controlled corporation	90,100,040 ⁽⁴⁾	0.86%
Charles Leland Cooney	Beneficial owner	39,090 ⁽⁵⁾	0.00%
Ronald Hao Xi Ede	Beneficial owner	9,539,040 ⁽⁶⁾	0.85%

Note:

- (1) The calculation is based on the total number of 1,118,150,710 Shares in issue immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised and no shares are issued pursuant to the Equity Plans).
- (2) These Shares are directly held by Dr. Yu.
- (3) These Shares are held by Gloria Bingqinzi Yu as trustee of Yu Tong Family Irrevocable Trust, of which Dr. Yu and his spouse are the grantors. Under the SFO, Dr. Yu is deemed to be interested in these Shares.
- (4) These Shares are held by Great Biono Fortune LP, the general partner of which is Great Biono Fortune Limited. Dr. Yu is the sole shareholder of Great Biono Fortune Limited and is therefore deemed to be interested in these Shares for the purposes of the SFO. Of the 90,100,040 Shares held by Great Biono Fortune LP, Dr. Yu is beneficially interested in 59,511,000 Shares.
- (5) Includes 39,090 Shares held by Dr. Cooney.
- (6) These 9,539,040 Shares are held by Great Biono Fortune Limited LP as nominee for Ronald Hao Xi Ede.

(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 Global Offering and taking no account of any Shares which may be issued pursuant to the exercise of the options granted under the Pre-IPO Share Incentive Plan, 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 Group, please see the section headed “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 exercise of the options granted under the Pre-IPO 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 section headed “Other Information – Consents of Experts” below 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) 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 the 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 the Group taken as a whole;

- (e) taking no account of any Shares which may be taken up under the Global Offering and allotted and issued pursuant to the exercise of the options granted under the Pre-IPO Share Incentive Plan, 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; and

- (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.

D. EQUITY PLANS

1. Pre-IPO Share Incentive Plan

Summary

The following is a summary of the principal terms of the Pre-IPO Share Incentive Plan of the Company as approved and adopted pursuant to the written resolutions of all shareholders of the Company dated May 10, 2012 and amended from time to time. The terms of the Pre-IPO Share Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules.

We have applied to the Stock Exchange and the SFC, respectively for, (i) a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix IA to the Listing Rules; and (ii) an exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with the disclosure requirements of paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance. See the paragraph headed “Waiver and Exemption in relation to the Pre-IPO Share Incentive Plan” in the section headed “Waivers from Compliance with the Listing Rules and Exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance” for more information.

(a) *Purpose*

The purpose of the Pre-IPO Share Incentive Plan is to promote the success of the Company and the interests of its shareholders by providing a means through which the Company may grant equity-based incentives to attract, motivate, retain and reward certain officers, employees, directors and other eligible persons and to further link the interests of Award recipients with those of the Company's shareholders generally.

(b) *Who may join*

Those eligible to participate in the Pre-IPO Share Incentive Plan include employees, advisers or consultants, all members of the Board of Directors (the "**Board**") and other individuals, as determined, authorized and approved by the Board or a committee authorized by the Board (the "**Administrator**"). The Administrator may, from time to time, select from among all eligible individuals ("**Participants**") to whom awards in the form of options ("**Options**"), share appreciation rights ("**SARs**") and ordinary or restricted share awards ("**Share Awards**") (collectively "**Awards**"), will be granted and will determine the nature and amount of each option. A person's status as an Eligible Person is not a commitment that any Award will be granted to that person under the Pre-IPO Share Incentive Plan. Nil consideration was paid by the grantees for the grant of Awards under the Pre-IPO Share Incentive Plan.

(c) *Maximum number of Ordinary Shares with a par value of US\$0.00001 each*

The overall limit on the number of underlying shares which may be delivered pursuant to Awards granted under the Pre-IPO Share Incentive Plan is 162,010,040 of the Company's authorized but unissued Ordinary Shares with a par value of US\$0.00001 each, subject to any adjustments for other dilutive issuances.

(d) *Administration*

The Pre-IPO Share Incentive Plan is administered by the Board or one or more committees appointed by the Board or another committee (within its delegated authority) to administer all or certain aspects of the Pre-IPO Share Incentive Plan. Subject to the express provisions of the Pre-IPO Share Incentive Plan, the Administrator is authorized and empowered to do all things necessary or desirable in connection with the authorization of Awards and the administration of the Pre-IPO Share Incentive Plan, including, without limitation, the authority to:

- i. determine eligibility of individuals as Participants and to receive Awards;
- ii. grant Awards to eligible Participants, determine the price and number of securities to be offered or awarded to any of such persons, determine the other specific terms and conditions of Awards consistent with the express limits of the Pre-IPO Share Incentive Plan, establish the installments (if any) in which such Awards will become exercisable or will vest (which may include, without

- limitation, performance and/or time-based schedules) or determine that no delayed exercisability or vesting is required, establish any applicable performance targets, and establish the events of termination or reversion of such Awards;
- iii. approve the forms of Award Agreements, which need not be identical either as to type of Award or among Participants;
 - iv. decide all other matters that must be determined in connection with an Award;
 - v. Prescribe, amend and rescind rules and regulations relating to the administration of the Pre-IPO Share Incentive Plan or the Awards;
 - vi. construe and interpret the terms of, and any matter arising pursuant to the Pre-IPO Share Incentive Plan, any Award Agreement or other agreements defining the rights and obligations of the Company, its Affiliates, and Participants under the Pre-IPO Share Incentive Plan;
 - vii. cancel, modify, or waive the Company's rights with respect to, or modify, discontinue, suspend, or terminate any or all outstanding Awards;
 - viii. implement any procedures, steps, additional or different requirements as may be necessary to comply with any laws of the People's Republic of China (the "PRC") that may be applicable to the Pre-IPO Share Incentive Plan, any Award or any related documents, including but not limited to foreign exchange laws, tax laws and securities laws of the PRC.

(e) Grant of Awards

The Administrator is authorized to grant Awards to Participants in accordance with the terms of the Pre-IPO Share Incentive Plan. Awards granted will be evidenced by an Award Agreement in the form approved by the Administrator. The Award Agreement contains the terms established by the Administrator for that Award, as well as any other additional terms, provisions, or restrictions that the Administrator may impose on the Award.

(f) Term of the Pre-IPO Share Incentive Plan

The Pre-IPO Share Incentive Plan commenced on May 10, 2012 (the "**Effective Date**") and will terminate at the close of business on the day before the 10th anniversary of the Effective Date. After the termination of the Pre-IPO Share Incentive Plan either upon such stated expiration date or its earlier termination by the Board, no additional Awards may be granted, but previously granted Awards (and the authority of the Administrator with respect thereto, including the authority to amend such Awards) shall remain outstanding in accordance with their applicable terms and conditions and the terms and conditions of the Pre-IPO Share Incentive Plan.

(g) *Options and SAR Grant Program*

(i) Exercise of option

An Option or SAR may be exercised only to the extent that it is vested and exercisable. The Administrator may, in its discretion, designate any Option or SAR as an “early exercise Option” or “early exercise SAR” which, by express provision in the applicable Award Agreement, may be exercised prior to the date such Option or SAR has vested.

The Administrator will determine the vesting and/or exercisability provisions of each Option or SAR, which will be set forth in the applicable Award Agreement. Unless the Administrator otherwise expressly provides, once exercisable an Option or SAR will remain exercisable until the expiration or earlier termination of the Option or SAR.

(ii) Option or SAR price

The Administrator will determine the purchase price per share of the Ordinary Shares covered by each Option (the “exercise price” of the Option) at the time of the grant of the Option, which exercise price will be set forth in the applicable Award Agreement. The exercise price of an Option may be a fixed price based on the par value of an Ordinary Share or variable price related to the Fair Market Value of an Ordinary Share.

The Administrator will determine the base price per share of the Ordinary Shares covered by each SAR at the time of the grant of the SAR, which base price will be set forth in the applicable Award Agreement.

(iii) Incentive Stock Option Status

The Administrator will designate each Option granted under the Pre-IPO Share Incentive Plan to a U.S. resident as either an Incentive Stock Option or a Nonqualified Option, and such designation shall be set forth in the applicable Award Agreement. Any Option granted under the Pre-IPO Share Incentive Plan to a U.S. resident that is not expressly designated in the applicable Award Agreement as an Incentive Stock Option will be deemed to be designated a Nonqualified Option under the Pre-IPO Share Incentive Plan.

The Administrator may designate any Option granted under the Pre-IPO Share Incentive Plan to a non-U.S. resident in accordance with the rules and regulations applicable to options in the jurisdiction in which such person is a resident.

(iv) Limitations on Grant and Terms of Incentive Stock Options

To the extent that the aggregate Fair Market Value of shares with respect to which incentive stock options first become exercisable by a Participant in any calendar year exceeds US\$100,000, taking into account all shares subject to incentive stock options under all plans of the Company or any of its Affiliates, such options will be treated as Nonqualified Options.

Incentive Stock Options may only be granted to individuals that are employees of the Company or one of its Affiliates and satisfy the other eligibility requirements of the Code.

Any Participant who exercises an Incentive Stock Option shall give prompt written notice to the Company of any sale or other transfer of the Ordinary Shares acquired on such exercise if the sale or other transfer occurs within (a) one year after the exercise date of the Option, or (b) two years after the grant date of the Option.

No Incentive Stock Option may be granted to any person who, at the time the Incentive Stock Option is granted, owns outstanding shares of the Company (or any of its Affiliates) possessing more than 10% of the total combined voting power of all classes of shares of the Company (or any of its Affiliates).

(v) Effect of termination of employment or service for cause

Unless otherwise provided in the applicable Award Agreement, if a Participant's employment by or service to the Company or any of its Affiliates is terminated by such entity for Cause, the Participant's Option or SAR will terminate on the Participant's Severance Date, whether or not the Option or SAR is then vested and/or exercisable.

(vi) Rights on death or disability

Unless otherwise provided in the applicable Award Agreement, if a Participant's employment by or service to the Company or any of its Affiliates terminates as a result of the Participant's death or Total Disability, (i) the Participant (or the Personal Representative or Beneficiary, in the case of the Participant's Total Disability or death, respectively), will have until the date that is 12 months after the Participant's Severance Date to exercise the Participant's Option or SAR (or portion thereof) to the extent that it was vested and exercisable on the Severance Date; (ii) the Option or SAR, to the extent not vested and exercisable on the Participant's Severance Date, shall terminate on the Severance Date; and (iii) the Option or SAR, to the extent exercisable for the 12-month period following the Participant's Severance Date and not exercised during such period, shall terminate at the close of business on the last day of the 12-month period.

- (vii) Rights on termination of employment of service otherwise than for cause or as a result of death or disability

Unless otherwise provided in the applicable Award Agreement, if a Participant's employment by or service to the Company or any of its Affiliates terminates for any reason other than a termination by such entity for Cause or because of the Participant's death or Total Disability, the Participant will have until the date that is 3 months after the Participant's Severance Date to exercise his or her Option or SAR (or portion thereof) to the extent that it was vested and exercisable on the Severance Date. If the Participant fails to exercise his or her Option or SAR (or portion thereof) within the said time period, the Option or SAR will terminate.

The Option or SAR, to the extent not vested and exercisable on the Participant's Severance Date, shall terminate on the Severance Date.

(h) *Share Awards Program*

- (i) Types of Share Awards

Participants may, at the discretion of the Administrator, be awarded restricted or unrestricted Ordinary Shares. The Administrator shall designate whether a Share Award shall be a Restricted Share Award, and such designation shall be set forth in the applicable Award Agreement.

- (ii) Issuance and restrictions of Restricted Shares

Restricted Shares shall be subject to payment of such consideration and such conditions on vesting (which may include, among others, the passage of time, specified performance objectives or other factors) and such transfer and other restrictions as are established in or pursuant to the Pre-IPO Share Incentive Plan and the related Award Agreement, to the extent such remain unvested and restricted under the terms of the applicable Award Agreement.

Share certificates evidencing Restricted Shares will bear a legend making appropriate reference to the restrictions imposed hereunder and will be held by the Company or by a third party designated by the Administrator until the restrictions on such shares have lapsed, the shares have vested in accordance with the provisions of the Award Agreement, and any related loan has been repaid.

(iii) Forfeiture and repurchase

Unless the Administrator otherwise expressly provides, upon termination of employment or service, Restricted Shares subject to an Award that remain subject to vesting conditions that have not been satisfied by the time specified in the applicable Award Agreement, will not vest and will be reacquired by the Company in such manner and on such terms as the Administrator provides, which terms shall include, to the extent not prohibited by law, return or repayment of the lower of (a) the Fair Market Value of the Restricted Shares at the time of the termination, or (b) if applicable, the original purchase price of the Restricted Shares, without interest. The Award Agreement shall specify any other terms or conditions of the repurchase if the Award fails to vest. Any other Share Award that has not been exercised as of a Participant's Severance Date shall terminate on that date unless otherwise expressly provided by the Administrator in the applicable Award Agreement.

(iv) Waiver of restrictions

Except as otherwise provided in the Pre-IPO Share Incentive Plan, the Administrator from time to time may authorize, generally or in specific cases only, for the benefit of any Participant, any adjustment in the vesting schedule, or the restrictions upon or the term of, a Share Award granted under the Pre-IPO Share Incentive Plan by amendment, by substitution of an outstanding Share Award, by waiver or by other legally valid means.

(i) *Limits on Transfers*

Unless otherwise expressly provided in (or pursuant to) the Pre-IPO Share Incentive Plan, by applicable law and by the Award Agreement, as the same may be amended, and subject to certain limited exceptions, all Awards are non-transferable and will not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge; Awards will be exercised only by the Participant; and amounts payable or shares issuable pursuant to an Award will be delivered only to (or for the account of), and, in the case of Ordinary Shares, registered in the name of, the Participant.

(j) *Adjustments*

In the event of any reclassification, recapitalization, share dividend, share split or reverse share split; any merger, combination, consolidation, or other reorganization; any split-up, spin-off, or similar extraordinary dividend distribution in respect of the Ordinary Shares; or any exchange of Ordinary Shares or other securities of the Company, or any similar, unusual or extraordinary corporate transaction in respect of the Ordinary Shares, the Administrator shall make such proportionate adjustments, if any, as the Administrator in its discretion may deem appropriate to reflect such change with respect to (i) the number and type of shares of Ordinary Shares (or other securities) that thereafter may be made the subject of Awards under the Pre-IPO Share Incentive Plan, (ii) the number,

amount and type of Ordinary Shares (or other securities or property) subject to any outstanding Awards, (iii) the grant, purchase, exercise or base price of any outstanding Awards, and (iv) the securities, cash or other property deliverable upon exercise or vesting of any outstanding Awards, in each case to the extent necessary to preserve (but not increase) the level of incentives intended by the Pre-IPO Share Incentive Plan and the then-outstanding Awards.

(k) Amendment, termination and Suspension

The Board may, at any time, terminate or, from time to time, amend, modify or suspend the Pre-IPO Share Incentive Plan, in whole or in part.

Except with respect to amendments made pursuant to the above, no amendment, suspension or termination of the Pre-IPO Share Incentive Plan or amendment of any outstanding Award shall, without written consent of the Participant, affect in any manner materially adverse to the Participant any rights or benefits of the Participant or obligations of the Company under any Award granted under the Pre-IPO Share Incentive Plan prior to the effective date of such change.

Outstanding options granted

The proposal to grant the options under the Pre-IPO Share Incentive Plan to the grantees as set out below has been approved by the Board. The overall limit on the number of underlying Ordinary shares pursuant to the Pre-IPO Share Incentive Plan is 162,010,040 Ordinary shares. The aggregate number of underlying Shares pursuant to the outstanding options and share awards granted under the Pre-IPO Share Incentive Plan is 71,910,000 Shares, representing approximately 6.43% of the total issued Shares immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised and no shares are issued pursuant to the Equity Plans. As at the Latest Practicable Date, we had conditionally granted options to 322 participants under the Pre-IPO Share Incentive Plan. These grantees primarily consist of our current employees, and also include external consultants and ex-employees. All the options under the Pre-IPO Share Incentive Plan were granted between May 10, 2012 and October 9, 2018 (both days inclusive) and the Company will not grant further options under the Pre-IPO Share Incentive Plan after the Global Offering. The exercise price of all the options and share awards granted under the Pre-IPO Share Incentive Plan is between US\$0.017 and US\$1.342.

For the existing grantees who are our ex-employees, their employment with the Group was not terminated for cause. Pursuant to the terms of the Pre-IPO Share Incentive Plan, these grantees were required to exercise their options within 3 months of the date of cessation of their employment with the Group (i.e. the Severance Date). In view of their contribution to the Company, the Company has waived its right to terminate the outstanding options that remained unexercised by these ex-employees after the 3-month period. The outstanding options held by these ex-employees still remain valid as of the date of this prospectus.

No options have been granted to connected persons of the company (including directors of the company and the senior management) under the Pre-IPO Share Incentive Plan which are outstanding.

The tables below show the details of options granted to the grantees under the Pre-IPO Share Incentive Plan which are outstanding:

No.	Range of ordinary shares of par value of US\$0.00001 each underlying outstanding options granted under the Pre-IPO Incentive Plan	Total number of grantee	Total number of ordinary shares of par value of US\$0.00001 each underlying outstanding option	Exercise prices	Dates of grant	Exercise period	Vesting period	Approximate percentage of issued Shares immediately after completion of the Global Offering ⁽¹⁾
1	0 shares to 99,999 shares	165	4,952,500	From US\$0.017 to US\$0.2952	From May 10, 2012 to October 9, 2018	10 years from the date of grant	4 years from the date of grant	0.44%
2	100,000 shares to 499,999 shares	113	17,947,500	From US\$0.017 to US\$0.2952	From May 10, 2012 to October 9, 2018	10 years from the date of grant	4 years to 6 years from the date of grant	1.61%
3	500,000 shares to 999,999 shares	28	16,845,000	From US\$0.017 to US\$0.2952	From May 10, 2012 to September 17, 2018	10 years from the date of grant	4 years to 6 years from the date of grant	1.51%
4	1,000,000 shares or above	16	32,525,000	From US\$0.017 to US\$1.342	From May 10, 2012 to July 13, 2018	10 years from the date of grant	4 years to 6 years from the date of grant	2.91%
	Total	322	71,910,000					6.43%

Note:

(1) Assuming the Over-allotment Option is not exercised and no Shares are issued pursuant to the Equity Plans.

No.	Exercise prices	Total number of grantee	Total number of ordinary shares of par value of US\$0.00001 each underlying outstanding option	Dates of grant	Vesting period	Exercise period	Approximate percentage of issued Shares immediately after completion of the Global Offering ⁽¹⁾
1	US\$0.017	10	1,522,500	May 10, 2012	4 years from the date of grant	10 years from the date of grant	0.14%
2	US\$0.035	36	6,140,000	From December 12, 2012 – January 2015	4 years from the date of grant	10 years from the date of grant	0.55%
3	US\$0.11	35	8,947,500	From April 24, 2015 to September 15 2016	4 years from the date of grant	10 years from the date of grant	0.80%
4	US\$0.198	166	18,040,000	From April 14, 2017 to April 13, 2018	4 years from the date of grant	10 years from the date of grant	1.61%
5	US\$0.212	54	25,340,000	From May 14, 2018 to July 13, 2018	4 years to 6 years from the date of grant	10 years from the date of grant	2.27%
6	US\$0.2952	99	10,420,000	From September 17, 2018 to October 9, 2018	4 years to 6 years from the date of grant	10 years from the date of grant	0.93%
7	US\$1.342	1	1,500,000	July 13, 2018	6 years from the date of grant	10 years from the date of grant	0.13%
	Total	401⁽²⁾	71,910,000				6.43%

Notes:

- (1) Assuming the Over-allotment Option is not exercised and no Shares are issued pursuant to the Equity Plans.
- (2) Some of the grantees have been granted options under the Pre-IPO Share Incentive Plan at more than one exercise price. The total number of grantees who have been granted options under the Pre-IPO Shares Incentive Plan are 322.

Grantees who are not our employees and are granted options with more than 2,000,000 underlying Shares

The table below sets out the details of these grantees:

Name	Relationship with our Group	Address	Date of grant	Vesting period	The period during which options are exercisable	Exercise price	Number of Shares under the option granted	Approximate percentage of issued shares immediately after completion of the Global Offering ⁽¹⁾
Liu Xiaolin (劉曉琳)	Ex-employee	193, Zhonghai Du Shu Island, Wuzhong District, Suzhou	December 12, 2012	4 years from the date of grant	10 years from the date of grant	US\$0.035	500,000	0.04%
			December 12, 2013	4 years from the date of grant	10 years from the date of grant	US\$0.035	500,000	0.04%
			September 5, 2014	4 years from the date of grant	10 years from the date of grant	US\$0.035	375,000	0.03%
			April 24, 2015	4 years from the date of grant	10 years from the date of grant	US\$0.11	400,000	0.04%
			April 26, 2016	4 years from the date of grant	10 years from the date of grant	US\$0.11	250,000	0.02%
Chen Shimei (陳石梅)	Consultant	3, Moon Bay, Suzhou Industrial Park	July 13, 2018	4 years from the date of grant	10 years from the date of grant	US\$0.212	4,000,000	0.36%

Notes:

- (1) Assuming the Over-allotment Option is not exercised and no Shares are issued pursuant to the Equity Plans.
- (2) Liu Xiaolin (劉曉琳) formerly served as a senior vice president of research and development.
- (3) Chen Shimei (陳石梅) provides consultancy services such as mathematical modeling, clinical development strategy and product registration strategy and data analysis, scientific publication strategy and product development consideration, etc to the Company.

Assuming full exercise of options under the Pre-IPO Share Incentive Plan, the shareholding of our Shareholders immediately following the Global Offering will be diluted by approximately 6.04% if calculated on 1,118,150,710 shares, representing the outstanding shares in issue immediately after the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no shares are issued pursuant to the Equity Plans). The consequent impact on the earnings per ordinary share for the years ended December 31, 2016 and 2017 and the six months ended June 30, 2018 is nil, nil and nil respectively, being the incremental impact to diluted earnings per share, since the options would not be included in the calculation of diluted earnings per share due to anti-dilution.

2. Post-IPO ESOP

The following is a summary of the principal terms of the post-IPO share option scheme (the “**Post-IPO ESOP**”) conditionally adopted by the resolutions in writing of our Shareholders passed on June 12, 2018.

(a) *Purpose of the Post-IPO ESOP*

The purpose of the Post-IPO ESOP is to provide selected participants with the opportunity to acquire proprietary interests in the Company and to encourage selected participants to work towards enhancing the value of our Company and its Shares for the benefit of our Company and Shareholders as a whole. The Post-IPO ESOP will provide our Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to selected participants.

(b) *Selected participants to the Post-IPO ESOP*

Any individual, being an employee, director, officer, consultant, adviser, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to our Group is entitled to be offered and granted options. However, no individual who is resident in a place where the grant, acceptance or exercise of options pursuant to the Post-IPO ESOP 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, is eligible to be offered or granted options.

(c) *Maximum number of Shares*

The total number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO ESOP and any other schemes is 111,815,071, being no more than 10% of the Shares in issue on the date the Shares commence trading on the Stock Exchange (the “**Option Scheme Mandate Limit**”) (excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option and the options granted under the Pre-IPO Share Incentive Plan). Options which have lapsed in accordance with the terms of the rules of the Post-IPO ESOP (or any other share option schemes of the Company) shall not be counted for the purpose of calculating the Option Scheme Mandate Limit.

The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Post-IPO ESOP and any other share option schemes of the Company at any time (and to which the provisions of Chapter 17 of the Listing Rules are applicable) must not exceed 30% of the Shares in issue from time to time (the “**Option Scheme Limit**”). No options may be granted under any schemes of our Company (or its subsidiaries) if this will result in the Option Scheme Limit being exceeded.

The Option Scheme Mandate Limit may be refreshed at any time by obtaining prior approval of our Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time. However, the refreshed Option Scheme Mandate Limit cannot exceed 10% of the Shares in issue as at the date of such approval. Options previously granted under the Post-IPO ESOP and any other share option schemes of our Company (and to which provisions of Chapter 17 of the Listing Rules are applicable) (including those outstanding, cancelled or lapsed in accordance with its terms or exercised), shall not be counted for the purpose of calculating the refreshed Option Scheme Mandate Limit.

Our Company may also grant options in excess of the Option Scheme Mandate Limit, provided such grant is to specifically identified selected participant and is first approved by Shareholders in general meeting.

(d) Maximum entitlement of a grantee

Unless approved by our Shareholders, the total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the Post-IPO ESOP and any other share option scheme(s) of the Company to each selected participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of Shares in issue (the “**Individual Limit**”). Any further grant of options to a selected participant which would result in the aggregate number of Shares issued and to be issued upon exercise of all options granted and to be granted to such selected participant (including exercised, cancelled and outstanding options) in the 12 month period up to and including the date of such further grant exceeding the Individual Limit shall be subject to separate approval of our Shareholders (with such selected participant and his associates abstaining from voting). The number and terms (including the exercise price) of options to be granted to such participant must be fixed before Shareholders’ approval and the date of Board meeting for proposing such further grant should be taken as the date for the purpose of calculating the exercise price pursuant to LR17.03(9).

(e) Performance target

The Post-IPO ESOP does not set out any performance targets that must be achieved before the options may be exercised. However, the Board or its delegate(s) may at their sole discretion specify, as part of the terms and conditions of any option, such performance conditions that must be satisfied before the option can be exercised.

(f) 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 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 the 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.

(g) *Rights are personal to grantee*

An option is personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or *create* any interest in favour of or enter into any agreement with any other person 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 ESOP.

(h) *Options granted to directors or substantial shareholders of the Company*

Each grant of options to any director, chief executive or substantial shareholder of our Company (or any of their respective associates) must first be approved by the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of options).

Where any grant of options to a substantial shareholder or an independent non-executive Director of our Company (or any of their respective associates) would result in the number of Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant, in excess of HK\$5 million (or such other higher amount as may from time to time be specified by the Stock Exchange),

such further grant of options must also be first approved by the Shareholders (voting by way of poll) in a general meeting. In obtaining the approval, our Company shall send a circular to the Shareholders in accordance with and containing such information as is required under the Listing Rules. The grantee, his associates and all core connected persons of our Company shall abstain from voting at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith.

(i) Grant offer letter and notification of grant of options

An offer shall be made to selected participants by a letter in duplicate which specifies the terms on which the option is to be granted. Such terms may include any minimum period(s) for which an option must be held and/or any minimum performance target(s) that must be achieved, before the option can be exercised in whole or in part, and may include at the discretion of the Board or its delegate(s) such other terms either on a case basis or generally.

An offer shall be deemed to have been accepted and the option to which the offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the offer duly signed by the grantee with the number of Shares in respect of which the offer is accepted clearly stated therein, together with a remittance in favour of our Company of HK\$1.00 by way of consideration for the grant thereof, which must be received by the Company within 20 business days from the date on which the offer letter is delivered to the grantee.

Any offer may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares or a multiple thereof. To the extent that the offer is not accepted within 20 business days from the date on which the letter containing the offer is delivered to that selected participant, it shall be deemed to have been irrevocably declined.

(j) Restriction of grant of options

No offer shall be made and no option shall be granted to any selected participant in circumstances prohibited by the Listing Rules or at a time when the selected participant would or might be prohibited from dealing in the Shares by the Listing Rules or by any applicable rules, regulations or law. No offer shall be made and no option shall be granted to any selected participant where such person is in possession of any unpublished inside information in relation to our Company until such inside information has been published in an announcement in accordance with the Listing Rules. Furthermore, no offer shall be made and no option shall be granted:

- (i) 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; and
- (ii) during the period of 30 days immediately preceding the publication date of the half-year results or, if shorter, the period from the end of the relevant half-year period up to the publication date of the results.

Such period will also cover any period of delay in the publication of any results announcement.

(k) Time of exercise of an option

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 the 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.

(l) Cancellation of options

Any breaches of the rules of the Post-IPO ESOP by a grantee may result in the options granted to such grantee being cancelled by the Company. Any options granted but not exercised may be cancelled if the grantee so agrees. Issuance of new options to the same grantee may only be made if there are unissued options available under the Post-IPO ESOP (excluding the cancelled options) and in compliance with the terms of the Post-IPO ESOP.

(m) Lapse of option

An option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (i) the expiry of the period within which an option may be exercised, which is to be determined and notified by the Board to each grantee at the time of making an offer, and shall not expire later than ten years from the date of grant (the “**Option Period**”);
- (ii) the expiry of any of the periods for exercising the option as referred to in paragraphs (p), (q) and (r) below; and
- (iii) the date on which the grantee commits a breach of the rules of the Post-IPO ESOP.

(n) 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.

(o) Effects of alterations in the capital structure of the company

In the event of an alteration in the capital structure of the Company whilst any option remains exercisable by way of capitalisation of profits or reserves, rights issue, subdivision or consolidation of shares, or reduction of the share capital of the Company in accordance with legal requirements and requirements of the Stock Exchange (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party), such corresponding alterations (if any) shall be made to:

- (i) the number or nominal amount of Shares comprised in each option so far as unexercised; and/or

- (ii) the Subscription Price; and/or
- (iii) the method of exercise of the option,

or any combination thereof, as the auditors or a financial adviser engaged by our Company for such purpose shall, at the request of the Company, certify in writing, either generally or as regards any particular grantee, to be in their opinion fair and reasonable, provided always that any such adjustments should give each grantee the same proportion of the equity capital of our Company as that to which that grantee was previously entitled prior to such adjustments, and no adjustments shall be made which will enable a Share to be issued at less than its nominal value. The capacity of the auditors or financial adviser (as the case may be) is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on our Company and the grantees. The costs of the auditors or financial adviser (as the case may be) shall be borne by our Company.

(p) Retirement, death or permanent physical or mental disability of an selected participant

If a grantee ceases to be selected participant by reason of (i) death of the grantee, (ii) termination of the grantee's employment or contractual engagement with the Group or its affiliate by reason of his/her permanent physical or mental disablement, (iii) retirement of the grantee, the option may be exercised within the Option Period, or such other period as the Board or its delegate(s) may decide in their sole discretion.

In the case of death of a grantee, the option may be exercised within that period by the personal representatives of the grantee. In the case where a grantee no longer has any legal capacity to exercise the option, the option may be exercised within that period by the persons charged with the duty of representing the grantee under the relevant laws in Hong Kong. If the option is not exercised within the time mentioned above, the option shall lapse.

If a grantee, being an employee whose employment is terminated by the Group or its affiliate (as applicable) by reason of the employer terminating the contract of employment without notice or payment in lieu of notice, or the grantee having been convicted of any criminal offence involving his integrity or honesty, the option shall immediately lapse.

If a grantee is declared bankrupt or becomes insolvent or makes any arrangements or composition with his creditors generally, the option shall immediately lapse.

If a grantee being an employee ceases to be selected participant due to termination of his or her employment or contractual engagement with the Group by reason of redundancy, the option may be exercised within three months of such cessation or within the Option Period, whichever is the shorter, or such other period as the Board or its delegate(s) may decide in their sole discretion.

If a grantee ceases to be selected participant other than in any of the circumstances described above, unless otherwise provided in the option agreement, a grantee may exercise his or her option within three months of such cessation or within the Option Period, whichever is the shorter, or such other period as the Board or its delegate(s) may decide in their sole discretion.

(q) Rights on takeover and schemes of compromise or arrangement

If a general offer by way of takeover 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 concert with the offeror), and the offer becomes or is declared unconditional in all respects, the grantee shall be entitled to exercise the option (to the extent not already exercised) at any time within one month (or such other period as the Board or its delegate(s) may decide in their sole discretion) after the date on which the offer becomes or is declared unconditional. If the option is not exercised within the time specified, the option shall lapse.

If a compromise or arrangement between the Company and its members or creditors is proposed, our Company shall give notice to the grantee on the same date as it despatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the grantee (or his personal representatives) may until the expiry of the period commencing with such date and ending with earlier of the date two calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the court exercise any of his options (to the extent not already exercised) whether in full or in part, but the exercise of an option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective, and upon such compromise or arrangement becoming effective, all options shall lapse except insofar as previously exercised under the Post-IPO ESOP. Our Company may require the grantee to transfer or otherwise deal with the Shares issued as a result of the exercise of options in these circumstances so as to place the grantee in the same position, as nearly as possible, as would have been the case had such Shares been subject to such compromise or arrangement. If the option is not exercised within the time specified, the option shall lapse.

(r) Rights on a voluntary winding up

In the event a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall on the same date as or soon after it dispatches such notice to each member of our Company give notice thereof to all grantees (together with a notice of the existence of the provisions of this sub-paragraph) and thereupon, each grantee (or his personal representatives) shall be entitled to exercise all or any of his options (to the extent not already exercised) at any time not later than two business days prior to the proposed general meeting of our Company by giving notice in writing to our Company, 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 our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the grantee credited as fully paid. If the option is not exercised within the time specified, the option shall lapse.

(s) Ranking of shares

The Shares to be allotted and issued upon the exercise of an option shall be identical to the then existing issued shares of the Company and subject to all the provisions of the memorandum and articles of association of the Company for the time being in force and will rank pari passu with the other fully paid Shares in issue on the date the name of the grantee is registered on the register of members of the Company or if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, save that the grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the Shareholders on the register on a date prior to such registration.

(t) Duration

The Post-IPO ESOP shall be valid and effective for the period of ten years commencing on the Listing Date (after which, no further options shall be offered or granted under the Post-IPO ESOP), but in all other respects the provisions of the Post-IPO ESOP 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 rules of the Post-IPO ESOP.

(u) Alteration of the Post-IPO ESOP

The Board may subject to the rules of the Post-IPO ESOP amend any of the provisions of the Post-IPO ESOP (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 ESOP, 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 ESOP 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 ESOP in relation to any alteration of the terms of the Post-IPO ESOP shall be made, without the prior approval of Shareholders in general meeting. Any alterations to the terms of the Post-IPO ESOP which are of a material nature, or any change to the terms and conditions of options granted, must also, to be effective, be approved by the Shareholders in general meeting and the Stock Exchange, except where the alterations take effect automatically under the existing terms of the Post-IPO ESOP. The options and the Post-IPO ESOP so altered must comply with Chapter 17 of the Listing Rules. Any change to the authority of the Directors or scheme administrators in relation to any alteration to the terms of the Post-IPO ESOP must be approved by Shareholders in general meeting.

Notwithstanding any provisions to the contrary in the Post-IPO ESOP, 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 the 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 Law or the Takeovers Code.

(v) Termination

The Shareholders by ordinary resolution in general meeting or the Board may at any time resolve to terminate the operation of the Post-IPO ESOP prior to the expiry of the Post-IPO ESOP and in such event no further options will be offered or granted but the provisions of the Post-IPO ESOP shall remain in full force 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 ESOP. Options complying with the provisions of Chapter 17 of the Listing Rules which are granted during the life of the Post-IPO ESOP and remain unexercised and unexpired immediately prior to the termination of the operation of the Post-IPO ESOP shall continue to be valid and exercisable in accordance with their terms of issue after the termination of the Post-IPO ESOP.

Details of the options granted, including options exercised or outstanding, under the Post-IPO ESOP shall be disclosed in the circular to the Shareholders seeking approval of the new scheme established after the termination of the Post-IPO ESOP.

(w) Value of options

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.

3. RS PLAN

(a) *Summary*

The following is a summary of the principal terms of the Innovent Biologics, Inc. 2018 Restricted Share Plan (i.e. the RS Plan), as approved by the Shareholders on October 15, 2018. The terms of the RS Plan are not subject to the provisions of Chapter 17 of the Listing Rules as the RS Plan will not involve the grant of options by us to subscribe for ordinary shares with a par value of US\$0.00001 each once we have become a listed issuer. 55,907,535 Shares will be issued by the Company within two years of the Listing for distribution of Shares corresponding to Restricted Shares.

As of the Latest Practicable Date, our Company had not identified any grantee under the RS Plan.

(b) *Purpose*

The purpose of the RS Plan is to enable the directors, officers, and other key contributors and employees of the Group to share the success of the Company, in order to assure a closer identification of the interests of such persons with those of the Group and stimulate the efforts of such persons on the Group's behalf.

(c) *Restricted Shares*

An Award represents a grant of restricted shares ("**Restricted Shares**") to the grantees (the "**Grantees**"). Each Restricted Share shall represent the right to receive one Share (subject to any adjustment in accordance with the terms of the RS Plan due to changes of share capital of our Company) upon vesting. The number of Shares that are subject to outstanding awards of Restricted Shares granted under the RS Plan (the "**Awards**" and each of them, an Award) at any time shall not exceed the aggregate number of Restricted Shares that then remain available for distribution under the RS Plan. The grant of an Award to a Grantee shall be documented by and subject to an award agreement, in which the terms and conditions of the Award determined by the Committee shall be set out.

(d) *Administration*

The term of the RS Plan shall be ten (10) years from the date of approval and adoption of the RS Plan by the Board. The RS Plan shall be administered by a committee as designated by the Board from time to time (the "**Committee**"). Any decisions of the Committee shall be approved by the majority of the members of the Committee.

Subject to compliance with any applicable legal requirements relating to the administration of this plan and the grant of any Award, the Committee shall have the power and authority to grant Awards in accordance with the terms of the RS Plan, including the power and authority:

- (a) to select any person who is a full-or part-time executive officer, senior vice president, department head, vice president or any other key contributor and employee of the Company or any subsidiary of the Company (an “**Eligible Person**”) at the time of the grant to whom Awards may from time to time be granted;
- (b) to determine the time or times of grant, and the extent, if any, of Awards granted to any one or more Grantees;
- (c) to determine the number of Restricted Shares granted under any Award, subject to adjustment;
- (d) to determine and modify the terms and conditions of any Award, and to approve the form of written instruments evidencing the Awards;
- (e) to amend, with the consent of the Grantee, the terms of any outstanding Award at any time; to amend, without the consent of the Grantee, such terms where the amendment (i) does not materially and adversely affect the rights of the Grantee, or (ii) is necessary or advisable (as determined by the Committee) to carry out the purpose of the Award as a result of any applicable law, or (iii) pertains to the RS Plan or Award that specifically permits such amendment without consent;
- (f) to accelerate at any time the vesting of all or any portion of any Award;
- (g) to impose any limitations on Awards granted under the RS Plan;
- (h) to appoint such agents as the Committee may deem in its absolute discretion appropriate to administer the RS Plan;
- (i) to adopt, alter and repeal such rules, guidelines and practices for administration of the RS Plan and for its own acts and proceedings as it shall deem advisable; to interpret the terms and provisions of the RS Plan and any Award (including related written instruments); to make all determinations it deems advisable for the administration of the RS Plan; to decide all disputes arising in connection with the RS Plan; and
- (j) to take any other action that the Committee deems necessary or desirable for the administration of the RS Plan.

All decisions of the Committee shall be binding on all persons, including the Company and the Grantees.

Neither the Board nor the Committee, nor any member of either or any delegatee thereof, shall be liable for any act or omission made in good faith in connection with the RS Plan.

(e) Grant of Restricted Shares

At the time of grant, the Committee shall specify the date or dates and/or any vesting or any other terms and conditions (which may include continuing employment or other service relationship, achievement of pre-established performance goals and objectives and/or such other conditions that the Committee deems appropriate in its sole and absolute discretion) on which Restricted Shares under an Award shall become vested.

To receive Shares underlying their Restricted Shares, Grantees must: (i) have been an employee of any member of the Group on a continuous and uninterrupted basis throughout the vesting periods of their Grant, and (ii) comply with any other additional obligations determined by the Committee (the “**Continued Employment Condition**”). If the Grantee ceases to meet the Continued Employment Condition at any time during any of the vesting periods of their Grant, he or she will automatically and without prior notice or consideration forfeit his or her Restricted Shares.

For the avoidance of doubt, such forfeiture applies to any one of the events listed below (subject in any event to the absolute discretion of the Committee):

Death. In the event of a Grantee’s death, any unvested Restricted Shares will automatically be forfeited.

Disability. In the event of a Grantee’s disability that results in (i) the Grantee being absolutely unable to exercise any profession whatsoever or (ii) the Grantee, being in his or her absolute inability to exercise a profession, also requires the assistance of a third party individual in order to complete ordinary acts of life, with such disability resulting in the Grantee ceasing to meet the Continued Employment Condition, any unvested Restricted Shares will automatically be forfeited.

Voluntary resignation. In the event of a Grantee’s expiration of term of his/her employment agreement or any voluntary resignation (except where such resignation is to be succeeded by such Grantee commencing (1) employment with any business which, in the sole opinion of the Committee, competes with the Company or (2) any other competitive relationship with the Company as considered and determined in the sole opinion of the Committee), any unvested Restricted Shares will automatically be forfeited.

Dismissal due to negligence. In the event of a Grantee’s employment being terminated due to individual dereliction of duty as determined by the Committee, any unvested Restricted Shares will automatically be forfeited. Such forfeiture of Restricted Shares shall occur on the date of reception (or presentation) of the dismissal letter or the resignation letter, notwithstanding any notice period (regardless of whether it has been completed) or on the date of the termination of the employment agreement for other circumstances. If the Grantee is a

corporate officer, the forfeiture of Restricted Shares shall occur on the date of the expiration of term of his or her office, or on the date of his or her dismissal or of the notification of such dismissal. For corporate officers who are also employees with an employment agreement, the termination of the office does not lead to the forfeiture of the Restricted Shares so long as the employment agreement is maintained.

Notwithstanding the above and subject to the absolute discretion and determination of the Committee, the Grantee shall not forfeit his or her Restricted Shares in the event of (1) the Grantee's retirement or early retirement, (2) termination of his or her employment without cause, or (3) any other event determined in the sole opinion of the Committee to be an exception to the Continued Employment Condition.

If any Restricted Share is forfeited prior to vesting in accordance with the terms and conditions of the Award Agreement, then such Restricted Share shall be forfeited with immediate effect and of no further force or effect, and no payment shall be made to the Grantee in respect thereof.

(f) Changes in stock

Subject to the terms of the Restricted Shares, if the outstanding Shares are increased or decreased or are exchanged for a different number or kind of Shares or other securities of the Company, or additional Shares or new or different Shares or other securities of the Company or other non-cash assets are distributed with respect to such Shares or other securities, the Committee shall make an appropriate or proportionate adjustment in order to prevent dilution or enlargement of rights of the Grantees under the RS Plan.

Merger or demerger. In the event of a merger or a demerger of the Company, all provisions in this Plan, for the period remaining as from the exchange date, shall continue to apply to the rights received as a result of the exchange. If the Board determines that such Restricted Share shall vest, the Company shall as soon as possible prior to the date of the proposed shareholders' meeting, deliver the Shares underlying the Restricted Shares to the Grantees, either directly or indirectly under the name of any person or entity designed by the Grantees.

Winding Up. In the event a notice is given by the Company to its shareholders to convene a shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company prior to the vesting date of any Restricted Share, the Board shall determine at its discretion whether and the period when such Restricted Share shall vest. If the Board determines that such Restricted Share shall vest, the Company shall as soon as possible prior to the date of the proposed shareholders' meeting, deliver the Shares underlying the Restricted Shares to the Grantees, either directly or indirectly under the name of any person or entity designed by the Grantees.

Takeover. If a general offer by way of takeover or otherwise (other than by way of scheme of arrangement) is made to all of the shareholders of the Company (other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer becomes or is declared unconditional, the Company shall forthwith give notice to the Grantees and the Grantees shall be entitled to receive the Shares in respect of the vested Restricted Shares within any period specified in the notification.

Scheme of arrangement. If a general offer by way of scheme arrangement is made to all of the shareholders of the Company and has been approved by the necessary number of shareholders of the Company at the requisite meetings, the Company shall forthwith give notice to the Grantees and the Grantees shall be entitled to receive the Shares in respect of the vested and unvested Restricted Shares within any period specified in the notification.

Compromise or arrangement. In the event of a compromise or arrangement between the Company and its shareholders and/or creditors being proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other companies pursuant to the laws of the jurisdiction in which the Company was incorporated, the Company shall give notice to all Grantees on the same day as it first gives notice of the meeting to its shareholders and/or creditors summoning the meeting to consider such a scheme or arrangement. The Grantee shall be entitled to receive the Shares in respect of the vested and unvested Restricted Shares within any period specified in the notification. In any event, the Company shall procure the Shares to be delivered to the Grantees no later than three days prior to the proposed meeting.

(g) *Non-transferability of the awards and Shares*

Unless otherwise determined by the Committee and so provided in the applicable Award Agreement, no Restricted Shares shall be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner (whether by operation of law or otherwise) other than by will or applicable laws of descent and distribution or pursuant to a domestic relations order. Failure to comply shall result in the Restricted Shares being forfeited.

(h) *Rights of the grantees*

Voting Rights. Where the Shares are delivered to and held by a nominee, trustee, or custodian appointed by the Company for the purpose of implementation of the Restricted Shares, regardless of whether the corresponding Restricted Shares have vested or not, such nominee, trustee or custodian shall, as provided in the applicable trust deed or other similar custodian documents entered into with the Company, exercise the shareholder's rights attached to the Shares, in particular, the right to vote at the Company's shareholders' meetings on behalf of the Grantees.

Dividends. No Grantee shall receive any payment with respect to the outstanding Restricted Shares under the Awards in the event the Company pays any dividend on the underlying Shares until such Restricted Shares become fully vested (provided always that the Grantees shall not be entitled to receive any dividend declared and distributed with respect to the Restricted Shares prior to the vesting of the same), unless otherwise provided in the Award Agreement. The Company may in its discretion implement mechanisms intended to reduce the costs associated with the dividend distributions.

Death. Each Grantee to whom an Award has been made under the RS Plan may designate a Grantee or beneficiaries to receive any vested Award or any payment under any Award payable on or after the Grantee's death. Such designation shall not be effective until received by the Committee.

Creditors' rights. With respect to any Award and any payments in cash, Shares or other consideration not received by a Grantee, a Grantee shall have no rights greater than those of a general creditor of the Company unless the Committee shall otherwise expressly determine in connection with any Award or Awards.

(i) Tax withholding

Each Grantee shall, no later than the date as of which the value of an Award or other amounts received thereunder first becomes includable in the gross income of the Grantee for income tax purposes, pay to the Company or other applicable employer, or make arrangements satisfactory to the Committee regarding payment of, any national, federal, state, or local taxes of any kind required by law to be withheld with respect to such income. The Company and its subsidiaries shall, to the extent permitted by law, have the right to (i) deduct any such taxes from any payment of any kind otherwise due to the Grantee or (ii) procure the sale of all or part of the Shares to satisfy the Grantee's obligations.

E. 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 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 in issue, the Shares to be issued pursuant to the Global Offering (including any Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option and any Shares to be allotted and issued upon the exercise of the options which have been granted under the Pre-IPO Share Incentive Plan).

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\$2 million for acting as the sponsor for the Listing.

4. 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
Goldman Sachs (Asia) L.L.C.	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
China Merchants Securities (HK) Co., Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
Han Kun Law Offices Maples and Calder (Hong Kong) LLP	Qualified PRC Lawyers Cayman Islands attorneys-at-law

Name	Qualification
Deloitte Touche Tohmatsu	Certified public accountants
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

As of the Latest Practicable Date, none of the experts named above has 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.

5. 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 Ordinance so far as applicable.

6. 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 Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

7. Preliminary Expenses

The Company did not incur any material preliminary expenses.

8. 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 “Further Information about our Business – 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 promoter. 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.